SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 26, 2002

Commission File Number	Registrant, State of Incorporation, Address and Telephone Number	I.R.S. Employer Identification Number
0-33207	GREAT PLAINS ENERGY INCORPORATED (A Missouri Corporation) 1201 Walnut Street Kansas City, Missouri 64106 (816) 556-2200 NOT APPLICABLE (Former name or former address, if changed since last report)	43-1916803
1-707	KANSAS CITY POWER & LIGHT COMPANY (A Missouri Corporation) 1201 Walnut Street Kansas City, Missouri 64106 (816) 556-2200 NOT APPLICABLE (Former name or former address, if changed since last report)	44-0308720

Great Plains Energy Incorporated (Great Plains Energy) and Kansas City Power & Light Company (KCP&L) (the Registrants) are separately filing this combined Report on Form 8-K to reflect in historical December 31, 2001, 2000 and 1999 segment information the new reportable segments reported in the Registrants' combined Report on Form 10-Q for the period ended June 30, 2002. Information contained herein relating to an individual Registrant is filed by such registrant on its own behalf. Each Registrant makes representations only as to information relating to itself. The Registrants' combined 2001 Annual Report on Form 10-K, as amended by KCP&L on Form 10-K/A, is referred to in this filing as the "amended 2001 Annual Report".

ITEM 5. OTHER EVENTS

During the second quarter of 2002, Great Plains Energy's management revised its corporate business strategy to focus on the following three primary business segments: (1) KCP&L, an integrated electric utility which generates, transmits and distributes electricity; (2) Strategic Energy, L.L.C., which earns a management fee on the direct delivery to retail customers under long-term contracts of wholesale power purchased under long-term contracts while operating in several deregulated electricity markets; and (3) KLT Gas Inc., which acquires and develops early stage coal bed methane properties. This revision in the corporate business strategy resulted in a change in the Registrants' internal reporting. In order to reflect this revision to the Registrants' corporate business strategy, Note 9 to the December 31, 2001, 2000 and 1999 financial statements contained in the amended 2001 Annual Report has been revised to present the Registrants' reformatted segment information.

Exhibit 99 to this Report on Form 8-K includes Great Plains Energy's and KCP&L's financial statements for the years ended December 31, 2001, 2000, and 1999 with the revised Note 9 "Segment and Related Information", as discussed above. There are no other required changes to the financial statements filed in the Exhibit 99 to this Report on Form 8-K.

Exhibit 99 to this Report on Form 8-K also includes a glossary of terms, the Reports of Independent Accountants on Great Plains Energy and Subsidiaries' and KCP&L and Subsidiaries' financial statements for the periods presented and the Independent Auditors' Report for DTI Holdings, Inc. and subsidiaries (Debtors-in-Possession).

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

Great Plains Energy Incorporated and Kansas City Power & Light Company

Exhibit No.	
99	Consolidated Financial Statements of Great Plains Energy Incorporated and Kansas City Power & Light Company

Great Plains Energy Incorporated

Exhibit No.	
23.1.a.	Consent of Independent Accountants - PricewaterhouseCoopers LLP
23.1.b.	Consent of Independent Accountants - Deloitte & Touche LLP

99.1.a.	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

Kansas City Power & Light Company

Exhibit No.	
23.2.a.	Consent of Independent Accountants - PricewaterhouseCoopers LLP
99.2.b.	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

SIGNATURES

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

GREAT PLAINS ENERGY INCORPORATED

/s/Jeanie Sell Latz

Jeanie Sell Latz
Executive Vice President-Corporate
and Shared Services and Secretary

KANSAS CITY POWER & LIGHT COMPANY

/s/Jeanie Sell Latz

Jeanie Sell Latz
Secretary

Date: August 26, 2002

Exhibit 23.1.a

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File Nos. 333-97263 and 333-87190) and Form S-8 (File Nos. 33-45618 and 333-32636) of Great Plains Energy Incorporated of our report dated February 5, 2002, except with respect to Note 9, as to which the date is May 22, 2002, relating to the financial statements of Great Plains Energy Incorporated and Subsidiaries, which appears in this Current Report on Form 8-K.

/s/PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP

Kansas City, Missouri
August 23, 2002

Exhibit 23.1.b

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 333-97263 on Form S-3, Registration Statement No. 333-87190 on Form S-3, Registration Statement No. 33-45618 on Form S-8 and Registration Statement No. 333-32636 on Form S-8 of Great Plains Energy Incorporated and Registration Statement No. 333-18139 on Form S-3 and Amendment 2 to Registration Statement No. 333-87982 on Form S-4 of Kansas City Power & Light of our report dated January 30, 2002 (relating to the financial statements of DTI Holdings, Inc. and Subsidiaries (the "Company") not presented separately herein and which report expresses an unqualified opinion and includes explanatory paragraphs referring to the Company's filing for reorganization under Chapter 11 of the Federal Bankruptcy Code, substantial doubt about the Company's ability to continue as a going concern and an impairment charge recorded by the Company), appearing in this Current Report on Form 8-K of Great Plains Energy Incorporated and Kansas City Power & Light Company for the year ended December 31, 2001.

/s/ DELOITTE & TOUCHE LLP

St. Louis, Missouri
August 23, 2002

Exhibit 23.2.a

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (File No. 333-18139) and Form S-4 (File No. 333-87982) of Kansas City Power & Light Company (a wholly-owned subsidiary of Great Plains Energy Incorporated) of our report dated February 5, 2002, except with respect to Note 9, as to which the date is May 22, 2002, relating to the financial statements of Kansas City Power & Light Company and Subsidiaries, which appears in this Current Report on Form 8-K.

/s/PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP

Kansas City, Missouri
August 23, 2002

Exhibit 99

Item 8. Consolidated Financial Statements

GREAT PLAINS ENERGY
Consolidated Statements of Income

Year ended December 31	2001	2000	1999
		(thousands)	
Operating Revenues			
Electric sales revenues	$1,363,483	$1,063,804	$ 897,393
Gas sales revenues	15,754	48,297	20,814
Other revenues	82,681	3,767	3,275
Total	1,461,918	1,115,868	921,482
Operating Expenses			
Fuel	163,846	153,144	129,255
Purchased power	394,176	190,171	94,697
Gas purchased and production expenses	16,932	30,396	11,125
Other	323,663	249,926	220,534
Maintenance	77,802	74,466	62,589
Depreciation and depletion	158,771	132,378	123,269
(Gain) Loss on property	171,477	(99,118)	1,200
General taxes	98,060	92,228	93,051
Total	1,404,727	823,591	735,720
Operating income	57,191	292,277	185,762
Losses from equity investments	(376)	(19,441)	(24,951)
Other income and expenses	(29,440)	(15,353)	(7,382)
Interest charges	103,332	75,686	68,334
Income (loss) before income taxes, extraordinary item and cumulative effect of changes in accounting principles	(75,957)	181,797	85,095
Income taxes	(35,914)	53,166	3,180
Income (loss) before extraordinary item and cumulative effect of changes in accounting principles	(40,043)	128,631	81,915
Early extinguishment of debt, net of income taxes (Note 17)	15,872	-	-
Cumulative effect to January 1, 2000, of changes in accounting principles, net of income taxes (Note 3)	-	30,073	-
Net income (loss)	(24,171)	158,704	81,915
Preferred stock dividend requirements	1,647	1,649	3,733
Earnings (loss) available for common stock	$ (25,818)	$ 157,055	$ 78,182
Average number of common shares outstanding	61,864	61,864	61,898
Basic and diluted earnings (loss) per common share before extraordinary item and cumulative effect of changes in accounting principles	$ (0.68)	$ 2.05	$ 1.26
Early extinguishment of debt	0.26	-	-
Cumulative effect to January 1, 2000, of changes in accounting principles	-	0.49	-
Basic and diluted earnings (loss) per common share	$ (0.42)	$ 2.54	$ 1.26
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

At December 31	2001	2000
	(thousands)	
ASSETS		
Current Assets		
Cash and cash equivalents	$ 29,034	$ 34,877
Receivables	152,114	115,356
Equity securities	-	18,597
Fuel inventories, at average cost	22,246	20,802
Materials and supplies, at average cost	50,696	46,402
Current income taxes	31,031	-
Deferred income taxes	5,061	737
Other	19,167	14,455

Total	309,349	251,226
Nonutility Property and Investments		
Affordable housing limited partnerships	81,136	98,129
Gas property and investments	43,385	47,654
Nuclear decommissioning trust fund	61,766	56,800
Other	64,519	81,624
Total	250,806	284,207
Utility Plant, at Original Cost		
Electric	4,332,464	3,832,655
Less-accumulated depreciation	1,793,786	1,645,450
Net utility plant in service	2,538,678	2,187,205
Construction work in progress	51,265	309,629
Nuclear fuel, net of amortization of $127,101 and $110,014	33,771	30,956
Total	2,623,714	2,527,790
Deferred Charges		
Regulatory assets	124,406	139,456
Prepaid pension costs	88,337	68,342
Goodwill	37,066	11,470
Other deferred charges	30,724	11,400
Total	280,533	230,668
Total	$ 3,464,402	$ 3,293,891
LIABILITIES AND CAPITALIZATION		
Current Liabilities		
Notes payable	$ 144,404	$ -
Commercial paper	62,000	55,600
Current maturities of long-term debt	238,767	93,645
EIRR bonds classified as current (Note 13)	177,500	177,500
Accounts payable	173,956	158,242
Accrued taxes	14,324	14,402
Accrued interest	13,262	12,553
Accrued payroll and vacations	26,422	28,257
Accrued refueling outage costs	12,979	1,890
Other	35,810	14,877
Total	899,424	556,966
Deferred Credits and Other Liabilities		
Deferred income taxes	594,704	590,220
Deferred investment tax credits	45,748	50,037
Accrued nuclear decommisioning costs	63,040	58,047
Other	114,085	63,860
Total	817,577	762,164
Capitalization (see statements)	1,747,401	1,974,761
Commitments and Contingencies (Note 6)		
Total	$ 3,464,402	$ 3,293,891

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

GREAT PLAINS ENERGY
Consolidated Statements of Capitalization

At December 31	2001	2000
	(thousands)	
Long-term Debt (excluding current maturities)		
General Mortgage Bonds		
Medium-Term Notes due 2003-08,		
7.28% and 7.18% weighted-average rate	$ 179,000	$ 206,000
2.71%* and 5.59%** EIRR bonds due 2012-23	158,768	158,768
EIRR bonds classified as		
current liabilities (Note 13)	(31,000)	(31,000)
Senior Notes		
7.125% due 2005	250,000	250,000
6.500% due 2011	150,000	-
Unamortized discount	(660)	(550)
Medium-Term Notes		
6.69%** due 2002	-	200,000
EIRR bonds		
3.25%* and 5.55%** Series A & B due 2015	106,500	106,500
3.25%* and 4.35%** Series D due 2017	40,000	40,000
EIRR bonds classified as		
current liabilities (Note 13)	(146,500)	(146,500)
4.50%* and 4.50%** Series C due 2017	50,000	50,000
Subsidiary Obligations		
R.S. Andrews Enterprises, Inc. long-term debt		
8.14% weighted-average rate due 2003-07	2,832	-
Affordable Housing Notes		
8.16% and 8.29% weighted-average rate		
due 2003-08	19,746	31,129
Total	778,686	864,347
Company-obligated Mandatorily Redeemable		
Preferred Securities of a trust holding solely		
KCPL Subordinated Debentures	150,000	150,000
Cumulative Preferred Stock		
$100 Par Value		
3.80% - 100,000 shares issued	10,000	10,000
4.50% - 100,000 shares issued	10,000	10,000
4.20% - 70,000 shares issued	7,000	7,000
4.35% - 120,000 shares issued	12,000	12,000
$100 Par Value - Redeemable		
4.00%	-	62
Total	39,000	39,062
Common Stock Equity		
Common stock-150,000,000 shares authorized		
without par value 61,908,726 shares issued,		
stated value	449,697	449,697
Capital stock premium and expense	(1,656)	(1,666)
Retained earnings (see statements)	344,815	473,321
Accumulated other comprehensive loss		
Loss on derivative hedging instruments	(12,110)	-
Minimum pension liability	(1,031)	-
Total	779,715	921,352
Total	$ 1,747,401	$ 1,974,761

* Variable rate securities, weighted-average rate as of December 31, 2001
** Variable rate securities, weighted-average rate as of December 31, 2000

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	2001	2000	1999
		(thousands)	
Cash Flows from Operating Activities			
Net income (loss)	$ (24,171)	$ 158,704	$ 81,915
Adjustments to reconcile income to net cash from operating activities:			
Early extinguishment of debt, net of income taxes	(15,872)	-	-
Cumulative effect of changes in accounting principles, net of income taxes	-	(30,073)	-
Depreciation and depletion	158,771	132,378	123,269
Amortization of:			
Nuclear fuel	17,087	15,227	15,782
Other	16,755	11,940	12,263
Deferred income taxes (net)	(301)	(29,542)	(26,784)
Investment tax credit amortization	(4,289)	(4,296)	(4,453)
Fuel contract settlement	-	-	(13,391)
Loss from equity investments	376	19,441	24,951
(Gain) Loss on property	171,477	(99,118)	1,200
Kansas rate refund accrual	-	-	(14,200)
Allowance for equity funds used during construction	(3,616)	(4,001)	(2,657)
Other operating activities (Note 2)	(37,356)	23,213	(37,786)
Net cash from operating activities	278,861	193,873	160,109
Cash Flows from Investing Activities			
Utility capital expenditures	(262,030)	(401,041)	(180,687)
Allowance for borrowed funds used during construction	(9,197)	(12,184)	(3,378)
Purchases of investments	(46,105)	(55,531)	(35,072)
Purchases of nonutility property	(66,119)	(25,466)	(55,792)
Proceeds from sale of assets	66,460	225,958	39,617
Hawthorn No. 5 partial insurance recovery	30,000	50,000	80,000
Loan to DTI prior to majority ownership	(94,000)	-	-
Other investing activities	10,306	18,967	(10,316)
Net cash from investing activities	(370,685)	(199,297)	(165,628)
Cash Flows from Financing Activities			
Issuance of long-term debt	249,597	500,445	10,889
Repayment of long-term debt	(193,145)	(179,858)	(109,060)
Net change in short-term borrowings	140,747	(183,099)	228,699
Dividends paid	(104,335)	(104,335)	(106,662)
Redemption of preferred stock	-	-	(50,000)
Other financing activities	(6,883)	(5,925)	1,513
Net cash from financing activities	85,981	27,228	(24,621)
Net Change in Cash and Cash Equivalents	(5,843)	21,804	(30,140)
Cash and Cash Equivalents at Beginning of Year	34,877	13,073	43,213
Cash and Cash Equivalents at End of Year	$ 29,034	$ 34,877	$ 13,073

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	2001	2000	1999
		(thousands)	
Net Income (Loss)	$ (24,171)	$ 158,704	$ 81,915
Other comprehensive loss:			
Unrealized loss on securites available for sale	-	-	(3,778)
Income tax benefit	-	-	1,367
Net unrealized loss on securites available for sale	-	-	(2,411)
Loss on derivative hedging instruments	(43,706)	-	-
Income tax benefit	18,136	-	-
Net loss on derivative hedging instruments	(25,570)	-	-
Minimum pension liability	(1,691)	-	-
Income tax benefit	660	-	-
Net minimum pension liability	(1,031)	-	-
Reclassification to revenues and expenses, net of tax	(3,983)	2,337	-
Comprehensive income before cumulative effect of a change in accounting principles, net of income taxes	(54,755)	161,041	79,504
Cumulative effect to January 1, 2001, of a change in accounting principles, net of income taxes	17,443	-	-
Comprehensive Income (Loss)	$ (37,312)	$ 161,041	$ 79,504

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

GREAT PLAINS ENERGY
Consolidated Statements of Retained Earnings

Year Ended December 31	2001	2000	1999
		(thousands)	
Beginning Balance	$ 473,321	$ 418,952	$ 443,699
Net Income (Loss)	(24,171)	158,704	81,915
	449,150	577,656	525,614
Dividends Declared			
Preferred stock - at required rates	1,647	1,649	3,911
Common stock	102,688	102,686	102,751
Ending Balance	$ 344,815	$ 473,321	$ 418,952

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	2001	2000 (thousands)	1999
Operating Revenues			
Electric sales revenues	$ 1,256,121	$ 1,063,804	$ 897,393
Other revenues	94,773	52,064	24,089
Total	1,350,894	1,115,868	921,482
Operating Expenses			
Fuel	163,846	153,144	129,255
Purchased power	304,862	190,171	94,697
Gas purchased and production expenses	17,454	30,396	11,125
Other	304,704	249,926	220,534
Maintenance	77,172	74,466	62,589
Depreciation and depletion	152,893	132,378	123,269
(Gain) Loss on property	(22,026)	(99,118)	1,200
General taxes	97,288	92,228	93,051
Total	1,096,193	823,591	735,720
Operating income	254,701	292,277	185,762
Losses from equity investments	(501)	(19,441)	(24,951)
Other income and expenses	(22,440)	(15,353)	(7,382)
Interest charges	97,653	75,686	68,334
Income before income taxes, extraordinary item and cumulative effect of changes in accounting principles	134,107	181,797	85,095
Income taxes	30,288	53,166	3,180
Income before extraordinary item and cumulative effect of changes in accounting principles	103,819	128,631	81,915
Early extinguishment of debt, net of income taxes	15,872	-	-
Cumulative effect to January 1, 2000, of changes in accounting principles, net of income taxes (Note 3)	-	30,073	-
Net income	119,691	158,704	81,915
Preferred stock dividend requirements	1,098	1,649	3,733
Earnings available for common stock	$ 118,593	$ 157,055	$ 78,182

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Balance Sheets

At December 31	2001	2000
	(thousands)	
ASSETS		
Current Assets		
Cash and cash equivalents	$ 962	$ 34,877
Receivables	62,511	115,356
Equity securities	-	18,597
Fuel inventories, at average cost	22,246	20,802
Materials and supplies, at average cost	50,696	46,402
Deferred income taxes	5,061	737
Other	11,484	14,455
Total	152,960	251,226
Nonutility Property and Investments		
Affordable housing limited partnerships	-	98,129
Gas property and investments	-	47,654
Nuclear decommissioning trust fund	61,766	56,800
Other	40,797	81,624
Total	102,563	284,207
Utility Plant, at Original Cost		
Electric	4,332,464	3,832,655
Less-accumulated depreciation	1,793,786	1,645,450
Net utility plant in service	2,538,678	2,187,205
Construction work in progress	51,265	309,629
Nuclear fuel, net of amortization of $127,101 and $110,014	33,771	30,956
Total	2,623,714	2,527,790
Deferred Charges		
Regulatory assets	124,406	139,456
Prepaid pension costs	88,337	68,342
Goodwill	22,952	11,470
Other deferred charges	30,724	11,400
Total	266,419	230,668
Total	$ 3,145,656	$ 3,293,891
LIABILITIES AND CAPITALIZATION		
Current Liabilities		
Notes payable	$ 20,404	$ -
Commercial paper	62,000	55,600
Current maturities of long-term debt	227,383	93,645
EIRR bonds classified as current (Note 13)	177,500	177,500
Accounts payable	113,029	158,242
Accrued taxes	15,895	14,402
Accrued interest	11,327	12,553
Accrued payroll and vacations	22,581	28,257
Accrued refueling outage costs	12,979	1,890
Other	14,562	14,877
Total	677,660	556,966
Deferred Credits and Other Liabilities		
Deferred income taxes	630,699	590,220
Deferred investment tax credits	45,748	50,037
Accrued nuclear decommisioning costs	63,040	58,047
Other	75,186	63,860
Total	814,673	762,164
Capitalization (see statements)	1,653,323	1,974,761
Commitments and Contingencies (Note 6)		
Total	$ 3,145,656	$ 3,293,891

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Capitalization

At December 31	2001	2000
	(thousands)	
Long-term Debt (excluding current maturities)		
General Mortgage Bonds		
Medium-Term Notes due 2003-08,		
7.28% and 7.18% weighted-average rate	$ 179,000	$ 206,000
2.71%* and 5.59%** EIRR bonds due 2012-23	158,768	158,768
EIRR bonds classified as		
current liabilities (Note 13)	(31,000)	(31,000)
Senior Notes		
7.125% due 2005	250,000	250,000
6.500% due 2011	150,000	-
Unamortized discount	(660)	(550)
Medium-Term Notes		
6.69%** due 2002	-	200,000
EIRR bonds		
3.25%* and 5.55%** Series A & B due 2015	106,500	106,500
3.25%* and 4.35%** Series D due 2017	40,000	40,000
EIRR bonds classified as		
current liabilities (Note 13)	(146,500)	(146,500)
4.50%* and 4.50%** Series C due 2017	50,000	50,000
Subsidiary Obligations		
R.S. Andrews Enterprises, Inc. long-term debt		
8.14% weighted-average rate due 2003-07	2,832	-
Affordable Housing Notes		
8.29% weighted-average rate due 2003-08	-	31,129
Total	758,940	864,347
Company-obligated Mandatorily Redeemable		
Preferred Securities of a trust holding solely		
KCPL Subordinated Debentures	150,000	150,000
Cumulative Preferred Stock		
$100 Par Value		
3.80% - 100,000 shares issued	-	10,000
4.50% - 100,000 shares issued	-	10,000
4.20% - 70,000 shares issued	-	7,000
4.35% - 120,000 shares issued	-	12,000
$100 Par Value - Redeemable		
4.00%	-	62
Total	-	39,062
Common Stock Equity		
Common stock-150,000,000 shares authorized		
without par value 61,908,726 shares issued,		
stated value	-	449,697
Common stock-1,000 shares authorized without		
par value 1 share issued, stated value ***	487,041	-
Capital stock premium and expense	39,000	(1,666)
Retained earnings (see statements)	219,524	473,321
Accumulated other comprehensive loss		
Loss on derivative hedging instruments	(151)	-
Minimum pension liability	(1,031)	-
Total	744,383	921,352
Total	$ 1,653,323	$ 1,974,761

* Variable rate securities, weighted-average rate as of December 31, 2001

** Variable rate securities, weighted-average rate as of December 31, 2000

*** Reflects common stock value held by Great Plains Energy resulting from the exchange of KCP&L common stock to Great Plains Energy common stock and the transfer of $39 million of preferred stock and the associated stock premium and discount to Great Plains Energy due to the October 1, 2001 formation of the holding company.

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	2001	2000 (thousands)	1999
Cash Flows from Operating Activities			
Net income	$ 119,691	$ 158,704	$ 81,915
Adjustments to reconcile income to net cash from operating activities:			
Early extinguishment of debt, net of income taxes	(15,872)	-	-
Cumulative effect of changes in accounting principles, net of income taxes	-	(30,073)	-
Depreciation and depletion	152,893	132,378	123,269
Amortization of:			
Nuclear fuel	17,087	15,227	15,782
Other	15,717	11,940	12,263
Deferred income taxes (net)	12,867	(29,542)	(26,784)
Investment tax credit amortization	(4,289)	(4,296)	(4,453)
Fuel contract settlement	-	-	(13,391)
Loss from equity investments	501	19,441	24,951
(Gain) Loss on property	(22,026)	(99,118)	1,200
Kansas rate refund accrual	-	-	(14,200)
Allowance for equity funds used during construction	(3,616)	(4,001)	(2,657)
Other operating activities (Note 2)	(35,322)	23,213	(37,786)
Net cash from operating activities	237,631	193,873	160,109
Cash Flows from Investing Activities			
Utility capital expenditures	(262,030)	(401,041)	(180,687)
Allowance for borrowed funds used during construction	(9,197)	(12,184)	(3,378)
Purchases of investments	(41,548)	(55,531)	(35,072)
Purchases of nonutility property	(49,254)	(25,466)	(55,792)
Proceeds from sale of assets	64,072	225,958	39,617
Hawthorn No. 5 partial insurance recovery	30,000	50,000	80,000
Loan to DTI prior to majority ownership	(94,000)	-	-
Other investing activities	8,087	18,967	(10,316)
Net cash from investing activities	(353,870)	(199,297)	(165,628)
Cash Flows from Financing Activities			
Issuance of long-term debt	249,597	500,445	10,889
Repayment of long-term debt	(93,099)	(179,858)	(109,060)
Net change in short-term borrowings	14,524	(183,099)	228,699
Dividends paid	(78,246)	(104,335)	(106,662)
Dividends paid to Great Plains Energy	(25,677)	-	-
Cash of KLT Inc. and GPP dividended to Great Plains Energy	(19,115)	-	-
Redemption of preferred stock	-	-	(50,000)
Equity contribution from Great Plains Energy	39,000	-	-
Other financing activities	(4,660)	(5,925)	1,513
Net cash from financing activities	82,324	27,228	(24,621)
Net Change in Cash and Cash Equivalents	(33,915)	21,804	(30,140)
Cash and Cash Equivalents at Beginning of Year	34,877	13,073	43,213
Cash and Cash Equivalents at End of Year	$ 962	$ 34,877	$ 13,073

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	2001	2000	1999
		(thousands)	
Net income	$ 119,691	$ 158,704	$ 81,915
Other comprehensive loss:			
Unrealized loss on securites available for sale	-	-	(3,778)
Income tax benefit	-	-	1,367
Net unrealized loss on securites available for sale	-	-	(2,411)
Loss on derivative hedging instruments	(39,952)	-	-
Income tax benefit	16,590	-	-
Net loss on derivative hedging instruments	(23,362)	-	-
Minimum pension liability	(1,691)	-	-
Income tax benefit	660	-	-
Net minimum pension liability	(1,031)	-	-
Reclassification to revenues and expenses, net of tax	(7,687)	2,337	-
Comprehensive income before cumulative effect of a change in accounting principles, net of income taxes	87,611	161,041	79,504
Cumulative effect to January 1, 2001, of a change in accounting principles, net of income taxes	17,443	-	-
Comprehensive Income	$ 105,054	$ 161,041	$ 79,504

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Retained Earnings

Year Ended December 31	2001	2000	1999
		(thousands)	
Beginning Balance	$ 473,321	$ 418,952	$ 443,699
Net Income	119,691	158,704	81,915
	593,012	577,656	525,614
Dividends Declared			
Preferred stock - at required rates	824	1,649	3,911
Common stock	77,011	102,686	102,751
Common stock held by Great Plains Energy	25,677	-	-
Equity dividend of KLT Inc. and GPP to Great Plains Energy	269,976	-	-
Ending Balance	$ 219,524	$ 473,321	$ 418,952

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

GLOSSARY OF TERMS

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

Abbreviation or Acronym	Definition
APB	Accounting Principles Board
Clean Air Act	Clean Air Act Amendments of 1990
CO2	Carbon Dioxide
Consolidated KCP&L	KCP&L and its subsidiary HSS
DIP	Debtor-in-Possession
DTI	DTI Holdings, Inc. and its subsidiary Digital Teleport Inc.
DOE	Department of Energy
EIRR bonds	Environmental Improvement Revenue Refunding bonds
EPA	Environmental Protection Agency
EPS	Earnings per share
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
GAAP	Generally Accepted Accounting Principles
IBEW	International Brotherhood of Electrical Workers
IOUs	Investor owned utilities
GPP	Great Plains Power Incorporated, a subsidiary of Great Plains Energy Incorporated
HSS	Home Service Solutions Inc., a subsidiary of KCP&L
KCC	The State Corporation Commission of the State of Kansas
KCP&L	Kansas City Power & Light Company, a regulated electric utility subsidiary of Great Plains Energy Incorporated
MACT	Maximum Achievable Control Technology
MISO	Midwest Independent System Operator
MPSC	Missouri Public Service Commission
mw	Megawatt
NEIL	Nuclear Electric Insurance Limited
NOx	Nitrogen Oxide
NRC	Nuclear Regulatory Commission
PCBs	Polychlorinated biphenyls
PUHCA	Public Utility Holding Company Act of 1935
RSAE	R.S. Andrews Enterprises, Inc. a consumer services company in which HSS owns a 72% equity interest
RTO	Regional Transmission Organization
SEC	Securities and Exchange Commission
SPP	Southwest Power Pool
SFAS	Statement of Financial Accounting Standards
Superfund law	Federal Comprehensive Environmental Response, Compensation and Liability Act
WCNOC	Wolf Creek Nuclear Operating Corporation

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

The notes to consolidated financial statements that follow are a combined presentation for Great Plains Energy and consolidated KCP&L, both registrants under this filing. Effective October 1, 2001, KCP&L completed its formation of the holding company and became a wholly owned subsidiary of Great Plains Energy. Additionally, KCP&L dividended to Great Plains Energy, its ownership in KLT Inc. and GPP.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Great Plains Energy (The Company)
Great Plains Energy is a registered holding company under the PUHCA. Effective October 1, 2001, all outstanding KCP&L shares were exchanged one for one for shares of Great Plains Energy. The Great Plains Energy trading symbol "GXP" replaced the KCP&L trading symbol "KLT" on the New York Stock Exchange.

Effective October 1, 2001, KCP&L dividended its 100% ownership of KLT Inc. and GPP to Great Plains Energy. As a result, those companies are subsidiaries of Great Plains Energy and are not included in consolidated KCP&L's results of operations and financial position since that date.

Great Plains Energy's consolidated financial statements include consolidated KCP&L, KLT Inc. and GPP. The presentation of prior years results of operations and financial position for Great Plains Energy is provided for comparative purposes and is identical to the results of operations and financial position for consolidated KCP&L, prior to formation of the holding company, presented for those years. Intercompany balances and transactions have been eliminated in consolidation.

Consolidated KCP&L
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. KCP&L is a medium-sized, integrated electric utility with more than 474,000 customers at year-end in western Missouri and eastern Kansas. About 95% of KCP&L's retail electric revenues are from the Kansas City metropolitan area, an agribusiness center and major regional center for wholesale, retail and service companies. About 60% of KCP&L's 2001 retail megawatt-hour sales were to Missouri customers, the remainder to Kansas customers.

The rates charged by KCP&L are approved by the FERC and the state utility commissions, the MPSC and the KCC. The FERC regulates wholesale electricity operations and transmission rates and the state commissions regulate retail generation and distribution rates.

HSS, a wholly owned, unregulated subsidiary, owns 72% of RSAE, a consumer services company in Atlanta, Georgia. In 2001, HSS acquired majority ownership in RSAE and changed the method of accounting for RSAE from the equity method to consolidation. In addition, HSS owns all the stock of Worry Free Service, Inc. (Worry Free). Worry Free assists residential customers in obtaining financing primarily for heating and air conditioning equipment.

KLT Inc. and GPP
KLT Inc., formed in 1992, is an investment company focusing on energy-related ventures that are unregulated with high growth potential. KLT Inc.'s major holdings consist of Strategic Energy, KLT Gas, and investments in affordable housing limited partnerships. GPP, formed in 2001, will be a competitive generator that will sell to the wholesale market.

The preparation of Great Plains Energy and KCP&L's consolidated financial statements conforms with GAAP. Additionally, KCP&L's consolidated financial statements conform with the standards set forth by the FERC. GAAP requires in certain instances the use of estimates and assumptions that affect amounts reported in the financial statements along with the disclosure of commitments and contingencies at the date of the financial statements. Actual results could differ from those estimates.

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

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:

Current Assets and Current Liabilities-The stated value of financial instruments classified as current assets or liabilities approximates fair value due to the short-term nature of the instruments. At December 31, 2000, the equity securities were considered trading securities and therefore were recorded at fair value based on quoted market prices.

Investments and Nonutility Property-KCP&L's nuclear decommissioning trust fund is recorded at fair value. Fair value is based on quoted market prices of the investments held by the fund. 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. The stated values approximate fair market values.

Investments in Affordable Housing Limited Partnerships
At December 31, 2001, KLT Investments had $81.1 million in affordable housing limited partnerships. About 68% 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 (estimated residual value). 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, $52.9 million exceed this 5% level but were made before May 19, 1995.

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. Estimated residual values are based on studies performed by an independent firm. Based on the latest comparison, KLT Investments reduced its investments in affordable housing limited partnerships by $13.5 million in 2001 and $2.4 million in 2000. Projected annual reductions of the book cost for the years 2002 through 2006 total $9 million, $12 million, $8 million, $7 million and $6 million, respectively. Even after these reductions, earnings from affordable housing are expected to be positive for the next five years.

These projections are based on the latest information available but the ultimate amount and timing of actual reductions made could be significantly different from the above estimates.

Securities Available for Sale

In 2000, CellNet completed a sale of its assets to a third party causing KLT's investment in CellNet to become worthless. Accordingly, in March 2000, KLT Inc. realized losses on its investment in CellNet of $4.8 million before taxes ($0.05 per share). At December 31, 1999, $3.8 million before taxes of this loss had been reported as an unrealized loss in the Consolidated Statement of Comprehensive Income. These pre-tax amounts were reduced by taxes of $1.7 million in 2000 and $1.4 million in 1999.

Prior to realizing the losses, the investment in CellNet had been accounted for as securities available for sale and adjusted to market value, with unrealized gains or (losses) reported as a separate component of comprehensive income. The cost of these securities available for sale that KLT Investments II held as of December 31, 1999, was $4.8 million. Accumulated net unrealized losses were $2.3 million at December 31, 1999.

Utility Plant

KCP&L's utility plant is stated at historical costs of construction. These costs include taxes, an allowance for funds used during construction (AFDC) and payroll-related costs, including pensions and other fringe benefits. 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 and removal, is charged to accumulated depreciation.

Through December 31, 2001, KCP&L received $160 million in insurance recoveries related to property destroyed in the February 17, 1999, explosion at the Hawthorn No. 5 generating unit. Recoveries received have been recorded as an increase in accumulated depreciation.

AFDC represents the cost of borrowed funds and a return on equity funds used to finance construction projects. AFDC on borrowed funds reduces interest charges. AFDC on equity funds is included as a noncash item in Other income and expenses. The rates used to compute gross AFDC are compounded semi-annually and averaged 6.8% for 2001, 7.5% for 2000, and 7.7% for 1999.

Depreciation 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%.

Natural Gas Properties

KLT Gas follows the full cost method of accounting for its natural gas properties. Under the full cost method, all costs of acquisition, exploration and development of natural gas reserves are capitalized regardless of success. Any excess of book value plus costs to develop over the present value (10% discount rate) of estimated future net revenues (at year-end prices) from the natural gas reserves would be expensed.

Natural gas property and equipment included in the gas property and investments totaled $39.9 million, net of accumulated depreciation of $5.0 million, in 2001 and $18.1 million, net of accumulated depreciation of $1.1 million, in 2000.

Depletion, depreciation and amortization of these assets are calculated using the units of production method. The depletion per mmBtu was $1.35 for 2001, $0.63 for 2000 and $0.42 for 1999. Unproved gas properties are not amortized but are assessed for impairment either individually or on an aggregated basis. All natural gas property interests owned by KLT Gas are located in the United States.

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 probable.

Nuclear Plant Decommissioning Costs
The MPSC and the KCC require KCP&L and the other owners of Wolf Creek to submit an updated decommissioning cost study every three years. The following table shows the decommissioning cost estimates and the escalation rates and earnings assumptions approved by the MPSC and the KCC in 2000. 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
Future cost of decommissioning:		
Total Station	$1.2 billion	$1.5 billion
47% share	$554 million	$694 million
Current cost of decommissioning (in 1999 dollars):		
Total Station	$470 million	$470 million
47% share	$221 million	$221 million
Annual escalation factor	3.60%	4.50%
Annual return on trust assets	6.93%	7.66%

KCP&L contributes about $3 million annually to a tax-qualified trust fund to be used to decommission Wolf Creek. These costs are charged to other operating expenses and recovered in billings to customers. These funding levels assume a certain return on trust assets. If the actual return on trust assets is below the anticipated level, KCP&L believes a rate increase will be allowed ensuring full recovery of decommissioning costs over the remaining life of the unit.

The trust fund balance, including reinvested earnings, was $61.8 million at December 31, 2001, and $56.8 million at December 31, 2000. The related liabilities for decommissioning are included in Deferred Credits and Other Liabilities - Other.

In 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations". SFAS No. 143 is effective for fiscal years beginning after June 15, 2002. Under the new pronouncement, an entity must recognize as a liability the fair value of legal obligations associated with the retirement of long-lived assets. Management currently believes that nuclear decommissioning cost is the only significant legal retirement obligation.

After adoption of SFAS No. 143 in 2003, the asset retirement obligation for nuclear decommissioning would be recorded as a liability, currently estimated to be less than $100 million, with offsets to net utility plant and a regulatory asset. The amount recorded to the electric plant accounts will be depreciated over the remaining life of Wolf Creek. The associated liability will be increased for the passage of time (accretion) to operating expense. Trust fund income and losses from the external decommissioning trusts would be reported as investment income or loss. KCP&L does not anticipate results of operations to be significantly affected by the adoption of SFAS No. 143 as long as KCP&L is regulated. Regulatory assets or liabilities would be recorded when SFAS No. 143 is first adopted and then yearly for the difference between decommissioning expense determined by regulation and amounts required by SFAS No. 143.

Nuclear Fuel
KCP&L amortizes nuclear fuel to fuel expense based on the quantity of heat produced during generation of electricity. Under the Nuclear Waste Policy Act of 1982, the DOE is responsible for the permanent disposal of spent nuclear fuel. For the future 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. These disposal costs are charged to fuel expense.

A permanent disposal site will not be available for the industry until 2010 or later. 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. As a result, disposal services for Wolf Creek will not be available before 2016. Wolf Creek has an on-site, temporary storage facility for spent nuclear fuel. In early 2000, Wolf Creek completed replacement of spent fuel storage racks to increase its on-site storage capacity for all spent fuel expected to be generated by Wolf Creek through the end of its licensed life in 2025.

Regulatory Assets
SFAS No. 71, "Accounting for Certain Types of Regulation", applies to regulated entities whose rates are designed to recover the costs of providing service. Under this statement, KCP&L defers on the balance sheet items when allowed by a commission's rate order or when it is probable, based on regulatory past practices, that future rates will recover the amortization of the deferred costs. If SFAS No. 71 were not applicable, the unamortized balance of $124.4 million of KCP&L's regulatory assets, net of the related tax benefit, would be written off.

Regulatory Assets	December 31, 2001 (millions)	Amortization ending period
Recoverable taxes	$ 108.0	
Coal contract termination costs	6.4	2003
Decommission and decontaminate federal uranium enrichment facilities	3.9	2007
Premium on redeemed debt	5.1	2023
Other	1.0	2006
Total Regulatory Assets	$ 124.4	

Revenue Recognition
KCP&L and Strategic Energy use cycle billing and accrue estimated unbilled revenue at the end of each month. When Strategic Energy is arranging supply for retail customers, excess supply in certain time periods may occur. To reduce the total cost of providing energy to its retail customers, Strategic Energy sells the excess retail supply. The sale of excess retail supply is recorded in the consolidated statements of income as a reduction of purchased power. The gross amount of such excess retail supply sales was approximately $95.6 million in 2001, $29.5 million in 2000 and $7.2 million in 1999. KLT Gas records natural gas sales revenues based on the amount of gas sold to purchasers on its behalf.

Property Gains and Losses
Net gains and losses from the sales of assets, businesses, and asset impairments are recorded in operating expenses. See Note 17 for additional information regarding the net impairment of DTI assets.

Asset Impairments
Long-lived assets, including intangibles, are periodically reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. To the extent that there is impairment, analysis is performed based on several criteria, including but not

limited to revenue trends,discounted operating cash flows and other operating factors, to determine the impairment amount.

Income Taxes
The balance sheet includes deferred income taxes for all temporary differences between the tax basis of an asset or liability and that reported in the financial statements. These deferred tax assets and liabilities are determined by using the tax rates scheduled by the tax law to be in effect when the differences reverse. A tax valuation allowance is recorded when it is more likely than not that a deferred tax asset will not be realized.

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

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.

Basic and Diluted Earnings per Common Share Calculation
There is no dilutive effect on Great Plains Energy's earnings per share from other securities in 2001, 2000 or 1999. To determine earnings per common share, preferred stock dividend requirements are subtracted from both income before extraordinary item and cumulative effect of changes in accounting principles and net income before dividing by average number of common shares outstanding. The earnings per share impact of the extraordinary item and the cumulative effect of changes in accounting principles is determined by dividing each by the average number of common shares outstanding.

Earnings per share for KCP&L and Great Plains Energy are the same for the years 2000 and 1999, prior to the formation of the holding company.

2. SUPPLEMENTAL CASH FLOW INFORMATION

Great Plains Energy Other Operating Activities

	2001	2000	1999
Cash flows affected by changes in:		(thousands)	
Receivables	$(32,680)	$ (42,565)	$ (1,417)
Fuel inventories	(1,444)	1,787	(3,840)
Materials and supplies	(4,294)	(113)	(926)
Accounts payable	9,495	66,765	6,545
Accrued taxes	(31,133)	13,430	(14,653)
Accrued interest	667	(2,865)	(7,962)
Wolf Creek refueling outage accrual	11,089	(5,166)	(5,259)
Pension and postretirement benefit obligations	(22,577)	(12,653)	1,939
Other	33,932	4,593	(12,213)
Total other operating activities	$(36,945)	$ 23,213	$(37,786)
Cash paid during the period:			
Interest	$ 84,907	$ 76,395	$ 74,520
Income taxes	$ 21,614	$ 80,445	$ 52,300

During the first quarter of 2001, because KLT Telecom increased its equity ownership in DTI to a majority ownership, DTI was consolidated. On December 31, 2001, DTI filed voluntary petitions in Bankruptcy Court. See Note 17 for details regarding the bankruptcy. Beginning February 8, 2001, through December 31, 2001, prior to the bankruptcy, DTI's operations were included in KLT Telecom's results of operations.

The table below reflects a reconciliation of DTI's effect on Great Plains Energy's consolidated statement of cash flows for the year ended December 31, 2001, to the cash invested in DTI during 2001.

	(thousands)	
Cash Flows from Operating Activities		
Amounts included in net income(loss)	$(248,437)	
Depreciation	17,907	
Goodwill amortization	2,481	
Loss on property (net impairment)	195,835	
Other operating activities		
Accretion of Senior Discount Notes and amortization of the discount	16,364	
Other	1,719	
DTI adjustment to operating activities	234,306	
Net cash from operating activities		$ (14,131)
Cash Flows from Investing Activities		
Purchase of additional ownership in DTI	(39,855)	
Purchase of nonutility property	(33,648)	
Loans to DTI prior to consolidation	(94,000)	
Other investing activities	3,002	
DTI effect on cash from investing activities		(164,501)
Cash Flows from Financing Activities		
DTI effect on cash from financing activities		(2,223)
Cash flows from DTI investment		$(180,855)
Cash invested in DTI		
Loan to DTI Holdings	$ (94,000)	
Operating loans to Digital Teleport, Inc.	(47,000)	
Purchase of additional ownership in DTI	(39,855)	
Cash used for DTI investment		$(180,855)

Consolidated KCP&L Other Operating Activities

	2001	2000	1999
Cash flows affected by changes in:		(thousands)	
Receivables	$(43,604)	$(42,565)	$ (1,417)
Fuel inventories	(1,444)	1,787	(3,840)
Materials and supplies	(4,294)	(113)	(926)
Accounts payable	(14,878)	66,765	6,545
Accrued taxes	(1,995)	13,430	(14,653)
Accrued interest	610	(2,865)	(7,962)
Wolf Creek refueling outage accrual	11,089	(5,166)	(5,259)
Pension and postretirement benefit obligations	(22,577)	(12,653)	1,939
Other	41,771	4,593	(12,213)
Total other operating activities	$(35,322)	$ 23,213	$(37,786)
Cash paid during the period:			
Interest	$ 82,867	$ 76,395	$ 74,520
Income taxes	$ 21,470	$ 80,445	$ 52,300

As described in note 1, KCP&L dividended its ownership in KLT Inc. and GPP to Great Plains Energy on October 1, 2001. The effect of this transaction on KCP&L's consolidated statement of cash flows for the year ended December 31, 2001, is summarized in the table that follows.

Effect of dividend to Great Plains Energy:	October 1, 2001 (thousands)	
Assets		
Cash	$ 19,115	
Equity securities	283	
Receivables	101,539	
Nonutility property and investments	529,121	
Goodwill	75,534	
Other assets	8,542	
Total assets		$734,134
Liabilities and Accumulated Other Comprehensive Income		
Notes payable	$ 3,077	
Accounts payable	67,853	
Accrued taxes	(1,050)	
Accrued interest	1,878	
Deferred income taxes	(23,868)	
Deferred telecommunications revenue	45,595	
Other liabilities and deferred credits	54,340	
Long-term debt	329,788	
Accumulated other comprehensive income	(13,455)	
Total liabilities and accumulated other comprehensive income		464,158
Equity dividend of KLT Inc. and GPP to Great Plains Energy		$269,976

During the first quarter of 2001, KLT Telecom increased its equity ownership in DTI to a majority ownership and HSS increased its equity ownership in RSAE to a majority ownership. The effect of these transactions is summarized in the tables that follow. The initial consolidation of DTI (February 8, 2001) and RSAE (January 1, 2001) are not reflected in KCP&L's consolidated statement of cash flows for the year ended December 31, 2001.

	DTI	RSAE
	(thousands)	
Cash paid to obtain majority ownership	$ (39,855)	$ (560)
Subsidiary cash	4,557	1,053
Purchase of DTI and RSAE, net of cash received	$ (35,298)	$ 493
Initial consolidation of subsidiaries:		
Assets		
Cash	$ 4,557	$ 1,053
Receivables	1,012	4,078
Other nonutility property and investments	363,825	6,267
Goodwill	62,974	24,496
Other assets	5,143	3,919
Eliminate equity investment	(67,660)	(7,200)
Total assets	$ 369,851	$ 32,613
Liabilities		
Notes payable	$ 5,300	$ 10,057
Accounts payable	31,299	6,219
Accrued taxes	2,414	24
Deferred income taxes	7,437	-
Other liabilities and deferred credits	46,531	13,418
Loan from KLT Telecom (a)	94,000	-
Long-term debt	182,870	2,895
Total liabilities	$ 369,851	$ 32,613

(a) KLT Telecom provided a $94 million loan to DTI for the completion of the tender offer of 50.4 percent of DTI's Senior Discount Notes prior to increasing its DTI investment to a majority ownership.

Sales of KLT Gas properties

KLT Gas sold producing natural gas properties to Evergreen Resources, Inc. (Evergreen) and Barrett Resources Corporation during 2000. The transactions are summarized in the table below.

	2000
	(thousands)
Cash proceeds	$ 125,958
Preferred stock redeemed (a)	100,000
Total cash proceeds	225,958
Equity securities	10,000
Receivable	1,243
Total proceeds	237,201
Cost basis in property sold	(87,785)
Accounts payable (b)	(23,168)
Other assets and liabilities (b)	(15,670)
Gain on sale before income tax	110,578
Income tax	(42,606)
Gain on sale, net of income tax	$ 67,972

(a) The preferred stock received in September 2000 was redeemed in December 2000.

(b) Includes $7.9 million of incentive compensation.

As part of the sales transactions, KLT Gas received additional Evergreen shares valued at $4 million in December 2000 because of the increase in natural gas futures. The Evergreen common stock was considered a trading security and recorded at fair value at December 31, 2000.

3. PENSION PLANS AND OTHER EMPLOYEE BENEFITS

Changes in Pension Accounting Principles
Effective January 1, 2000, KCP&L changed its methods of amortizing unrecognized net gains and losses and determination of expected return related to its accounting for pension expense. These changes were made to reflect more timely in pension expense the gains and losses incurred by the pension funds.

At the time KCP&L originally adopted the standards governing accounting for pensions, it chose the following accounting methods that would minimize fluctuations in pension expense:
- - Recognized gains and losses if, as of the beginning of the year, the unrecognized net gain or loss exceeded 10 percent of the greater of the projected benefit obligation or the market-related value of plan assets. If amortization was required, amortization was the excess divided by the average remaining service period, approximately 15 years, of active employees expected to receive benefits under the plan. This method resulted in minimal gains being amortized.
- - Determined the expected return by multiplying the long-term rate of return times the market-related value. KCP&L determined market-related value by recognizing changes in fair value of plan assets over a five-year period.

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

Adoption of the new methods of accounting for pensions has led and will continue to lead to greater fluctuations in pension expense in the future. The following table details the effects of the adoption of the new methods of accounting for pensions.

	Changes in Method of Accounting for Pensions (a)				
	Amortization of Gains and Losses	Expected Return	Total	Reductions (b)	Net Total
	(millions except per share amounts)				
Cumulative effect of change in method of accounting:					
Income	$ 21.4	$ 13.6	$ 35.0	$ (4.9)	$ 30.1
Basic and diluted earnings per common share	$ 0.35	$ 0.22	$ 0.57	$ (0.08)	$ 0.49
Year 2000 earnings effect of change in method of accounting:					
Income	$ 4.1	$ 2.0	$ 6.1	$ (1.1)	$ 5.0
Basic and diluted earnings per common share	$ 0.07	$ 0.03	$ 0.10	$ (0.02)	$ 0.08
Prior year's earnings effect of change in method of accounting if the change had been made January 1, 1999:					
1999					
Income	$ 4.4	$ 1.1	$ 5.5	$ (1.0)	$ 4.5
Basic and diluted earnings per common share	$ 0.07	$ 0.02	$ 0.09	$ (0.02)	$ 0.07

(a) All changes are increases to income or earnings per common share and are after income taxes.
(b) The Reductions column reflects the effects of capitalization and sharing with joint-owners of power plants.

Pension Plans and Other Employee Benefits

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

During 2001, the plans, other than those at Wolf Creek, were amended resulting in an increase to the benefit obligation of $6.8 million. The increase was due primarily to an amendment to the non-management plan, which improved benefits to employees with at least thirty years of service who elected lump sum distributions.

During 2000, the plans were amended, except for those at Wolf Creek, which resulted in a $42.0 million increase in the benefit obligation. The amendments changed the mortality tables used and added enhanced benefit options. The enhancements include improved early retirement benefits for employees who retire after their age plus their years of service equals at least 85. The options also include lump sum distributions. During 2001, the plans experienced lump sum distributions related to these enhancements in excess of $33.0 million.

Primarily as a result of the significant decline in the market value of plan assets, KCP&L recorded an additional minimum pension liability of $20.0 million offset by an increase of $18.3 million in intangible assets and $1.7 million in other comprehensive income.

In addition to providing pension benefits, KCP&L provides certain postretirement health care and life insurance benefits for substantially all retired employees. KCP&L accrues the cost of postretirement health care and life insurance benefits during an employee's years of service and recovers these accruals through rates. KCP&L funds the portion of net periodic postretirement benefit costs that are tax deductible. Beginning in 2001, management employees who resign with 25 years or more of service are eligible for life insurance benefits.

	Pension Benefits		Other Benefits	
	2001	2000	2001	2000
	(thousands)			
Change in benefit obligation				
Benefit obligation at beginning of year	$ 411,960	$ 334,939	$ 36,858	$ 31,910
Service cost	11,152	9,384	729	547
Interest cost	31,905	26,538	2,918	2,543
Contribution by participants	-	-	459	243
Amendments	6,790	42,025	960	-
Actuarial (gain) loss	22,853	26,504	3,185	4,997
Benefits paid	(28,807)	(27,116)	(3,432)	(2,980)
Benefits paid by KCP&L	(1,381)	(314)	(454)	(402)
Settlements	(33,346)	-	-	-
Benefit obligation at end of year (a)	$ 421,126	$ 411,960	$ 41,223	$ 36,858

	Pension Benefits 2001	Pension Benefits 2000	Other Benefits 2001	Other Benefits 2000
	(thousands)			
Change in plan assets				
Fair value of plan assets at beginning of year	$ 564,947	$ 453,150	$ 8,096	$ 7,100
Actual return on plan assets	(112,397)	137,684	601	225
Contributions by employer and participants	1,017	1,229	4,193	3,751
Benefits paid	(28,807)	(27,116)	(3,432)	(2,980)
Settlements	(29,745)	-	-	-
Fair value of plan assets at end of year	$ 395,015	$ 564,947	$ 9,458	$ 8,096
Prepaid (accrued) benefit cost				
Funded status	$ (26,111)	$ 152,987	$ (31,765)	$(28,762)
Unrecognized actuarial (gain) loss	58,686	(138,818)	4,649	1,692
Unrecognized prior service cost	47,296	44,960	1,282	400
Unrecognized transition obligation	(230)	(2,253)	12,919	14,093
Net prepaid (accrued) benefit cost	$ 79,641	$ 56,876	$(12,915)	$(12,577)
Amounts recognized in the consolidated balance sheets				
Prepaid benefit cost	$ 88,337	$ 68,342	$ -	$ -
Accrued benefit cost	(8,696)	(11,466)	(12,915)	(12,577)
Minimum pension liability adjustment	(19,994)	-	-	-
Intangible asset	18,303	-	-	-
Accumulated other comprehensive income	1,691	-	-	-
Net amount recognized in statements	$ 79,641	$ 56,876	$(12,915)	$(12,577)

(a) Based on weighted-average discount rates of 7.25% in 2001 and 8.0% in 2000; and increases in future salary levels of 4.1% in 2001 and 2000.

	Pension Benefits 2001	Pension Benefits 2000	Pension Benefits 1999	Other Benefits 2001	Other Benefits 2000	Other Benefits 1999
Components of net periodic Benefit cost			(thousands)			
Service cost	$ 11,152	$ 9,384	$ 10,983	$ 729	$ 547	$ 678
Interest cost	31,905	26,538	25,446	2,918	2,543	2,493
Expected return on plan assets	(48,967)	(39,571)	(31,263)	(403)	(361)	(348)
Amortization of prior service cost	3,884	488	498	78	78	77
Recognized net actuarial loss (gain)	(11,333)	(5,913)	896	32	2	51
Transition obligation	(2,023)	(2,072)	(2,072)	1,174	1,174	1,175
Net settlements	(1,738)	-	-	-	-	-
Net periodic benefit cost	$(17,120)	$(11,146)	$ 4,488	$4,528	$3,983	$4,126

Long-term rates of return on pension assets of 9.0% to 9.25% were used.

The pension benefits table above provides information relating to the funded status of all defined benefit pension plans on an aggregate basis. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets was $213.4 million, $176.3 million, and $234.3 million, respectively, as of December 31, 2001, and $404.1 million, $342.6 million, and $564.9 million, respectively, as of December 31, 2000. Net periodic benefit costs reflect total plan benefit costs prior to the effects of capitalization and sharing with joint-owners of power plants.

Actuarial assumptions include an increase in the annual health care cost trend rate for the year 2001 and thereafter of 5.3%. The health care plan requires retirees to share in the cost when premiums exceed a certain amount. An increase or decrease in the assumed health care cost trend rate by 1% per year would only increase or decrease the benefit obligation as of December 31, 2001, by about $2,000,000 and the combined service and interest costs of the net periodic postretirement benefit cost for 2001 by about $200,000.

Employee Savings Plans

KCP&L has a defined contribution savings plan that covers substantially all employees. The Company matches employee contributions, subject to limits. The annual cost of the plan was $2.9 million during both 2001 and 2000, and $2.8 million during 1999.

Stock Options

The Company has a long-term incentive plan that 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 may be issued under the plan is 3.0 million.

Stock Options Granted 1992 - 1996

The exercise price of stock options granted equaled the market price of the Company's common stock on the grant date. One-half of all options granted vested one year after the grant date, the other half vested two years after the grant date. An amount equal to the quarterly dividends paid on Great Plains Energy's 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, 2001, the market price of Great Plains Energy's common stock was $25.20, which exceeded the grant price for two of the three years that options granted were still outstanding. Unexercised options expire ten years after the grant date.

KCP&L follows Accounting Principles Board (APB) Opinion 25, "Accounting for Stock Issued to Employees" and related interpretations in accounting for this plan. KCP&L recognizes annual expense equal to accumulated and reinvested dividends plus the impact of the change in stock price since the grant date. KCP&L expensed $(0.3) million in 2001, $1.1 million in 2000 and $(1.1) million in 1999.

Even though KCP&L follows APB Opinion 25, SFAS No. 123, "Accounting for Stock-Based Compensation" requires certain disclosures regarding expense and value of options granted using the fair-value method. KCP&L has expensed approximately the same amount as required by FASB 123. For options outstanding at December 31, 2001, grant prices range from $20.6250 to $26.1875 and the weighted-average remaining contractual life is 3.6 years.

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

	2001		2000		1999	
	Shares	Price*	Shares	Price*	Shares	Price*
Outstanding at January 1	88,500	$23.57	89,875	$23.57	97,875	$23.41
Exercised	31,125	23.27	(1,375)	23.88	-	-
Canceled	-	-	-	-	(8,000)	21.63
Outstanding at December 31	57,375	$23.73	88,500	$23.57	89,875	$23.57
Exercisable as of December 31	57,375	$23.73	88,500	$23.57	89,875	$23.57

*weighted-average price

Stock Options Granted 2001

In 2001, 193,000 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 $25.32 to $25.98.

Great Plains Energy follows APB Opinion 25 to account for these options. No compensation cost is recognized because the option exercise price is equal to the market price of the underlying stock on the date of grant. Had compensation cost for the plan been recorded based on the fair value at the grant dates for awards as prescribed by SFAS No. 123, pro forma net income and earnings per share would not have been materially different than reported for 2001.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions used to estimate the fair value of options granted in 2001: dividend yield of 6.37%; expected stock price volatility of 25.879%; risk-free interest rate of 5.53% and expected life of option of 9.2 years.

In 2001, 144,500 performance shares were awarded. The issuance of performance shares is contingent upon achievement, over a four-year period, of company and individual performance goals. Performance shares have an intrinsic value equal to the market price of a share on the date of grant. Pursuant to APB 25, expense is accrued for performance shares over the period services are performed, if attainment of the performance goals appears probable. As a result of the Company's 2001 results of operations, no compensation expense was recognized in 2001 related to the performance shares.

4. INCOME TAXES

Income tax expense consisted of the following:

Great Plains Energy	2001	2000	1999
		(thousands)	
Current income taxes:			
Federal	$(32,628)	$ 76,076	$ 31,439
State	1,304	10,928	2,978
Total	(31,324)	87,004	34,417
Deferred income taxes:			
Federal	9,785	(9,846)	(23,313)
State	(943)	(469)	(3,471)
Total	8,842	(10,315)	(26,784)
Investment tax credit amortization	(4,289)	(4,296)	(4,453)
Total income tax expense	(26,771)	72,393	3,180
Less: Deferred taxes on the cumulative effect of changes in accounting principles	-	19,227	-
Deferred taxes on early extinguishment of debt	9,143	-	-
Total	$(35,914)	$ 53,166	$ 3,180

Consolidated KCP&L	2001	2000	1999
		(thousands)	
Current income taxes:			
Federal	$ 17,601	$ 76,076	$ 31,439
State	4,109	10,928	2,978
Total	21,710	87,004	34,417
Deferred income taxes:			
Federal	18,968	(9,846)	(23,313)
State	3,042	(469)	(3,471)
Total	22,010	(10,315)	(26,784)
Investment tax credit amortization	(4,289)	(4,296)	(4,453)
Total income tax expense	39,431	72,393	3,180
Less: Deferred taxes on the cumulative effect of changes in accounting principles	-	19,227	-
Deferred taxes on early extinguishment of debt	9,143	-	-
Total	$ 30,288	$ 53,166	$ 3,180

The effective income tax rates differed from the statutory federal rates mainly due to the following:

Great Plains Energy	2001	2000	1999
Federal statutory income tax rate	(35.0)%	35.0 %	35.0 %
Differences between book and tax depreciation not normalized	1.4	0.7	6.9
Proposed IRS Adjustment (see Note 18)	-	4.6	-
Amortization of investment tax credits	(8.4)	(1.9)	(5.2)
Federal income tax credits	(41.6)	(9.2)	(26.4)
State income taxes	0.5	2.9	(0.4)
Merger expenses	-	-	(3.8)
Valuation allowance	31.0	-	-
Other	(0.5)	(0.8)	(2.4)
Effective income tax rate	(52.6)%	31.3 %	3.7 %

Consolidated KCP&L	2001	2000	1999
Federal statutory income tax rate	35.0 %	35.0 %	35.0 %
Differences between book and tax depreciation not normalized	0.5	0.7	6.9
Proposed IRS Adjustment (see Note 18)	-	4.6	-
Amortization of investment tax credits	(2.7)	(1.9)	(5.2)
Federal income tax credits	(10.6)	(9.2)	(26.4)
State income taxes	2.9	2.9	(0.4)
Merger expenses	-	-	(3.8)
Other	(0.3)	(0.8)	(2.4)
Effective income tax rate	24.8 %	31.3 %	3.7 %

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

	Great Plains Energy		Consolidated KCP&L	
December 31	2001	2000	2001	2000
	(thousands)			
Plant related	$ 533,521	$530,600	$533,521	$530,600
Recoverable taxes	42,000	45,000	42,000	45,000
Pension and postretirement benefits	21,474	10,544	21,474	10,544
Tax credit carryforwards	(19,183)	-	-	-
Gas properties related	(9,535)	(21,071)	-	(21,071)
Nuclear fuel outage	(5,061)	(737)	(5,061)	(737)
AMT credit	(4,258)	-	-	-
Other	14,906	25,147	33,704	25,147
Net deferred tax liability before valuation allowance	573,864	589,483	625,638	589,483
Valuation allowance (see Note 17)	15,779	-	-	-
Net deferred tax liability	$ 589,643	$589,483	$625,638	$589,483

The net deferred income tax liability consisted of the following:

December 31	Great Plains Energy 2001	Great Plains Energy 2000	Consolidated KCP&L 2001	Consolidated KCP&L 2000
	(thousands)			
Gross deferred income tax assets	$(125,413)	$(97,418)	$(73,640)	$(97,418)
Gross deferred income tax liabilities	715,056	686,901	699,278	686,901
Net deferred income tax liability	$ 589,643	$589,483	$625,638	$589,483

5. RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

On September 30, 2000, KLT Energy Services exercised an option to purchase 1,411,765 shares of Bracknell Corporation (Bracknell) common stock owned by Reardon Capital, L.L.C. (Reardon). KLT Energy Services received 1,136,789 common shares of Bracknell at $4.25 per share and a warrant to purchase the remaining 274,976 shares at an exercise price of $4.25 per share. On that date, the closing price of Bracknell stock was $6.80 per share. Reardon had granted the option to KLT Energy Services in connection with the acquisition by Bracknell of an investment owned by KLT Energy Services and Reardon. In May 2001, KLT Energy Services exercised its warrant for 274,976 shares at $4.25 per share and sold 278,600 shares of Bracknell common stock in June 2001 at $4.48 per share.

KLT Energy Services classified its investment in Bracknell as a trading security and reflected such investment at its market price. At December 31, 2000, the market value of KLT Energy Service's investment in Bracknell was $6.2 million or $5.56 per Bracknell share. In November 2001, Bracknell common stock ceased trading at a last sale price of $0.13 per share. As a result, during 2001, KLT Energy Services wrote off its investment in Bracknell.

Gregory Orman, President and Chief Executive Officer of KLT Energy Services owns 55% of the membership interests of Reardon in addition to 740,000 common shares (approximately 1%) of Bracknell. At December 31, 2001, Bracknell common stock is no longer traded.

In January of 1997, KLT Energy Services acquired approximately 71% of Custom Energy from Environmental Lighting Concepts. In February of 1999, Custom Energy acquired 100% of the outstanding ownership interest in Strategic Energy in exchange for 25% of the ownership interest in Custom Energy. Through a series of transactions, KLT Energy Services has increased its indirect ownership position in Strategic Energy to approximately 83% as of December 31, 2001. Environmental Lighting Concepts continues to own a 5.8% indirect ownership interest in Strategic Energy. Gregory Orman holds a 67% interest in Environmental Lighting Concepts.

6. COMMITMENTS AND CONTINGENCIES

Nuclear Liability and Insurance

Liability Insurance
The Price-Anderson Act currently limits the combined public liability of nuclear reactor owners to $9.5 billion for claims that could arise from a single nuclear incident. The owners of Wolf Creek (the Owners) carry the maximum available commercial insurance of $0.2 billion. Secondary Financial Protection, an assessment plan mandated by the NRC, provides insurance for the $9.3 billion balance.

Under Secondary Financial Protection, if there were a catastrophic nuclear incident involving any of the nation's licensed reactors, the Owners would be subject to a maximum retrospective assessment per incident of up to $88 million ($41 million, KCP&L's share). The Owners are jointly and severally liable for these charges, payable at a rate not to exceed $10 million ($5 million, KCP&L's share) per incident per year, excluding applicable premium taxes. The assessment, most recently revised in 1998, is subject to an inflation adjustment every five years based on the Consumer Price Index.

Property, Decontamination, Premature Decommissioning and Extra Expense Insurance

The Owners also carry $2.8 billion ($1.3 billion, KCP&L's share) of property damage, decontamination and premature decommissioning insurance for loss resulting from damage to the Wolf Creek facilities. NEIL provides this insurance.

In the event of an accident, insurance proceeds must first be used for reactor stabilization and NRC mandated site decontamination. 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 (see Note 1 - Nuclear Plant Decommissioning Costs).

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, KCP&L is subject to retrospective assessments if NEIL losses, for each policy year, exceed the accumulated funds available to the insurer under that policy. The estimated maximum amount of retrospective assessments to KCP&L under the current policies could total about $10.7 million.

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 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 on its books at December 31, 2001 and 2000, was $7.4 million.

Significant opposition to the project has been raised by Nebraska officials and residents in the area of the proposed facility, and attempts have been made through litigation and proposed legislation in Nebraska to slow down or stop development of the facility. On December 18, 1998, the application for a license to construct this project was denied. This issue is being addressed in the courts. The passage of time, along with the appointment of a new state administration in Nebraska, has increased the chances for reversal of the license denial.

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

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 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 affect 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, however, may impose additional or more rigid environmental regulations that could require substantial changes to operations or facilities at a significant cost. Expenditures made in 2001 to comply with environmental laws and regulations were not material in amount and are not expected to be material in the upcoming years with the exception of the issues discussed below.

Monitoring Equipment and Certain Air Toxic Substances
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. As a result, in December 2000, the EPA announced it would propose Maximum Achievable Control Technology (MACT) requirements to reduce mercury emissions by December 2003 and issue final rules by December 2004. KCP&L cannot predict the likelihood or compliance costs of such regulations.

Air Particulate Matter
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 in diameter. These standards were challenged in the U. S. Court of Appeals for the District of Columbia (Appeals Court) that decided against the EPA. Upon appeal, the U. S. Supreme Court reviewed the standards and remanded the case back to the Appeals Court for further review, including a review of whether the standards were arbitrary and capricious. The Appeals Court has not rendered a decision, and the new particulate standards have not been finalized. Without implementation of the regulations, the outcome cannot be determined, but the impact on KCP&L and all other utilities that use fossil fuels could be substantial. In addition, the EPA is conducting a three-year study of fine particulate ambient air levels. Until this testing and review period has been completed, KCP&L cannot determine additional compliance costs, if any, associated with the new particulate regulations.

Nitrogen Oxide
The EPA announced in 1998 regulations implementing reductions in NOx emissions. These regulations initially called for 22 states, including Missouri, to submit plans for controlling NOx emissions. The regulations require a significant reduction in NOx emissions from 1990 levels at KCP&L's Missouri coal-fired plants by the year 2003.

In December 1998, KCP&L and several other western Missouri utilities filed suit against the EPA over the inclusion of western Missouri in the NOx reduction program based on the 1-hour NOx standard. On March 3, 2000, a three-judge panel of the District of Columbia Circuit of the U.S. Court of Appeals sent the NOx rules related to Missouri back to the EPA, stating the EPA failed to prove that fossil plants in the western part of Missouri significantly contribute to ozone formation in downwind states. On March 5, 2001, the U.S. Supreme Court denied certiorari, making the decision of the Court of Appeals final. This decision will likely delay the implementation of new NOx regulations by the EPA in the western portion of Missouri for some time.

If required to be implemented, KCP&L would need to incur significant capital costs, purchase power or purchase NOx emission allowances. Preliminary analysis of the regulations indicates that selective catalytic reduction technology, as well as other changes, may be required for some of the KCP&L units. Currently, KCP&L estimates that additional capital expenditures to comply with these regulations could range from $40 million to $60 million. Operations and maintenance expenses could also increase by more than $2.5 million per year. 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.

Carbon Dioxide

At a December 1997 meeting in Kyoto, Japan, delegates from 167 nations, including the United States, agreed to a treaty (Kyoto Protocol) that would require a seven percent reduction in United States CO_2 emissions below 1990 levels. Although the United States agreed to the Kyoto Protocol, the treaty has not been sent to Congress for ratification. The financial impact on KCP&L of future requirements in the reduction of CO_2 emissions cannot be determined until specific regulations are adopted.

Nuclear Fuel Commitments

As of December 31, 2001, KCP&L's portion of Wolf Creek nuclear fuel commitments included $22.7 million for enrichment through 2006, $57.5 million for fabrication through 2025 and $3.8 million for uranium and conversion through 2003.

Coal Contracts

KCP&L's share of coal purchased under existing contracts was $44.6 million in 2001, $31.1 million in 2000, and $33.3 million in 1999. Under these coal contracts, KCP&L's remaining share of purchase commitments totals $65.7 million. Obligations for the years 2002 and 2003 based on estimated prices for those years, total $48.5 million and $17.2 million, respectively. The remainder of KCP&L's coal requirements will be fulfilled through spot market purchases.

Natural Gas Contracts

KCP&L has entered natural gas agreements for the purchase of natural gas to be used in the generation of electricity. At December 31, 2001, obligations under these agreements total $2.6 million for 2002. The remainder of KCP&L's natural gas requirements will be fulfilled through spot market purchases.

Purchased Capacity Commitments

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 capacity purchases totaled $17.7 million in 2001, $25.4 million in 2000 and $25.9 million during 1999. As of December 31, 2001, contracts to purchase capacity totaled $109.5 million through 2016. For the years 2002 through 2006, these commitments average $14 million per year. Capacity sales contracts to supply municipalities in the years 2002 through 2006 average $12 million. For the next five years, net capacity contracts average under 3% of KCP&L's 2001 total available capacity.

Strategic Energy Purchased Power Energy Commitments

Strategic Energy has entered into agreements to purchase electricity at various fixed prices to meet estimated supply requirements for 2002 through 2006. Commitments under these agreements total $366.3 million in 2002, $242.5 million in 2003, $146.9 million in 2004, $142.2 million in 2005 and $17.1 million in 2006. See Note 15 for further discussion.

Leases

Consolidated expense for leases, excluding DTI, was about $28 million during 2001, $26 million during 2000 and $22 million in 1999. The remaining rental commitments under leases total $163.6 million ending in 2028. Obligations for the years 2002 through 2006 average $16 million per year.

KCP&L Leases

KCP&L has a transmission line lease with another utility through September 2025 whereby, with FERC approval, the rental payments can be increased by the lessor. If this occurs and KCP&L is able to secure an alternative transmission path, KCP&L can cancel the lease. Commitments under this lease total $1.9 million per year and $44.9 million over the remaining life of the lease if it is not canceled.

KCP&L's expense for other leases, including railcars, computer equipment, buildings, transmission line and other items, was about $25 million per year for the last three years. The remaining rental commitments under these leases total $159.4 million ending in 2028. Obligations for the years 2002 through 2006 average $15 million per year. Capital leases are not material and are included in these amounts.

As the managing partner of three jointly-owned generating units, KCP&L has entered into leases for railcars to serve those units. KCP&L has reflected the entire lease commitment in the above amounts although about $1.9 million per year ($27.0 million total) will be reimbursed by the other owners.

In 2001, KCP&L entered into a synthetic lease arrangement with a Trust (Lessor) to finance the purchase, installation, assembly and construction of five combustion turbines and related property and equipment that will add 385 megawatts of peaking capacity (the "Project). The Trust is a special-purpose entity and has an aggregate financing commitment from third-party equity and debt participants (Investors) of $200 million. In accordance with SFAS No. 13 "Accounting for Leases," and related EITF issues (including EITF Issue No. 90-15, "Impact of Non-substantive Lessors, Residual Value Guarantees, and Other Provisions in Leasing Transactions" and EITF Issue No. 97-10, "The Effect of Lessee Involvement in Asset Construction"), the Project and related lease obligations are not included in KCP&L's consolidated balance sheet. The Lessor has appointed KCP&L as supervisory agent responsible for completing construction of the Project by no later than June 2004. The initial lease term is approximately three and one quarter years, beginning at the date of construction completion, which is expected to be October 2003. At the end of the lease term (October 2006), KCP&L may choose to sell the Project for the Lessor, guaranteeing to the Lessor a residual value for the Project in an amount which may be up to 83.21% of the project cost. If KCP&L does not elect the sale option, KCP&L must either extend the lease, if it can obtain the consent of the Lessor, or purchase the Project for the then outstanding project cost. KCP&L also has contingent obligations to the Lessor upon an event of a default during both the construction period and lease period. Upon a default in the construction period, KCP&L's maximum obligation to the Lessor equals (i) in the circumstances of bankruptcy, fraud, illegal acts, misapplication of funds and willful misconduct, 100% of then-incurred project costs, and (ii) in all other circumstances, an amount which may be up to 89.9% of then-incurred project costs that are capitalizable in accordance with GAAP. At December 31, 2001, project costs were approximately $62.7 million. Upon a default during the lease period, KCP&L's maximum obligation to the Lessor equals 100% of project costs. KCP&L's rental obligation, which reflects interest payments only, totals approximately $35.5 million in the aggregate.

KLT Inc. Leases

KLT Inc. and its subsidiaries have entered operating leases for buildings, compressors, communications equipment and other items. KLT Inc.'s expense recorded for these leases was about $1 million per year during both 2001 and 2000. KLT Inc. and its subsidiaries had no leases in 1999. Obligations average about $1 million per year for the years 2002 through 2004 and $0.5 million per year for the years 2005 and 2006.

Guaranteed Savings Energy Management Agreements

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 $14.7 million over the next nine years. In most cases a subcontractor would indemnify KCP&L for any payments made by KCP&L under these guarantees.

7. HSS PURCHASE OF AN ADDITIONAL OWNERSHIP INTEREST IN RSAE

On March 12, 2001, HSS acquired control of RSAE by acquiring an additional 22.1% of the shares of RSAE for $0.6 million.

This acquisition has been accounted for by the purchase method of accounting and the operating results of RSAE have been included in the KCP&L's consolidated financial statements from January 1, 2001, with the appropriate adjustments to minority interest from January 1, 2001, through the date of the acquisition. RSAE's December 31, 2001, assets included $23.0 million of goodwill, which was being amortized over 40 years. On a pro forma basis, as if the business had been acquired at the beginning of fiscal 2000, revenue, net income and earnings per share would not differ materially from the amounts reported in the KCP&L's year ended December 31, 2000, consolidated financial statements.

8. EQUITY METHOD INVESTMENTS

See Note 17 for information regarding 2001 activity in KLT Telecom's investment in DTI.

Sale of KLT Investments II Inc.'s Ownership of Downtown Hotel Group
On May 31, 2001, KLT Investments II Inc. sold its 25% ownership of Kansas City Downtown Hotel Group, L.L.C. for total proceeds of $3.8 million resulting in a $2.2 million gain before income taxes. The after income tax gain on the sale was $1.4 million ($0.02 per share). The carrying value of this equity method investment at December 31, 2000, was included in Other in the table below.

Sale of KLT Gas Properties
On June 28, 2001, KLT Gas sold its 50% ownership in Patrick KLT Gas, LLC for total proceeds of $42.3 million resulting in a $20.1 million gain before income taxes. The after income tax gain on the sale was $12.0 million ($0.19 per share).

After the acquisition of majority ownership in RSAE (see Note 7) and the sales of the equity method investments discussed above, the Company has no remaining equity method investments other than affordable housing limited partnerships held by KLT Investments. Equity method investments at December 31, 2000, excluding affordable housing limited partnerships, consisted of the following:

Name of Company	Common Ownership Percentage 2000	Carrying Value December 31, 2000 (thousands)
DTI	47%	$ -
Patrick KLT Gas, LLC	50%	21,744
RSAE	49%	6,750
Other	Various	1,786
Total equity method investments		$30,280

Summarized financial information supplied to us by companies in which the consolidated company had an equity investment was as follows:

December 31	2000 (thousands)
Current assets	$ 36,368
Non-current assets	498,133
Total Assets	$ 534,501
Current liabilities	$ 74,616
Non-current liabilities	460,786
Equity	(901)
Total Liabilities and Equity	$ 534,501
Revenues	$ 153,211
Costs and expenses	225,665
Net Loss	$ (72,454)

December 31	2000 (thousands)
Consolidated share of net loss	$ (36,707)
Less: DTI losses not recorded by KLT Telecom after the investment was reduced to zero	(18,768)
Consolidated net loss recorded	(17,939)
Affordable housing equity losses	(1,502)
Total losses from equity investments	$ (19,441)

9. SEGMENT AND RELATED INFORMATION

Great Plains Energy
During the second quarter of 2002, the Company's management revised its corporate business strategy focusing on the following three primary business segments: (1) KCP&L, an integrated electric utility which generates, transmits and distributes electricity; (2) Strategic Energy, which earns a management fee on the direct delivery to retail customers under long-term contracts of wholesale power purchased under long-term contracts while operating in several deregulated electricity markets; and (3) KLT Gas, which acquires and develops early stage coal bed methane properties. "Other" includes the operations of HSS and GPP, all KLT Inc. operations other than Strategic Energy and KLT Gas, unallocated corporate charges and intercompany eliminations. The summary of significant accounting policies applies to all of the segments. Segment performance is evaluated based on net income.

Prior to the second quarter 2002 revised corporate business strategy, the Company's reportable segments were (1) KCP&L; (2) KLT Inc., an investment company focusing on energy-related ventures that are unregulated with high growth potential; such as energy services, natural gas development and production, affordable housing limited partnerships and the parent company of Strategic Energy and KLT Gas; and (3) HSS which holds investments in two businesses focusing primarily in residential services. "Other" included the operations of GPP, unallocated corporate charges and intercompany eliminations.

The tables below present Great Plains Energy's reformatted segment information for the years ended December 31, 2001, 2000 and 1999, reflecting the second quarter 2002 revision to the Company's corporate business strategy.

2001	KCP&L	Strategic Energy	KLT Gas (millions)	Other	Great Plains Energy (b)
Operating revenues	$ 967.5	$ 411.9	$ 0.3	$ 82.2	$1,461.9
Fuel expense	(163.8)	-	-	-	(163.8)
Purchased power expense	(65.2)	(329.0)	-	-	(394.2)
Other (a)	(365.1)	(38.7)	(9.4)	(103.3)	(516.5)
Depreciation and depletion	(136.3)	(0.3)	(1.8)	(20.4)	(158.8)
Gain (loss) on property	(0.2)	-	23.8	(195.0)	(171.4)
Income (loss) from equity investments	-	-	1.0	(1.4)	(0.4)
Other income and expenses	(9.2)	(6.4)	0.3	(14.2)	(29.5)
Interest charges	(78.1)	(0.5)	-	(24.7)	(103.3)
Income taxes	(51.6)	(15.2)	0.1	102.6	35.9
Early extinguishment of debt	-	-	-	15.9	15.9
Net income (loss)	$ 98.0	$ 21.8	$ 14.3	$(158.3)*	$ (24.2)

* Includes loss from DTI of $157.9 million. See note 17 for detail of accounting treatment related to DTI and its bankruptcy.

Favorable/(unfavorable) variance between 2001 and 2000	KCP&L	Strategic Energy	KLT Gas (millions)	Other	Great Plains Energy
Operating revenues	$ 15.5	$ 282.3	$ (30.2)	$ 78.4	$ 346.0
Fuel expense	(10.7)	-	-	-	(10.7)
Purchased power expense	40.5	(244.6)	-	-	(204.1)
Other (a)	17.3	(7.8)	12.9	(91.8)	(69.4)
Depreciation and depletion	(12.0)	0.1	4.2	(18.7)	(26.4)
Loss on property	(3.7)	-	(84.1)	(182.7)	(270.5)
Income (loss) from equity investments	-	-	(2.6)	21.6	19.0
Other income and expenses	7.1	(2.2)	(5.0)	(14.0)	(14.1)
Interest charges	(15.3)	(0.3)	3.5	(15.5)	(27.6)
Income taxes	1.3	(11.6)	36.4	63.0	89.1
Early extinguishment of debt	-	-	-	15.9	15.9
Cumulative effect of a changes in pension accounting	(30.1)	-	-	-	(30.1)
Net income (loss)	$ 9.9	$ 15.9	$ (64.9)	$(143.8)	$ (182.9)

2000	KCP&L	Strategic Energy	KLT Gas (millions)	Other	Great Plains Energy (b)
Operating revenues	$ 952.0	$ 129.6	$ 30.5	$ 3.8	$1,115.9
Fuel expense	(153.1)	-	-	-	(153.1)
Purchased power expense	(105.7)	(84.4)	-	-	(190.1)
Other (a)	(382.4)	(30.9)	(22.3)	(11.5)	(447.1)
Depreciation and depletion	(124.3)	(0.4)	(6.0)	(1.7)	(132.4)
Gain (loss) on property	3.5	-	107.9	(12.3)	99.1
Income (loss) from equity investments	-	-	3.6	(23.0)	(19.4)
Other income and expenses	(16.3)	(4.2)	5.3	(0.2)	(15.4)
Interest charges	(62.8)	(0.2)	(3.5)	(9.2)	(75.7)
Income taxes	(52.9)	(3.6)	(36.3)	39.6	(53.2)
Cumulative effect of a changes in pension accounting	30.1	-	-	-	30.1
Net income (loss)	$ 88.1	$ 5.9	$ 79.2	$ (14.5)	$ 158.7

Favorable/(unfavorable) variance between 2000 and 1999	KCP&L	Strategic Energy	KLT Gas (millions)	Other	Great Plains Energy
Operating revenues	$ 54.6	$ 129.6	$ 13.2	$ (3.0)	$ 194.4
Fuel expense	(23.8)	-	-	-	(23.8)
Purchased power expense	(11.0)	(84.4)	-	-	(95.4)
Other (a)	(29.9)	(30.9)	(6.3)	7.3	(59.8)
Depreciation and depletion	(5.9)	(0.4)	(2.8)	-	(9.1)
Gain (loss) on property	3.5	-	110.8	(14.0)	100.3
Income (loss) from equity investments	-	(3.5)	6.2	2.8	5.5
Other income and expenses	(7.5)	(4.2)	5.2	(1.5)	(8.0)
Interest charges	(6.4)	(0.2)	(2.3)	1.5	(7.4)
Income taxes	(2.5)	(2.3)	(48.1)	2.9	(50.0)
Cumulative effect of a changes in pension accounting	30.1	-	-	-	30.1
Net income (loss)	$ 1.2	$ 3.7	$ 75.9	$ (4.0)	$ 76.8

1999	KCP&L	Strategic Energy	KLT Gas (millions)	Other	Great Plains Energy (b)
Operating revenues	$ 897.4	-	$ 17.3	$ 6.8	$ 921.5
Fuel expense	(129.3)	-	-	-	(129.3)
Purchased power expense	(94.7)	-	-	-	(94.7)
Other (a)	(352.5)	-	(16.0)	(18.8)	(387.3)
Depreciation and depletion	(118.4)	-	(3.2)	(1.7)	(123.3)
Gain (loss) on property	-	-	(2.9)	1.7	(1.2)
Income (loss) from equity investments	-	$ 3.5	(2.6)	(25.8)	(24.9)
Other income and expenses	(8.8)	-	0.1	1.3	(7.4)
Interest charges	(56.4)	-	(1.2)	(10.7)	(68.3)
Income taxes	(50.4)	(1.3)	11.8	36.7	(3.2)
Net income (loss)	$ 86.9	$ 2.2	$ 3.3	$ (10.5)	$ 81.9

(a) Other includes gas purchased and production expenses, telecommunications expenses, other operating, maintenance and general tax expenses.
(b) Includes goodwill amortization expense of $4.1 million ($0.07 per share) in 2001, $0.7 million ($0.01 per share) in 2000, and $0.7 million ($0.01 per share) in 1999. Net income (loss) and basic and diluted earnings (loss) per common share for these years would have improved by these amounts if the provisions of SFAS No. 142 had been applied. See Note 10 that follows.

2001	KCP&L	Strategic Energy	KLT Gas (millions)	Other	Great Plains Energy
Assets (a)	$3,089.4	$ 129.1	$ 57.6	$ 188.3	$3,464.4
Capital and investment expenditures (b)	265.8	1.5	25.0	82.0	374.3
2000					
Assets	$2,980.9	$ 47.7	$ 239.6	$ 25.7	$3,293.9
Net equity method investments (c)	-	-	21.7	8.6	30.3
Capital and investment expenditures (b)	406.1	0.2	45.2	30.5	482.0
1999					
Assets	$2,672.3	$ -	$ 101.8	$ 216.0	$2,990.1
Net equity method investments (c)	-	-	0.6	50.6	51.2
Capital and investment expenditures (b)	184.6	-	49.5	37.5	271.6

(a) KCP&L assets do not match the KCP&L assets in the consolidated KCP&L segment table due to the reclassification of accrued taxes to current income taxes during consolidation with Great Plains Energy.
(b) Capital and investment expenditures reflect year to date amounts for the periods presented.
(c) Excluding affordable housing limited partnerships.

Consolidated KCP&L

On October 1, 2001, consolidated KCP&L distributed, as a dividend, its ownership interest in KLT Inc. and GPP to Great Plains Energy. As a result, those companies are direct subsidiaries of Great Plains Energy and are not included in consolidated KCP&L's results of operations and financial position since October 1, 2001. See Note 1 for additional information about the formation of the holding company.

The table below presents reformatted 2001 summarized financial information concerning consolidated KCP&L's reportable segments, reflecting the second quarter 2002 revision to the Company's corporate business strategy. For the years ended 2000 and 1999, consolidated KCP&L's reformatted segment information is identical to the Great Plains Energy reformatted segment information presented above.

2001	KCP&L	Other (b)	Subsidiaries transferred to Great Plains Energy (c)	Consolidated KCP&L (d)
		(millions)		
Operating revenues	$ 967.5	$ 66.2	$ 317.2	$1,350.9
Fuel expense	(163.8)	-	-	(163.8)
Purchased power expense	(65.2)	-	(239.7)	(304.9)
Other (a)	(365.1)	(70.8)	(60.7)	(496.6)
Depreciation and depletion	(136.3)	(2.4)	(14.3)	(153.0)
Gain (loss) on property	(0.2)	(1.4)	23.7	22.1
Loss from equity investments	-	(0.1)	(0.4)	(0.5)
Other income and expenses	(9.2)	4.3	(17.5)	(22.4)
Interest charges	(78.1)	(1.7)	(17.8)	(97.6)
Income taxes	(51.6)	0.3	20.9	(30.4)
Early extinguishment of debt	-	-	15.9	15.9
Net income (loss)	$ 98.0	$ (5.6)	$ 27.3	$ 119.7

(a) Other includes gas purchased and production expenses, telecommunications expenses, other operating, maintenance and general tax expenses.
(b) "Other" includes primarily the operations of HSS and immaterial intercompany eliminations. Prior to the second quarter of 2002, HSS was considered a reportable segment.
(c) The subsidiaries transferred to Great Plains Energy include the operations of KLT Inc., a $0.2 million loss due to unallocated corporate charges and a $0.2 million loss for GPP operations.
(d) Includes goodwill amortization of $3.2 million in 2001. Net income for 2001 would have improved by this amount if the provision of SFAS No. 142 had been applied. See Note 10 that follows.

2001	KCP&L	Other	Subsidiaries transferred to Great Plains Energy	Consolidated KCP&L
			(millions)	
Assets	$3,092.5	$ 53.1	$ -	$3,145.6
Capital and investment expenditures (a)	265.8	1.1	85.9	352.8

(a) Capital and investment expenditures reflect year to date amounts for the periods presented.

10. GOODWILL AND INTANGIBLE PROPERTY

SFAS No. 142, "Goodwill and Other Intangible Assets"
SFAS No. 142 is effective for fiscal years beginning after December 15, 2001. The Company will adopt SFAS No. 142 on January 1, 2002. Under the new pronouncement, goodwill will be assigned to reporting units and an initial impairment test (comparison of the fair value of a reporting unit to its carrying amount) will be done on all goodwill within six months of initially applying the statement and then at least annually, thereafter. Also, goodwill will no longer be amortized. Although the Company has not completed the analysis required by SFAS No. 142, management currently does not anticipate an impairment of goodwill. Goodwill, net of amortization, reported on Great Plains Energy's Consolidated Balance Sheets totaled $23.0 million associated with HSS' ownership interest in RSAE and $14.1 million associated with KLT Energy Services ownership interest in Strategic Energy at December 31, 2001, and $11.5 million related to the ownership interest in Strategic Energy at December 31, 2000. The goodwill associated with HSS' ownership interest in RSAE is also reflected on KCP&L's consolidated balance sheet.

Intangible Property
KCP&L electric utility plant on the consolidated balance sheets included intangible computer software of $48.2 million, net of accumulated depreciation of $33.0 million, in 2001 and $51.2 million, net of accumulated depreciation of $21.7 million, in 2000.

KLT Inc. gas property and investments on the consolidated balance sheets included intangible drilling costs of $17.7 million in 2001 and $7.0 million in 2000.

Other nonutility property and investments on the consolidated balance sheets included intangible computer software and other intangible property of $1.7 million, net of accumulated depreciation of $0.2 million, in 2001 and $0.7 million, net of accumulated depreciation in 2000.

11. RECEIVABLES

	December 31 2001	December 31 2000
	(thousands)	
KCP&L Receivable Corporation	$ 25,723	$ 48,208
KCP&L other receivables	36,788	67,148
Consolidated KCP&L receivables	62,511	115,356
Great Plains Energy other receivables	89,603	-
Great Plains Energy receivables	$152,114	$115,356

In 1999, 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 KCP&L Receivable Corporation, a special purpose entity established to purchase customer accounts receivable from KCP&L expiring in October 2002. The Company expects the agreement to be renewed annually. KCP&L Receivable Corporation has sold receivable interests to outside investors. In consideration of the sale, KCP&L received $60 million in cash in 2000 increasing to $70 million in 2001 and the remaining balance in the form of a subordinated note from KCP&L Receivable Corporation. The agreement is structured as a true sale under which the creditors of KCP&L Receivable Corporation are entitled to be satisfied out of the assets of KCP&L Receivable Corporation prior to any value being returned to KCP&L or its creditors. Accounts receivable sold under the agreement totaled $95.7 million at December 31, 2001 and $108.2 million at December 31, 2000.

Administrative costs associated with the sale of customer accounts receivable of approximately $2.7 million for the year ended December 31, 2001, approximately $4.3 million for the year ended 2000 and approximately $3.5 million for the year ended 1999, were included in Other income and expenses.

KCP&L other receivables at December 31, 2001, consist primarily of receivables from partners in jointly-owned electric utility plants, bulk power sales receivables and accounts receivable held by RSAE and Worry Free. Great Plains Energy other receivables at December 31, 2001, consist of accounts receivable held by KLT Inc. and its subsidiaries, including receivables of $85.0 million held by Strategic Energy. Other receivables at December 31, 2000, consist primarily of receivables from partners in jointly-owned electric utility plants, bulk power sales receivables and accounts receivable held by subsidiaries.

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

In October 2001, Great Plains Energy entered into a $110 million bridge revolving credit facility with tiered pricing based on the credit rating of Great Plains Energy's unsecured long-term debt securities. Later in 2001, this facility was increased to $129 million. At December 31, 2001, Great Plains Energy had $124 million of outstanding borrowings under this facility with a weighted-average interest rate of 3.0%. This facility terminates on February 28, 2002. Great Plains Energy is in the process of syndicating a 364-day, revolving credit facility for up to $225 million with a group of banks to replace the bridge facility. The new facility will be used for general corporate purposes.

In 2001, Strategic Energy entered into a $5 million, variable interest rate line of credit that expires in December 2002. The line is secured by the deposits, moneys, securities, and other property in the possession of the lender. There were no outstanding borrowings under this agreement as of December 31, 2001. In January 2002, Strategic Energy increased this line of credit to $15 million.

KCP&L's short-term borrowings consist of funds borrowed from banks or through the sale of commercial paper as needed. The weighted-average interest rate on the $62.0 million of commercial paper outstanding as of December 31, 2001, was 3.2%. The weighted-average interest rate on the $55.6 million of commercial paper outstanding as of December 31, 2000, was 7.1%. Under minimal fee arrangements, KCP&L's short-term bank lines of credit totaled $196.0 million with $134.0 million unused as of December 31, 2001, and $255.0 million with $199.4 million unused as of December 31, 2000.

RSAE has a $22.0 million short-term bank credit agreement. Great Plains Energy has entered into a support agreement with RSAE and the lender that ensures adequate capital to operate RSAE. At December 31, 2001, RSAE had $20.4 million of outstanding borrowings under the agreement with a weighted-average interest rate of 6.8%.

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

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 $364.8 million of medium-term notes and EIRR bonds (see discussion below). KCP&L is prohibited from issuing additional mortgage bonds while its unsecured medium-term notes are outstanding and remain unsecured. KCP&L has $200.0 million of these notes outstanding which mature in March 2002.

During the third quarter 2001, KCP&L remarketed $48.3 million of its $158.8 million secured EIRR bonds due 2012-23 at a fixed rate of 3.90% through August 31, 2004. See discussion of $31.0 million, remarketed weekly, below. The rest of the secured EIRR bonds are in a 35-day, dutch auction mode.

KCP&L Unsecured Notes
KCP&L has a total of $196.5 million of unsecured EIRR bonds outstanding. Series C, $50 million due 2017, has a fixed rate of 4.50% through August 31, 2003. See discussion of series A, B and D (classified as current liabilities) below. During 2001, KCP&L issued $150 million of unsecured senior notes increasing the outstanding unsecured senior notes to a total of $400 million.

KCP&L EIRR Bonds Classified as Current Liabilities
A $31.0 million variable-rate, secured EIRR bond with a final maturity in 2017 is remarketed on a weekly basis, with full liquidity support provided by a 364-day credit facility with one bank. This facility requires KCP&L to represent, as both a condition to renewal and prior to receiving any funding under the facility, that no Material Adverse Change has occurred. KCP&L's available liquidity under this credit line is not impacted by a decline in credit ratings unless the downgrade occurs in the context of a merger, consolidation, or sale. Additionally, in 2001 KCP&L remarketed three series of unsecured EIRR bonds at a fixed rate of 3.25% through August 29, 2002; its series A and B, $106.5 million due 2015, and series D, $40.0 million due 2017. If those bonds to be remarketed in less than one-year could not be remarketed, KCP&L would be obligated to either purchase or retire the bonds. Even though such an occurrence is unlikely, the $177.5 million of bonds discussed above are classified as current liabilities on the balance sheets for the current year and the prior year has been reclassified to be consistent with the current year presentation.

KLT Inc. Long-Term Debt
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. The equity securities held as collateral for these notes are included in other investments and nonutility property on the consolidated balance sheets.

Scheduled Maturities

Great Plains Energy's long-term debt maturities for the years 2002 through 2006 are $239 million, $31 million, $60 million, $293 million and $11 million, respectively. These amounts include consolidated KCP&L's long-term debt maturities for the years 2002 through 2006 of $227 million, $22 million, $56 million, $290 million and $9 million, respectively. EIRR bonds classified as current liabilities discussed above are considered due in 2015 and 2017 for the scheduled maturities.

14. COMMON STOCK EQUITY, PREFERRED STOCK, REDEEMABLE PREFERRED STOCK AND MANDATORILY REDEEMABLE PREFERRED SECURITIES

Common Stock Equity

Effective October 1, 2001, all outstanding KCP&L shares of common stock were exchanged one for one for shares of Great Plains Energy. Great Plains Energy has shares of common stock registered with the Securities and Exchange Commission for a Dividend Reinvestment and Stock Purchase Plan (the Plan). The Plan allows for the purchase of common shares by reinvesting dividends or making optional cash payments. Great Plains Energy currently purchases shares for the Plan on the open market.

As of December 31, 2001, the Company held 35,916 shares of its common stock to be used for future distribution and 60,841 shares were held as of December 31, 2000. The cost of these shares is included in other investments and nonutility property on the consolidated balance sheets.

The Restated Articles of Consolidation 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.

Preferred Stock and Redeemable Preferred Stock

During 2001, KCP&L redeemed its redeemable 4% Cumulative Preferred Stock. Shares outstanding totaled 6,357 as of December 31, 2000. Scheduled mandatory sinking fund requirements for the issue were 1,600 per year. Shares held by KCP&L to meet future sinking fund requirements totaled 5,734 as of December 31, 2000. The cost of these shares held by KCP&L was reflected as a reduction of the capital account.

Effective October 1, 2001, all shares of KCP&L preferred stock were converted to Great Plains Energy preferred stock. As of December 31, 2001, 0.4 million shares of $100 par Cumulative Preferred Stock, 1.6 million shares of Cumulative No Par Preferred Stock and 11 million shares of no par Preference Stock were authorized. Great Plains Energy has the option to redeem the $39.0 million of issued Cumulative Preferred Stock at prices approximating par or stated value.

Mandatorily Redeemable Preferred Securities

In 1997, KCP&L Financing I (Trust) issued $150,000,000 of 8.3% preferred securities. The sole asset of the Trust is the $154,640,000 principal amount of 8.3% Junior Subordinated Deferrable Interest Debentures, due 2037, issued by KCP&L. The terms and interest payments on these debentures correspond to the terms and dividend payments on the preferred securities. KCP&L deducts these payments for tax purposes. KCP&L may elect to defer interest payments on the debentures for a period up to 20 consecutive quarters, causing dividend payments on the preferred securities to be deferred as well. In case of a deferral, interest and dividends will continue to accrue, along with quarterly compounding interest on the deferred amounts. KCP&L may redeem all or a portion of the debentures after March 31, 2002. If KCP&L redeems all or a portion of the debentures, the Trust must redeem an equal amount of preferred securities at face value plus accrued and unpaid distributions. The back-up undertakings in the aggregate provide a full and unconditional guarantee of amounts due on the preferred securities.

15. DERIVATIVE FINANCIAL INSTRUMENTS

On January 1, 2001, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended. SFAS No. 133 requires that every derivative instrument be recorded on the balance sheet as an asset or liability measured at its fair value and that changes in the fair value be recognized currently in earnings unless specific hedge accounting criteria are met.

SFAS No. 133 requires that as of the date of initial adoption, the difference between the fair market value of derivative instruments recorded on the balance sheet and the previous carrying amount of those derivatives be reported in net income or other comprehensive income, as appropriate, as a cumulative effect of a change in accounting principle. The adoption of SFAS No. 133 on January 1, 2001, required the Company to record a $0.2 million expense, net of $0.1 million of income tax. The Company did not reflect this immaterial amount as a cumulative effect. This entry increased interest expense by $0.6 million and reduced purchased power expense by $0.3 million. The Company also recorded $17.4 million, net of $12.6 million of income tax, as a cumulative effect of a change in accounting principle applicable to comprehensive income for its cash flow hedges.

Derivative Instruments and Hedging Activities

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 interest rate risk management strategy uses derivative instruments to minimize significant, unanticipated earnings fluctuations caused by interest-rate volatility on a portion of its variable rate debt. The Company maintains commodity-price risk management strategies that use derivative instruments to minimize significant, unanticipated earnings fluctuations caused by commodity price volatility.

The Company's risk management activities, including the use of derivatives, are subject to the management, direction and control of Risk Management Committees.

Interest Rate Risk Management

KCP&L utilizes interest rate management derivatives to reduce a portion of KCP&L's interest rate risk by converting a portion of its variable interest rate payments into fixed interest rate payments.

In 2000, KCP&L issued $200 million of unsecured, floating rate medium-term notes. Simultaneously, KCP&L entered into interest rate cap agreements to hedge the interest rate risk on the notes. The cap agreements are designated as cash flow hedges. The difference between the fair market value of the cap agreements recorded on the balance sheet at initial adoption and the unamortized premium was reported in interest expense.

KCP&L entered into interest rate swap agreements to limit the interest rate on $30 million of long-term debt. These swaps do not qualify for hedge accounting. The swap agreements mature in 2003 and effectively fix the interest to a weighted-average rate of 3.88%. The fair market values of these agreements are recorded as current assets and liabilities and adjustments to interest expense on the income statement. Changes in the fair market value of these instruments are recorded in the income statement.

Commodity Risk Management

KCP&L's risk management policy is to use derivative hedge instruments to mitigate its exposure to market price fluctuations on its projected gas requirements for native and firm sales. These hedging instruments are designated as cash flow hedges. The fair market value of these instruments is recorded as current assets and current liabilities. When the gas is purchased and to the extent the hedge is effective at mitigating the impact of a change in the purchase price of gas, the amounts in other comprehensive income are reclassified to the consolidated income statement. To the extent that the hedges are not effective, the ineffective portion of the changes in fair market value are recorded directly in fuel expense.

Strategic Energy maintains a commodity-price risk management strategy that uses forward physical energy purchases and derivative instruments to minimize significant, unanticipated earnings fluctuations caused by commodity-price volatility. Supplying electricity to retail customers under fixed rate contracts requires Strategic Energy to match customers' demand with fixed price purchases. In certain markets where Strategic Energy operates, there is limited availability of forward fixed price power contracts. By entering into swap contracts for a portion of its forecasted purchases in these markets, the future purchase price of electricity is effectively fixed under these swap contracts protecting Strategic Energy from price volatility. The swap contracts limit the unfavorable effect that price increases will have on electricity purchases. Under SFAS No. 133, the majority of the swap agreements are designated as cash flow hedges resulting in the difference between the market value of energy and the hedge value being recorded as comprehensive income(loss). At December 31, 2001, the accumulated comprehensive loss, net of income taxes and minority interest, reflected in Great Plains Energy's consolidated statement of capitalization reflected a $11.7 million loss related to such cash flow hedges. However, most of the energy hedged with the swaps has been sold to customers through contracts at prices different than the fair market value used to value the swaps. Therefore, Strategic Energy does not anticipate incurring any of the losses represented in comprehensive income.

The remaining swap agreements do not qualify for hedge accounting. The fair market value of these swaps at January 1, 2001, was recorded as an asset or liability on the consolidated balance sheet and an adjustment to the cost of purchased power. The change in the fair market value and future changes in the fair market values of these swaps will also be recorded in purchased power.

An option that was designated as a cash flow hedge expired on December 31, 2001. The option allowed Strategic Energy to purchase up to 270 megawatts of power at a fixed rate of $21 per mwh. The fair market value of this option and the swap agreements designated as cash flow hedges at January 1, 2001, was recorded as a current asset and a cumulative effect of a change in accounting principle in comprehensive income. When the power is purchased and to the extent the hedge is effective at mitigating the cost of purchased power, the amounts accumulated in other comprehensive income are reclassified to the consolidated income statement. However, most of the energy hedged with the swaps has been sold to customers through contracts at prices different than the fair market value used to value the swaps. Therefore, Strategic Energy will not receive income or losses to the extent represented in comprehensive income in the current or future periods. To the extent that the hedges are not effective, the ineffective portion of the changes in fair market value will be recorded directly in purchased power.

KLT Gas' risk management policy is to use firm sales agreements or financial hedge instruments to mitigate its exposure to market price fluctuations on up to 85% of its daily natural gas production. These hedging instruments are designated as cash flow hedges. The fair market value of these instruments at January 1, 2001, was recorded as current assets and current liabilities, as applicable, and the cumulative effect of a change in an accounting principle in comprehensive income. When the gas is sold and to the extent the hedge is effective at mitigating the impact of a change in the sales price of gas, the amounts in other comprehensive income are reclassified to the consolidated income statement. To the extent that the hedges are not effective, the ineffective portion of the changes in fair market value are recorded directly in gas revenues.

KLT Gas unwound the majority of its gas hedge derivatives with an offsetting swap transaction during the second quarter of 2001 primarily due to declining production at its gas properties. This transaction does not qualify for hedge accounting. The fair market value of the swap has been recorded in gas revenues. Future changes in the fair market value of this swap will also be recorded in gas revenues.

KCP&L has eight capacity contracts it considers to be normal purchases and sales and not derivatives in accordance with GAAP. During the fourth quarter of 2001, FASB cleared new implementation guidelines that will be applied in the second quarter of 2002. KCP&L is still evaluating its capacity contracts under the new guidelines, but does not expect the contracts to be considered derivatives under the new guidelines.

The amounts recorded related to the cash flow hedges are summarized below.

Great Plains Energy activity for 2001

	Cumulative Effect to January 1, 2001	Increase (Decrease) in Comprehensive Income	Reclassified	December 31 2001
Balance Sheet Classification				
Assets		(millions)		
Other current assets	$ 44.5	$(20.6)	$(24.1)	$(0.2)
Liabilities and capitalization				
Other current liabilities	(6.8)	(20.8)	14.9	(12.7)
Other comprehensive income	(17.4)	25.6	3.9	12.1
Deferred income taxes	(12.7)	18.1	3.1	8.5
Other deferred credits	(7.6)	(2.3)	2.2	(7.7)

KCP&L activity for 2001

Balance Sheet Classification	Cumulative Effect to January 1, 2001	Increase (Decrease) in Comprehensive Income	Reclassified	Transferred to Great Plains Energy	December 31 2001
Assets			(millions)		
Other current assets	$ 44.5	$(20.6)	$(24.1)	$ -	$(0.2)
Liabilities and capitalization					
Other current liabilities	(6.8)	(15.7)	7.4	15.0	(0.1)
Other comprehensive income	(17.4)	23.4	7.6	(13.4)	0.2
Deferred income taxes	(12.7)	16.6	5.6	(9.4)	0.1
Other deferred credits	(7.6)	(3.7)	3.5	7.8	-

16. JOINTLY-OWNED ELECTRIC UTILITY PLANTS

KCP&L's share of jointly-owned electric utility plants as of December 31, 2001, is as follows (in millions of dollars):

	Wolf Creek Unit	LaCygne Units	Iatan Unit
KCP&L's share	47%	50%	70%
Utility plant in service	$ 1,360	$ 327	$ 253
Estimated accumulated depreciation (production plant only)	$ 540	$ 217	$ 163
Nuclear fuel, net	$ 34	-	-
KCP&L's accredited capacity-megawatts	550	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 income statement.

17. DTI HOLDINGS, INC. AND SUBSIDIARIES

On December 31, 2001, a subsidiary of KLT Telecom, DTI Holdings, Inc. (Holdings) and its subsidiary Digital Teleport Inc. (collectively called DTI), filed voluntary petitions in Bankruptcy Court for the Eastern District of Missouri for reorganization under Chapter 11 of the U.S. Bankruptcy Code. The filings enable DTI to continue to conduct its business operations while restructuring its financial obligations. DTI is a telecommunications company headquartered in St. Louis that focuses on providing access and connectivity to secondary and tertiary markets. KLT Telecom has agreed to provide up to $5 million in DIP financing to Digital Teleport Inc. during the bankruptcy process if it achieves certain financial goals. If KLT Telecom provides loans under this DIP financing agreement, it will have priority repayment over most other DTI obligations.

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 the majority shareholder, Richard D. Weinstein (Weinstein) increasing its ownership to 83.6%. In connection with the February 8, 2001 purchase agreement, KLT Telecom granted Weinstein a put option. The put option allows Weinstein to sell his remaining shares to KLT Telecom during a period beginning September 1, 2003, and ending August 31, 2005. The shares shall have an aggregate exercise price equal to the fair market of the shares with an aggregate floor amount of $15 million. The put option has negligible value at December 31, 2001, because of the bankruptcy of DTI and prior to December 31, 2001, because of the contract provisions.

Prior to items discussed below, KLT Telecom's remaining $175.2 million investment in DTI included a February 1, 2001, $94 million loan to Holdings, the proceeds of which were used to repurchase a portion of its Senior Discount Notes, and $47 million in loans to Digital Teleport Inc. under various arrangements. The $47 million of loans are secured, to the extent permitted by law or agreement, by Digital Teleport Inc.'s assets. In December 2001, KLT Telecom converted $84 million of the $94 million loan, plus accrued interest of $8.5 million, to an equity contribution.

The Company obtained from legal counsel, an opinion which stated that based upon and subject to the analysis, limitations and qualifications set forth in the opinion, that they are of the opinion that a court applying Missouri law and acting reasonably in a properly presented and argued case would hold that the corporate veil of DTI would not be pierced with respect to Great Plains Energy and its subsidiaries and therefore neither Great Plains Energy nor the subsidiaries would be required to fund, beyond KLT

Telecom's current equity investment in or loans to DTI, directly, indirectly or through guarantees, any of the present, past or future liabilities, commitments or obligations of DTI except for the DIP loan and certain performance bonds.

The operating results of DTI have been included for the period February 8, 2001, (date of acquisition) through September 30, 2001, for consolidated KCP&L and through December 31, 2001, for Great Plains Energy.

During the fourth quarter of 2001, the following have been recognized in the financial statements of Great Plains Energy related to the activities of DTI:

- Wrote off $60.8 million of goodwill related to the purchase of DTI in February 2001.
- Recorded a $342.5 million impairment of DTI's assets resulting in a negative KLT Telecom investment of $228.1 million.
- Because of DTI's filing for bankruptcy protection under the U.S. Bankruptcy code, KLT Telecom no longer has control over nor can they exert significant control over DTI. As a consequence, as of December 31, 2001, DTI has been de-consolidated and is presented on the cost basis. Consequently KLT Telecom will not include the ongoing results of operations, earnings or losses incurred by DTI during bankruptcy.
- Because of the legal opinion from counsel discussed above, the Company was able to record a reduction in the negative investment of $207.5 million. This reduction resulted in a net impairment charge of $195.8 million ($342.5 million impairment of DTI's assets plus the $60.8 million write-off of goodwill less the $207.5 million adjustment of KLT Telecom's investment) and a remaining negative investment of $20.6 million. This remaining negative investment represents the possible commitments and guarantees relating to DTI including the $5 million for DIP financing and the $15 million aggregate floor of the Weinstein put option. The $20.6 million is included in Deferred Credits and Other Liabilities - Other on Great Plains Energy's consolidated balance sheet.

The results of the above include a $140.0 million ($2.27 per share) reduction to net income ($195.8 included in (Gain) Loss on Property in Operating Expenses and $55.8 million of income tax benefits included in Income Taxes on Great Plains Energy's Consolidated Statements of Income).

The $55.8 million income tax benefits applicable to this net write-off is net of a $15.8 million tax valuation allowance due to the uncertainty of recognizing future tax deductions while in the bankruptcy process. The $55.8 million income tax benefit reflects the impact of DTI's 2001 abandonment of its $104 million of long-haul assets in addition to other expected tax deductions. If additional assets of DTI are sold or abandoned during the bankruptcy process, or additional tax losses not already reflected are incurred by DTI, KLT Telecom will record tax benefits associated with these additional tax deductions at that time. The amount of additional tax deductions will be limited by KLT Telecom's tax basis in DTI. DTI's tax losses will continue to be included in Great Plains Energy's consolidated tax return. In accordance with the tax allocation agreement with DTI, cash tax savings are shared with DTI only to the extent DTI generates taxable income to utilize such losses.

Following are condensed DTI consolidated financial statements for the year ended December 31, 2001.

DTI Consolidated Balance Sheet December 31, 2001		Net Assets De-consolidated by KLT Telecom (millions)
Assets		
Property and equipment, net	$ 46.9	
Other	6.1	
Total assets	$ 53.0	$ (53.0)
Liabilities		
Current liabilities not subject to compromise	$ 0.2	0.2
Liabilities subject to compromise		
Loans from KLT Telecom	57.0	
Deferred revenue	45.8	45.8
Interest payable to KLT Telecom	3.0	
Other	31.9	31.9
Senior discount notes		
Held by KLT Telecom	8.5	
Held by others	203.2	203.2
Total liabilities subject to compromise	349.4	
Stockholders' equity(deficit)	(296.6)	
Total liabilities and stockholders' equity(deficit)	$ 53.0	$ 228.1

DTI Consolidated Statement of Income for the Year Ended December 31, 2001		(millions)
Telecommunications service revenues		$ 17.4
Operating expenses		
Provision for impairment of long-lived assets	(a)	(342.5)
Other		(44.2)
Interest expense net of interest income		(31.9)
Loss before income tax benefit and extraordinary item		(401.2)
Income tax benefit		37.9
Gain on early extinguishment of debt		57.2
Net loss		$ (306.1)

(a) The write-down of assets was determined by DTI in accordance with SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of". The write-down reflects the abandonment of $104 million of long-haul assets and the impairment of the rest of the telecommunication network and equipment. The impairment is primarily a result of the downward trends in certain segments of the economy, particularly with respect to previously expected growth of demand in technology and telecommunications, the accompanying deterioration in value of DTI's operating assets and its Chapter 11 filing. The fair value used in the impairment analysis was derived primarily from the discounted cash flows from continued future operations.

DTI Consolidated Statement of Cash Flows for the Year Ended December 31, 2001

	(millions)
Net cash used in operating activities	$ (10.8)
Net cash used in investing activities	(41.2)
Cash provided by financing activities	42.9
Net decrease in cash and cash equivalents	$ (9.1)

Reconciliation of DTI consolidated financial statements to DTI financial results included in Great Plains Energy consolidated financial statements

	(millions)
Loss before income tax benefit and extraordinary item	$ (401.2)
Loss before consolidation on February 8, 2001	7.1
Goodwill write-off	(60.8)
Reduction to KLT Telecom's negative investment in DTI	207.5
Total	$ (247.4)
Net DTI write-off	$ (195.8)
DTI operational loss, excluding net write-off	(51.6)
Total equal to the above	(247.4)
Other	(1.0)
Total included in loss before income taxes	(248.4)
Income tax benefits recorded by KLT Telecom	74.6
Loss before extraordinary item	(173.8)
Early extinguishment of debt	15.9
DTI loss included in Great Plains Energy consolidated loss	$ (157.9)

Extraordinary Item Early Extinguishment of Debt

The KLT Telecom gain on early extinguishment of debt resulted from DTI's completion of a successful tender offer for 50.4 percent of its outstanding Senior Discount Notes prior to KLT Telecom acquiring a majority ownership in DTI. The $15.9 million early extinguishment of debt has been reduced by the losses previously recorded by DTI but not reflected by KLT Telecom, and is net of $9.1 million of income taxes.

18. PROPOSED INTERNAL REVENUE SERVICE ADJUSTMENT - CORPORATE OWNED LIFE INSURANCE

During 2000, KCP&L recorded a $12.7 million charge for the Federal and states income tax impact of the proposed disallowance of interest deductions on corporate owned life insurance loans and assessed interest on the disallowance for tax years 1994 to 1998. KCP&L believes it has complied with all applicable tax laws and regulations. As a result, KCP&L plans to vigorously contest the IRS's disallowance up to, and including, all appeals available.

19. QUARTERLY OPERATING RESULTS (UNAUDITED)

Quarterly operating results for Great Plains Energy and consolidated KCP&L are identical prior to the October 1, 2001, formation of a holding company. Thus, Great Plains Energy and consolidated KCP&L are presented separately below for the year 2001 to reflect the differences for the registrants in the fourth quarter. The 2000 quarterly operating results presented below represent both Great Plains Energy and consolidated KCP&L.

Great Plains Energy

	Quarter			
	1st	2nd	3rd	4th
	(millions)			
2001				
Operating revenues	$280.2	$346.5	$480.9	$ 354.3
Operating income (loss)	7.4	75.8	131.7	(157.7)
Income (loss) before extraordinary item	(3.0)	36.2	55.6	(128.8)
Net income (loss)	12.9	36.2	55.6	(128.9)
Basic and diluted earnings (loss) per common share before extraordinary item	$(0.06)	$ 0.58	$ 0.89	$ (2.09)
Basic and diluted earnings (loss) per common share	$ 0.20	$ 0.58	$ 0.89	$ (2.09)

Basic and diluted earnings per common share in the fourth quarter of 2001 include a loss of $2.27 due to the net write-off of the investment in DTI.

Consolidated KCP&L

	Quarter			
	1st	2nd	3rd	4th
	(millions)			
2001				
Operating revenues	$280.2	$346.5	$480.9	$ 243.3
Operating income	7.4	75.8	131.7	39.8
Income (loss) before extraordinary item	(3.0)	36.2	55.6	15.0
Net income	12.9	36.2	55.6	15.0

Certain reclassifications have been made to previously reported amounts in the 2001 Form 10-Q's, reflecting audit adjustments to revenues and purchased power recorded by Strategic Energy. There is no impact to net income as a result of these adjustments. Revenues previously reported were $281.9 million, $354.3 million, and $492.6 million for the first, second and third quarters of 2001, respectively.

Great Plains Energy and Consolidated KCP&L

	Quarter 1st	2nd (millions)	3rd	4th
2000				
Operating revenues	$199.3	$290.9	$378.4	$247.3
Operating income	22.0	63.3	142.2	64.8
Income before cumulative effect of changes in accounting principles	0.6	26.7	81.6	19.7
Net income	30.7	26.7	81.6	19.7
Basic and diluted earnings per common share before cumulative effect of changes in accounting principles	-	$ 0.43	$ 1.31	$ 0.31
Basic and diluted earnings per common share	$ 0.49	$ 0.43	$ 1.31	$ 0.31

Basic and diluted earnings per common share in the third and fourth quarter of 2000, include $0.62 and $0.48, respectively, from the sales of gas properties.

The quarterly data is subject to seasonal fluctuations with peak periods occurring during the summer months.

Report of Independent Accountants

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

We have audited the accompanying consolidated balance sheets and statements of capitalization of Great Plains Energy Incorporated and Subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of income, comprehensive income, retained earnings and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the consolidated financial statements of DTI Holdings, Inc. and Subsidiaries (Debtors-in-Possession) (an 83.6 percent owned entity), as of and for the year ended December 31, 2001, which statements reflect total assets of $53.0 million as of December 31, 2001 and total revenues of $17.4 million and a net loss of $306.1 million for the year ended December 31, 2001. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for DTI Holdings, Inc. and Subsidiaries is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Great Plains Energy Incorporated and Subsidiaries at December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 15 to the consolidated financial statements, the Company adopted SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities", as amended on January 1, 2001. As discussed in Note 3 to the consolidated financial statements, the Company changed its method of accounting for pensions in 2000.

/s/PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP

Kansas City, Missouri
February 5, 2002, except with respect to Note 9,
as to which the date is May 22, 2002

Report of Independent Accountants

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

We have audited the accompanying consolidated balance sheets and statements of capitalization of Kansas City Power & Light Company (a wholly-owned subsidiary of Great Plains Energy Incorporated) and Subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of income, comprehensive income, retained earnings and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the consolidated financial statements of DTI Holdings, Inc. and Subsidiaries (Debtors-in-Possession) (an 83.6 percent owned entity through September 30, 2001), as of and for the year ended December 31, 2001, which statements reflect total assets of $53.0 million as of December 31, 2001 and total revenues of $17.4 million and a net loss of $306.1 million for the year ended December 31, 2001. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for DTI Holdings, Inc. and Subsidiaries is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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, based on our audits and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Kansas City Power & Light Company and Subsidiaries at December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 15 to the consolidated financial statements, the Company adopted SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities", as amended on January 1, 2001. As discussed in Note 3 to the consolidated financial statements, the Company changed its method of accounting for pensions in 2000.

As discussed in Note 1 to the consolidated financial statements, on October 1, 2001 the Company completed its corporate reorganization creating a holding company structure.

/s/PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP

Kansas City, Missouri
February 5, 2002, except with respect to Note 9,
as to which the date is May 22, 2002

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of DTI Holdings, Inc.

We have audited the accompanying balance sheets of DTI Holdings, Inc. and subsidiaries (Debtors-in-Possession) (the "Company") as of December 31, 2000 and 2001, and the related statements of operations and stockholder's equity (deficit) and of cash flows for the years ended June 30, 1999 and 2000, the six-month period ended December 31, 2000 and the year ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 financial statements present fairly, in all material respects, the financial position of DTI Holdings, Inc. and subsidiaries as of December 31, 2001 and 2000, and the results of their operations and their cash flows for the years ended June 30, 1999 and 2000, the six-month period ended December 31, 2000 and the year ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the Company has filed for reorganization under Chapter 11 of the Federal Bankruptcy Code. The accompanying financial statements do not purport to reflect or provide for the consequences of the bankruptcy proceedings. In particular, such financial statements do not purport to show (a) as to assets, their realizable value on a liquidation basis or their availability to satisfy liabilities; (b) as to prepetition liabilities, the amounts that may be allowed for claims or contingencies, or the status and priority thereof; (c) as to stockholder accounts, the effect of any changes that may be made in the capitalization of the Company; or (d) as to operations, the effect of any changes that may be made in its business.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1, the Company's recurring losses from operations, negative working capital, and stockholders' capital deficiency raise substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also discussed in Note 1. The financial statements do not include adjustments that might result from the outcome of this uncertainty.

As discussed in Note 3, the Company determined that the carrying value of its long-lived assets had been impaired during the year. In accordance with Financial Accounting Standards No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-lived Assets to be Disposed of, the Company recorded an impairment charge of approximately $342 million at December 31, 2001.

/s/ DELOITTE & TOUCHE, LLP

St. Louis, Missouri
January 30, 2002

Exhibit 99.1.a

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 Current Report on Form 8-K of Great Plains Energy Incorporated (the "Company") dated August 26, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Bernard J. Beaudoin, as Chairman of the Board, 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/Bernard J. Beaudoin
Bernard J. Beaudoin
Chairman of the Board, President
and Chief Executive Officer
Date: August 26, 2002

/s/Andrea F. Bielsker
Andrea F. Bielsker
Senior Vice President - Finance,
Chief Financial Officer and
Treasurer
Date: August 26, 2002

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Exhibit 99.2.a

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 Current Report on Form 8-K of Kansas City Power & Light Company (the "Company") dated August 26, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Bernard J. Beaudoin, 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/Bernard J. Beaudoin
Bernard J. Beaudoin
Chairman of the Board and Chief
Executive Officer
Date: August 26, 2002

/s/Andrea F. Bielsker
Andrea F. Bielsker
Senior Vice President - Finance,
Chief Financial Officer and
Treasurer
Date: August 26, 2002

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.