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

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

For the quarterly period ended September 30, 1997

OR

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

For the transition period from to

Commission file number 1-707

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

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

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

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

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

Yes (X) No ( )

The number of shares outstanding of the registrant's Common stock at October 30, 1997, was 61,892,915 shares.

PART I - FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS
(thousands of dollars)

	September 30 1997	December 31 1996
ASSETS		
UTILITY PLANT, at original cost		
Electric	$3,490,314	$3,472,607
Less-accumulated depreciation	1,291,399	1,238,187
Net utility plant in service	2,198,915	2,234,420
Construction work in progress	82,104	69,577
Nuclear fuel, net of amortization of $99,751 and $84,540	40,137	39,497
Total	2,321,156	2,343,494
REGULATORY ASSET - RECOVERABLE TAXES	126,000	126,000
INVESTMENTS AND NONUTILITY PROPERTY	342,096	231,874
CURRENT ASSETS		
Cash and cash equivalents	112,038	23,571
Customer accounts receivable, net of allowance for doubtful accounts of $1,943 and $1,644	47,672	27,093
Other receivables	32,012	36,113
Fuel inventories, at average cost	15,956	19,077
Materials and supplies, at average cost	46,994	47,334
Deferred income taxes	4,852	2,737
Other	4,082	5,055
Total	263,606	160,980
DEFERRED CHARGES		
Regulatory assets		
Settlement of fuel contracts	8,544	9,764
KCC Wolf Creek carrying costs	0	1,368
Other	22,397	26,615
Other deferred charges	39,702	14,417
Total	70,643	52,164
Total	$3,123,501	$2,914,512
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common stock-authorized 150,000,000 shares without par value-61,908,726 shares issued-stated value	$449,697	$449,697
Retained earnings	444,984	455,934
Unrealized gain on securities available for sale	5,169	6,484
Capital stock premium and expense	(1,664)	(1,666)
Common stock equity	898,186	910,449
Cumulative preferred stock	89,062	89,062
Company-obligated mandatorily redeemable Preferred Securities of subsidiary trust holding solely KCPL Subordinated Debentures *	150,000	0
Long-term debt	936,480	944,136
Total	$2,073,728	$1,943,647
CURRENT LIABILITIES		
Notes payable to banks	935	0
Current maturities of long-term debt	73,752	26,591
Accounts payable	45,807	55,618
Accrued taxes	62,812	18,443
Accrued interest	17,862	21,054
Accrued payroll and vacations	21,855	25,558
Accrued refueling outage costs	12,278	7,181
Other	13,704	11,980
Total	249,005	166,425
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred income taxes	631,859	643,189
Deferred investment tax credits	63,937	67,107
Other	104,972	94,144
Total	800,768	804,440
COMMITMENTS AND CONTINGENCIES		
Total	$3,123,501	$2,914,512

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

* The sole asset of the KCPL Financing I Trust is the $154,640,000 principal amount of 8.3% Junior Subordinated Deferrable Interest Debentures due 2037

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended September 30		Year to Date September 30		Twelve Months Ended September 30	
	1997	1996	1997	1996	1997	1996
			(thousands of dollars)			
ELECTRIC OPERATING REVENUES	$ 290,218	$ 270,202	$ 700,382	$ 703,031	$ 901,270	$ 907,105
OPERATING EXPENSES						
Operation						
Fuel	39,832	37,266	104,045	104,135	140,415	139,629
Purchased power	17,219	14,261	46,141	40,786	57,810	48,864
Other	49,897	44,216	141,358	133,234	188,843	175,526
Maintenance	15,973	16,601	52,553	54,039	70,009	73,424
Depreciation	27,464	26,992	83,037	76,569	110,380	101,115
Taxes						
Income	38,762	33,429	61,128	65,769	63,514	79,252
General	27,648	27,457	72,366	75,269	94,345	98,043
Deferred Wolf Creek costs amortization	0	2,904	1,368	8,712	4,273	11,616
Total	216,795	203,126	561,996	558,513	729,589	727,469
OPERATING INCOME	73,423	67,076	138,386	144,518	171,681	179,636
OTHER INCOME AND (DEDUCTIONS)						
Allowance for equity funds used during construction	779	418	1,772	1,535	2,605	2,317
Miscellaneous income	11,263	2,154	23,724	4,843	23,724	5,660
Miscellaneous deductions	(16,896)	(33,865)	(92,560)	(48,578)	(99,154)	(50,271)
Income taxes	8,596	14,678	48,691	29,144	55,949	31,882
Total	3,742	(16,615)	(18,373)	(13,056)	(16,876)	(10,412)
INCOME BEFORE INTEREST CHARGES	77,165	50,461	120,013	131,462	154,805	169,224
INTEREST CHARGES						
Long-term debt	15,261	13,097	44,777	39,726	58,990	53,372
Short-term debt	103	527	1,273	1,141	1,383	1,272
Miscellaneous	4,172	1,128	8,710	3,620	9,930	4,731
Allowance for borrowed funds used during construction	(518)	(500)	(1,891)	(1,431)	(2,407)	(1,904)
Total	19,018	14,252	52,869	43,056	67,896	57,471
PERIOD RESULTS						
Net income	58,147	36,209	67,144	88,406	86,909	111,753
Preferred stock dividend requirements	952	948	2,866	2,840	3,816	3,812
Earnings available for common stock	57,195	35,261	64,278	85,566	83,093	107,941
Average number of common shares outstanding	61,896	61,902	61,896	61,902	61,897	61,902
Earnings per common share	$0.92	$0.57	$1.04	$1.38	$1.34	$1.74
Cash dividends per common share	$0.405	$0.405	$1.215	$1.185	$1.620	$1.575

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

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(thousands of dollars)

	Year to Date September 30		Twelve Months Ended September 30	
	1997	1996	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	$ 67,144	$ 88,406	$ 86,909	$111,753
Adjustments to reconcile net income to net cash from operating activities:				
Depreciation	83,037	76,569	110,380	101,115
Amortization of:				
Nuclear fuel	15,211	10,884	20,421	14,675
Deferred Wolf Creek costs	1,368	8,712	4,273	11,616
Other	6,049	4,104	7,452	6,106
Deferred income taxes (net)	(10,168)	608	(19,438)	12,479
Deferred investment tax credit amortization	(3,170)	(3,106)	(4,227)	(4,152)
Deferred storm costs	0	0	(8,885)	0
Deferred merger costs	(5,712)	0	(5,712)	0
Allowance for equity funds used during construction	(1,772)	(1,535)	(2,605)	(2,317)
Cash flows affected by changes in:				
Receivables	(16,478)	(5,488)	(9,528)	869
Fuel inventories	3,121	2,563	3,584	519
Materials and supplies	340	686	(505)	(1,711)
Accounts payable	(9,811)	(6,524)	(175)	(1,276)
Accrued taxes	44,369	27,336	(4,250)	(38,223)
Accrued interest	(3,192)	(3,623)	4,579	4,088
Wolf Creek refueling outage accrual	5,097	(9,016)	7,731	(6,493)
Pension and postretirement benefit obligations	(4,335)	(2,399)	(2,020)	(740)
Other operating activities	6,770	9,452	9,164	13,151
Net cash from operating activites	177,868	197,629	197,148	221,459
CASH FLOWS FROM INVESTING ACTIVITIES				
Utility capital expenditures	(92,782)	(76,624)	(117,105)	(121,304)
Allowance for borrowed funds used during construction	(1,891)	(1,431)	(2,407)	(1,904)
Purchases of investments	(98,500)	(15,557)	(118,305)	(34,505)
Purchases of nonutility property	(12,271)	(15,380)	(17,286)	(15,380)
Sale of streetlights	21,500	0	21,500	0
Other investing activities	(8,390)	(4,445)	(4,876)	838
Net cash from investing activities	(192,334)	(113,437)	(238,479)	(172,255)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of mandatorily redeemable Preferred Securities of subsidiary trust	150,000	0	150,000	0
Issuance of long-term debt	66,292	25,441	176,292	45,662
Repayment of long-term debt	(26,787)	(54,230)	(46,787)	(54,230)
Net change in short-term borrowings	935	16,000	(34,065)	35,000
Dividends paid	(78,094)	(76,201)	(104,096)	(101,316)
Other financing activities	(9,413)	(363)	(11,204)	2,646
Net cash from financing activities	102,933	(89,353)	130,140	(72,238)
NET CHANGE IN CASH AND CASH EQUIVALENTS	88,468	(5,161)	88,810	(23,034)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	23,571	28,390	23,229	46,263
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$112,039	$23,229	$112,039	$23,229
CASH PAID DURING THE PERIOD FOR:				
Interest (net of amount capitalized)	$56,562	$45,560	$63,459	$51,893
Income taxes	$0	$40,739	$17,605	$84,718

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

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
(thousands of dollars)

	Year to Date September 30		Twelve Months Ended September 30	
	1997	1996	1997	1996
Beginning balance	$455,934	$449,966	$462,171	$451,734
Net income	67,144	88,406	86,909	111,753
	523,078	538,372	549,080	563,487
Dividends declared				
Preferred stock - at required rates	2,892	2,847	3,827	3,820
Common stock	75,202	73,354	100,269	97,496
Ending balance	$444,984	$462,171	$444,984	$462,171

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

KANSAS CITY POWER & LIGHT COMPANY

Statements made in this report which are not based on historical facts are forward-looking and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Any forward-looking statements are intended to be as of the date on which such a statement is made. In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, we are providing the following important factors that could cause actual results to differ materially from provided forward-looking information. These important factors include: (a) the outcome of the pending Western Resources Inc. (Western Resources) Merger; (b) future economic conditions in the regional, national and international markets; (c) state, federal and foreign regulation and possible additional reductions in regulated electric rates; (d) weather conditions; (e) financial market conditions, including, but not limited to changes in interest rates; (f) inflation rates; (g) changing competition, including, but not limited to, the deregulation of the United States electric utility industry, and the entry of new competitors; (h) the ability to carry out marketing and sales plans; (i) the ability to achieve generation planning goals and the occurrence of unplanned generation outages; (j) nuclear operations; (k) the ability to enter new markets successfully and capitalize on growth opportunities in nonregulated businesses, and (l) adverse changes in applicable laws, regulations or rules governing environmental, tax or accounting matters. This list of factors may not be all inclusive since it is not possible for us to predict all possible factors.

Notes to Consolidated Financial Statements

In management's opinion, the consolidated interim financial statements reflect all adjustments (which include only normal recurring adjustments) necessary to present fairly the results of operations for the interim periods presented. These statements and notes should be read in connection with the financial statements and related notes included in our 1996 annual report on Form 10-K.

1. AGREEMENT AND PLAN OF MERGER WITH WESTERN RESOURCES

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

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

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

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

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

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

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

During the first nine months of 1997, $5.7 million of merger-related costs were deferred by KCPL and are included in Other deferred charges. These costs will be expensed in the first reporting period subsequent to closing of the merger.

2. SECURITIES AVAILABLE FOR SALE

Certain investments in equity securities are accounted for as securities available for sale and adjusted to market value with unrealized gains (or losses), net of deferred income taxes, reported as a separate component of shareholders' equity.

The cost of securities available for sale held by KLT Inc. (KLT), a wholly-owned subsidiary of KCPL, was $5 million as of September 30, 1997 and December 31, 1996. Unrealized gains, net of deferred income taxes, decreased to $5.2 million at September 30, 1997, from $6.5 million at December 31, 1996.

3. CAPITALIZATION

From January 1, 1997 to September 30, 1997, KCPL repaid $16.5 million of secured medium-term notes. KCPL is authorized to issue up to $300 million in unsecured medium-term notes under an indenture dated December 1, 1996. As of September 30, 1997, no unsecured medium-term notes had been issued.

In April 1997 KCPL Financing I (Trust), a wholly-owned subsidiary of Kansas City Power & Light Company, issued $150,000,000 of 8.3% preferred securities. The sole asset of the Trust is the $154,640,000 principal amount of 8.3% Junior Subordinated Deferrable Interest Debentures, due 2037, issued by KCPL. The terms and interest payments on these debentures correspond to the terms and dividend payments on the preferred securities. These payments are reflected as

Miscellaneous Interest Charges in the Consolidated Statement of Income and are tax deductible by KCPL. We 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. We may redeem all or a portion of the debentures after March 31, 2002, requiring an equal amount of preferred securities to be redeemed 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.

4. COSTANERA INVESTMENT

In 1997 KLT invested $46 million for a 12 percent ownership position in the largest fossil-fueled generator in Argentina. While the cost method is used to account for this investment, Financial Accounting Standards Board (FASB) Statement No. 115 -- Accounting for Certain Investments in Debt and Equity Securities is not applicable because the fair value of Class A stock is not readily determinable. Because of a legally binding Consortium and Stockholders Contract requiring the Class A shareholders to authorize the maximum dividend distribution, KLT accrues estimated dividends before actual declaration.

5. INTANGIBLE ASSETS

The application of purchase accounting for certain KLT investments during 1997 resulted in $12 million of goodwill recognition. These amounts are included in Other deferred charges on the balance sheet and are being amortized over 10 to 15 years.

6. KANSAS RETAIL REVENUE REQUIREMENT

On June 19, 1997, the Kansas Corporation Commission formally opened a case for the purpose of reviewing KCPL's Kansas retail revenue requirement. We filed direct testimony and exhibits in the case in August 1997. The Company and the KCC staff are in the process of negotiating a stipulation and agreement which if approved by the KCC would result in a $14 million revenue reduction and a $3 million increase in depreciation beginning January 1998. About 39 percent of KCPL's retail sales revenue, net of gross receipts tax, currently comes from Kansas.

7. COMMITMENTS AND CONTINGENCIES

ENVIRONMENTAL MATTERS

A new proposed rule requiring reduction of nitrogen oxide at our Missouri plants and new air quality standards for ozone and particulate matter control for all plants could eventually result in additional compliance costs or installation of additional control equipment. No estimate of these costs or when they will be incurred is available at this time.

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

REGULATION AND COMPETITION

As competition develops throughout the electric utility industry, we are positioning Kansas City Power & Light Company (KCPL) to excel in an open market. We are improving the efficiency of KCPL's electric utility operations, lowering prices and offering new services. We now offer customized energy packages to larger customers, including options offering natural gas contracts. We have entered an Agreement and Plan of Merger with Western Resources, Inc. (Western Resources). This agreement was reached after nine months of activities related to Western Resources' exchange offer (see Note 1 to the Consolidated Financial Statements).

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

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

FERC's April 1996 order has encouraged more movement toward retail competition at the state level. An increasing number of states have already adopted open access requirements for utilities' retail electric service, allowing competing suppliers access to their retail customers (retail wheeling). Many other states are actively considering retail wheeling. Kansas has created a retail wheeling task force to study and report on related issues. In Missouri, a legislative committee has been formed to study the issue while the Missouri Public Service Commission (MPSC) has established a task force to plan for implementation of retail wheeling if authorized by law.

Competition through retail wheeling could result in market-based rates below current cost-based rates. This would provide growth opportunities for low-cost producers and risks for higher-cost producers, especially those with large industrial customers. Lower rates and the loss of major customers could result in under-utilized assets (stranded investment) and place an unfair burden on the remaining customer base or shareholders. Testimony filed in our merger case in Kansas for KCPL indicates that stranded cost is approximately $1 billion. An independent study prepared at the request of the Kansas Corporation Commission (KCC) concluded that there are no stranded costs. We cannot predict the extent that stranded costs will be recoverable in future rates. If an adequate and fair provision for recovery of these lost revenues is not provided, certain generating assets may have to be evaluated for impairment and appropriate charges recorded against earnings. In addition to lower profit margins, market-based rates could also require generating assets to be depreciated over shorter useful lives, increasing operating expenses.

Although Missouri and Kansas have not yet authorized retail wheeling, we believe KCPL is positioned well to compete in an open market with its diverse customer mix and pricing strategies. About 20% of KCPL's retail mwh sales are to industrial customers compared to the utility industry average of about 35%. KCPL has a flexible rate structure with industrial rates that are competitively priced within our region. In addition, long-term contracts are in place or under negotiation for a large portion of KCPL's industrial sales. There has not been direct competition for retail electric service in our service territory although there has been competition in the bulk power market and between alternative fuels.

Increased competition could also force utilities to change accounting methods. Financial Accounting Standards Board (FASB) Statement No. 71 - Accounting for Certain Types of Regulation, applies to regulated entities whose rates are designed to recover the costs of providing service. An entity's operations could stop meeting the requirements of FASB 71 for various reasons, including a change in regulation or a change in the competitive environment for a company's regulated services. For those operations no longer meeting the requirements of regulatory accounting, regulatory assets would be written off. KCPL's regulatory assets, totaling $157 million at September 30, 1997, will be maintained as long as FASB 71 requirements are met.

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

NONREGULATED

KLT Inc. (KLT) is a wholly-owned subsidiary pursuing nonregulated business ventures. Existing ventures include investments in domestic and international nonregulated power production, energy services, oil and gas reserves, telecommunications, telemetry technology, and affordable housing limited partnerships.

KCPL had a total equity investment in KLT of $109 million as of September 30, 1997. KLT's consolidated assets at September 30, 1997, totaled $341 million. The growth of KLT accounts for most of the increase in KCPL's consolidated investments and nonutility property (see Capital Requirements and Liquidity section). The Agreement and Plan of Merger with Western Resources includes a provision that requires Western Resources' approval if annual investments exceed a certain limit. Such investments do not include the cost of routine regulated utility capital expenditures. Because annual investments are restricted under this limit, KLT will reallocate its funds among its investment plans.

RESULTS OF OPERATIONS

Three-month period:	three months ended September 30, 1997, compared with three months ended September 30, 1996
Nine-month period:	nine months ended September 30, 1997, compared with nine months ended September 30, 1996
Twelve-month period:	twelve months ended September 30, 1997, compared with twelve months ended September 30, 1996

EARNINGS OVERVIEW

Earnings Per Share (EPS)
For the Periods Ended
September 30

	1997	1996	Increase (Decrease)
Three months ended	$0.92	$0.57	$ .35
Nine months ended	$1.04	$1.38	$(0.34)
Twelve months ended	$1.34	$1.74	$(0.40)

EPS for the three-month period increased mainly due to more favorable weather and continued load growth. In addition, EPS for the three-months ended September 30, 1996, was reduced by $0.26 for merger costs. The net effect of the rate reductions approved by the MPSC in July 1996 lowered EPS for the three-month period by an estimated $0.02 per share.

KCPL's pursuit of its strategic options resulted in the September 1996 termination of a merger agreement with UtiliCorp United Inc. (UtiliCorp) and the February 1997 announcement of our agreement to combine with Western Resources. These actions triggered KCPL's payment of $53 million to UtiliCorp under provisions of the UtiliCorp merger agreement, lowering EPS for the nine-month period by $0.52. The net effect of the rate reductions approved by the MPSC lowered EPS for the nine-month period by an estimated $0.15. Increased depreciation expense also negatively affected EPS for the nine-month period. Partially offsetting these decreases are continued load growth and lower deferred Wolf Creek amortization. In addition, EPS for the nine-months ended 1996 was reduced by $0.31 for merger costs.

The decrease in EPS for the twelve-month period reflects the decrease of EPS by $0.52 because of the payment to UtiliCorp and the net effect of the rate reductions approved by the MPSC which lowered EPS for the twelve-month period by an estimated $0.25. An increase in depreciation expense also had a negative effect on EPS for the twelve-month period. Factors contributing positively to EPS for the twelve-month period included continued load growth, lower deferred Wolf Creek amortization and an increase in subsidiary income. In addition, EPS for the twelve-months ended 1996 was reduced by $0.31 for merger costs.

MEGAWATT-HOUR (MWH) SALES AND OPERATING REVENUES

Sales and revenue data:
(revenue change in millions)

	Periods ended September 30, 1997 vs. September 30, 1996					
	Three Months		Six Months		Twelve Months	
	Mwh	Revenues	Mwh	Revenues	Mwh	Revenues
			Increase (decrease)			
Retail Sales:						
Residential	13 %	12	3 %	5	3 %	2
Commercial	9 %	7	4 %	(3)	4 %	(5)
Industrial	2 %	1	(4)%	(3)	(2)%	(3)
Other	13 %	(1)	3 %	(1)	2 %	(1)
Total Retail	9 %	19	2 %	(2)	2 %	(7)
Sales for Resale:						
Bulk Power Sales	(17)%	1	(6)%	(2)	(1)%	4
Other	4 %	-	17 %	-	23 %	-
Total		20		(4)		(3)
Other revenues		-		1		(3)
Total Operating Revenues		20		$(3)		$(6)

During 1996 the MPSC approved a new stipulation and agreement authorizing a $20 million revenue reduction in two phases and an increase in depreciation and amortization expense by $9 million per year. In July 1996 we implemented phase one of the revenue reduction designed to reduce revenues from commercial and industrial customers by an estimated $9 million per year. This decrease is achieved with an increase in summer revenues offset by a larger decrease in winter revenues. This design more closely follows our increased costs of generating electricity in the summer. The second phase of this stipulation, implemented January 1, 1997, further reduces Missouri residential, commercial and industrial revenues by an estimated $11 million per year. The effect of the stipulation changed revenues and EPS as follows:

	For the periods ended September 30					
	Three Months		Six Months		Twelve Months	
	1997	1996	1997	1996	1997	1996
			Increase (decrease)			
Revenues(in millions)	3	5	(10)	5	(20)	5
EPS	0.03	0.05	(0.10)	0.05	(0.20)	0.05

In June 1997 the KCC formally opened a case for the purpose of reviewing KCPL's Kansas retail revenue requirement. Rates in Kansas have not been adjusted since 1988. See Note 6 to the Consolidated Financial Statements regarding a proposed $14 million revenue reduction and a $3 million increase in depreciation beginning January 1998.

The higher mwh sales in September 1997 versus December 1996, resulted in a higher customer accounts receivable balance at September 30, 1997, compared with December 31, 1996.

Three-month retail revenues increased from the prior year because of increased mwh sales. Continued load growth and favorable weather, as compared to the prior year, contributed to the increase in mwh sales for the period. The Missouri rate reductions partially offset the revenue increase for the three-month period. Nine- and twelve-month retail revenues decreased primarily due to the rate reductions and reduced sales to a major industrial customer because of a strike by its employees. Revenues from increased mwh sales partially offset these decreases for the nine- and twelve-month periods.

KCPL has long-term sales contracts with certain major industrial customers. These contracts are tailored to meet customers' needs in exchange for their long-term commitment to purchase energy. Long-term contracts are in place for a large portion of KCPL's industrial sales and more contracts are under negotiation.

Bulk power sales vary with system requirements, generating unit and purchased power availability, fuel costs and the requirements of other electric systems. Outages at the LaCygne I and II generating units in the second quarter of 1997 contributed to lower bulk power mwh sales in the current nine- and twelve-month periods (see Fuel and Purchased Power section). Wolf Creek's spring 1996 refueling outage (see Wolf Creek section) contributed to lower bulk power mwh sales in the prior twelve-month period. Lower bulk power sales in September 1997 compared to December 1996 and the conversion of a Note receivable to an investment (see Capital Requirements and Liquidity section) contributed to the lower Other receivables balance at September 30, 1997, compared to December 31, 1996.

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

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

FUEL AND PURCHASED POWER

Combined fuel and purchased power expenses for the three-month period increased 11% while total mwh sales (total of retail and sales for resale) increased 5%. The difference is due mainly to an increased cost per kwh for purchased power in the current period. Also combined fuel and purchased power expenses for the nine-month period increased 4% on approximately equal total mwh sales with the prior period. Additional replacement power expense incurred due to LaCygne generating units outages is the main reason for the nine-month period difference.

Combined fuel and purchased power expenses for the twelve-month period increased 5% while total mwh sales increased 2%. The additional increase in expense is due mainly to a $2 million increase in capacity purchases and the replacement power expense incurred during the LaCygne generating units outages. Partially offsetting this, the prior twelve-month period includes the additional costs incurred during Wolf Creek's 1996 refueling outage.

The MMBTU price of nuclear fuel remains substantially less than the MMBTU price of coal, despite increasing 9% for the twelve-month period. Nuclear fuel costs averaged 60% of the price of coal during the current twelve months compared with 55% during the prior twelve-month period. We expect this relationship and the price of nuclear fuel to remain fairly constant through the year 2001. For the current twelve-month period, coal represented about 70% of fuel burned and nuclear fuel about 29%. In the prior twelve-month period, coal represented about 76% of fuel burned and nuclear fuel about 23%. The increase in nuclear fuel as a percentage of fuel burned is due mainly to outages during 1997 at LaCygne I and II, coal-fired generating units, and the refueling outage at Wolf Creek in the prior period.

The MMBTU price of coal decreased 1% for the twelve month period. Our coal procurement strategies continue to provide coal costs well below the regional average. We expect coal costs to remain fairly consistent with current levels through 2001.

OTHER OPERATION AND MAINTENANCE EXPENSES

Combined other operation and maintenance expenses for all periods increased due largely to increases in station non-fuel operations, system dispatch, transmission, distribution and customer accounts expenses.

We continue to emphasize new technologies, improved work methodologies and cost control. We are continuously improving our work processes to provide increased efficiencies and improved operations. Through the use of cellular technology, a majority of customer meters are read automatically.

DEPRECIATION AND AMORTIZATION

The increase in depreciation expense for all periods reflects the implementation of the MPSC stipulation and agreement discussed in the revenue section as well as normal increases in depreciation from capital additions. The stipulation and agreement, effective July 1, 1996, authorized a $9 million annual increase in depreciation expense at about the same time the Missouri portion of Deferred Wolf Creek costs became fully amortized in December 1996. This amortization totaled about $9 million per year.

The Kansas portion of Deferred Wolf Creek costs became fully amortized in the second quarter of 1997. Amortization of the Kansas portion of this asset totaled about $3 million per year.

INCOME TAXES

The increase in operating income taxes for the three-month period reflects higher taxable operating income in the current period.

The decrease in operating income taxes for the nine-month period reflects lower taxable operating income. The decrease for the twelve-month period reflects lower taxable operating income, adjustments necessary to reflect the filing of the 1995 tax returns and the settlement with the Internal Revenue Service regarding tax issues included in the 1985 through 1990 tax returns.

General taxes decreased for the nine- and twelve-month periods reflecting changes in Kansas tax law which reduced the mill levy rates.

OTHER INCOME AND (DEDUCTIONS)

Miscellaneous Income

Miscellaneous income for all current periods includes increased revenues from non-utility and subsidiary operations. Dividends on the investment in a fossil-fuel generator in Argentina (see Capital Requirements and Liquidity section) and revenues from a subsidiary in which KLT obtained a controlling interest during 1997 contributed to the increase in miscellaneous income from subsidiary operations.

Miscellaneous Deductions

Miscellaneous deductions for the nine- and twelve-month periods increased due to a $53 million payment to UtiliCorp in February 1997. The September 1996 termination of the UtiliCorp merger agreement and the February 1997 announcement of our agreement to combine with Western Resources, triggered the payment to UtiliCorp under provisions of the UtiliCorp merger agreement. Miscellaneous deductions for the prior periods included $26 million in the three-month period and $31 million in the nine- and twelve-month periods in merger related costs.

All periods reflect increased non-utility expenses and subsidiary operating and investing activities. Subsidiary expenses included in Miscellaneous deductions increased by $9 million for the three-month period, $18 million for the nine-month period and $20 million for the twelve-month period. The primary subsidiary expenses that increased are cost of sales, administrative and general labor and benefits, incentives for gas production, provision for uncollectible notes receivable and outside consulting services. Development of independent power producers, increased gas operations and inclusion of three small companies in which KLT obtained controlling interests during 1997 are the primary activities that contributed to the increased expenses.

Income Taxes

Income taxes reflect the tax impact of the excess of miscellaneous deductions over miscellaneous income. Additionally, during the first nine months of 1997 we accrued tax credits of $16 million, or three-fourths of the total expected 1997 credits, related to affordable housing partnership investments and oil and gas investments. This is an increase of $8 million compared with the tax credits accrued during the first three quarters of 1996. Tax credits from the investments in affordable housing more than offset the increase in interest expense incurred from these investments. Non-taxable increase in the cash surrender value of corporate-owned life insurance contracts also affected the relationship between miscellaneous deductions and income taxes.

INTEREST CHARGES

The increase in long-term interest expense for all periods reflects higher average levels of long-term debt outstanding. The higher levels of debt resulted mainly from additional financing for new investments in unregulated ventures, funding of other corporate capital requirements and financing by KLT to support expanding subsidiary operations.

The increase in miscellaneous interest charges for all periods is primarily due to interest charges incurred on the $150,000,000 of preferred securities.

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

WOLF CREEK

Wolf Creek is one of KCPL's principal generating units representing about 17% of accredited generating capacity. The plant's operating performance has remained strong, contributing about 27% of annual mwh generation while operating at an average capacity of 90% over the last three years. It has the lowest fuel cost per MMBTU of any of KCPL's generating units.

Wolf Creek's ninth refueling and maintenance outage began in early October 1997. Currently, it is forecasted to be approximately a 45 to 50 day outage. The incremental operating, maintenance and replacement power costs are accrued evenly over the unit's operating cycle, normally 18 months. As actual outage expenses are incurred, the refueling liability and related deferred tax asset are reduced. Wolf Creek's eighth scheduled refueling and maintenance outage began in early February 1996 and was completed in April 1996 (64 days). The eighth outage started one month early when the plant was shut down after water flow from the cooling lake was restricted by ice buildup on an intake screen. This extended the length of the outage and was the primary reason for the increase in Wolf Creek related replacement power and maintenance expenses in 1996.

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

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

CAPITAL REQUIREMENTS AND LIQUIDITY

See Note 3 to the Consolidated Financial Statements regarding $150 million in financing obtained by KCPL in April 1997. Other liquid resources of KCPL at September 30, 1997, included cash flows from operations, $300 million of registered but unissued unsecured medium-term notes and $343 million of unused bank lines of credit. The unused lines consisted of KCPL's short-term bank lines of credit of $300 million and KLT's long-term revolving line of credit of $43 million. Cash and cash equivalents increased by $88 million from December 1996 to September 1997 primarily due to $21.5 million of proceeds from the sale of streetlights to the City of Kansas City, Missouri; increased seasonal revenues and the issuance of $150 million of preferred securities.

KCPL continues to generate positive cash flows from operating activities, although individual components of working capital will vary with normal business cycles and operations including the timing of receipts and payments. The timing of the Wolf Creek outage affects the refueling outage accrual, deferred income taxes and amortization of nuclear fuel.

The increase in accrued taxes from December 31, 1996, to September 30, 1997, mainly reflects the timing of income tax and property tax payments. Accelerated depreciation lowers tax payments in the earlier years of an asset's life while increasing deferred tax liabilities; this relationship reverses in the later years of an asset's life. Our last significant generating plant addition was the completion of Wolf Creek in 1985. Accelerated depreciation on Wolf Creek ended in 1995.

The $8.9 million incurred to repair damages from an October 1996 snow storm, recorded as a regulatory asset, lowered cash flows from operating activities for the twelve-month period. Amortization of these costs over five years began in 1997.

Subsidiary goodwill resulting from KLT investments, deferred merger costs and unamortized debt expense all contributed to the increase in Other deferred charges on the Consolidated Balance Sheet from December 31, 1996, to September 30, 1997. Other deferred credits increased due to an increase in Wolf Creek decommissioning liabilities. Also, subsidiary minority interests included in Other deferred credits increased as KLT obtained controlling interests in new companies in 1997.

Cash used in investing activities varies with the timing of utility capital expenditures and KLT's purchases of investments and nonutility properties. KLT closed several investments during the first nine months of 1997, increasing Investments and Nonutility Property on the Consolidated Balance Sheet by approximately $100 million. These include a 12% ownership interest in the largest fossil-fuel generator in Argentina and an ownership interest in Digital Teleport, Inc. (DTI). DTI is constructing a state of the art, fiber optic network throughout the region in anticipation of increased local and long distance telephone competition. As part of the DTI transaction, KLT converted a $9 million note receivable to the investment in DTI.

Construction work in progress increased by $13 million from December 1996 to September 1997 due to normal seasonal fluctuations in the construction schedule, continued construction on major production projects and system software upgrades.

Cash provided by financing activities increased for the nine- and twelve-month periods due to additional long-term borrowings. Long-term debt, including current maturities, increased by $39.5 million from December 1996 to September 1997 primarily due to additional borrowings by KLT on its long-term revolving line of credit. As discussed in Note 3 to the Consolidated Financial Statements, KCPL Financing I, a wholly-owned subsidiary of KCPL, issued $150,000,000 of preferred securities in April 1997. The $53 million payment to UtiliCorp, recorded as an expense, and KLT's purchases of investments and nonutility properties were financed mostly by this financing and additional long-term borrowings. Cash used in Other financing activities increased for the nine- and twelve-month periods due primarily to an increase in unamortized debt expense related to the $150,000,000 financing.

KCPL's common dividend payout ratio was 121% for the current twelve-month period and 91% for the prior twelve-month period compared to 82% for the same period in 1995. The increase in the payout ratio for both periods is due mainly to the significant merger related costs expensed in both periods.

Day-to-day operations, utility construction requirements and dividends are expected to be met with internally-generated funds. Uncertainties affecting our ability to meet these requirements with internally-generated funds include the effect of inflation on operating expenses, the level of mwh sales, regulatory actions, the availability of generating units and compliance with future environmental regulations. A new proposed rule requiring reduction of nitrogen oxide at our Missouri plants and new air quality standards for ozone and particulate matter control for all plants could eventually result in additional compliance costs or installation of additional control equipment. No estimate of these costs or when they will be incurred is available at this time. The funds needed for the retirement of $425 million of maturing debt through the year 2001 will be provided from operations, refinancings or short-term debt. We might incur additional debt and/or issue additional equity to finance growth or take advantage of new opportunities.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

On July 18, 1997, in Kansas City Power & Light Company vs. Western Resources, Inc. (previously discussed in the Company's Form 10-K for the year ended December 31, 1996), the United States District Court for the Western District of Missouri issued an Order dismissing Intervenor Jack R. Manson's derivative amended counterclaim alleging breach of directors' fiduciary duties in connection with the proposed merger with UtiliCorp United Inc. In early August 1997, Manson filed a motion to amend the Order requesting the Court award his attorneys' fees in this matter, and the Court, in an Order dated August 25, 1997, agreed to consider the issue of attorneys' fees. Manson and his counsel then filed an Application for an Award of Attorneys' Fees and Related Disbursements seeking an award of over $6 million. On September 23, 1997, Manson appealed the Order as amended, to the United States Court of Appeals for the Eighth Circuit. It is our opinion that any potential net liability to the Company resulting from these proceedings would be nominal in amount.

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

Exhibits

Exhibit 27. Financial Data Schedule (for the nine months ended September 30, 1997).

Reports on Form 8-K.

No reports on Form 8-K were filed during the quarter ended September 30, 1997.

SIGNATURES

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

KANSAS CITY POWER & LIGHT COMPANY

Dated: November 4, 1997 By: /s/Drue Jennings
(Drue Jennings)
(Chief Executive Officer)

Dated: November 4, 1997 By: /s/Neil Roadman
(Neil Roadman)
(Principal Accounting Officer)

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Dec-31-1997
Sep-30-1997
PER-BOOK
2,321,156
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263,606
196,643
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1.04