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 June 30, 2002

or

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

For the transition period from _______ to _______

Commission File Number	Registrant, State of Incorporation, Address and Telephone Number	I.R.S. Employer Identification Number
0-33207	GREAT PLAINS ENERGY INCORPORATED (A Missouri Corporation) 1201 Walnut Street Kansas City, Missouri 64106 (816) 556-2200	43-1916803
1-707	KANSAS CITY POWER & LIGHT COMPANY (A Missouri Corporation) 1201 Walnut Street Kansas City, Missouri 64106 (816) 556-2200	44-0308720

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

Registrant	Title of each class	
Great Plains Energy Incorporated	Cumulative Preferred Stock par value $100 per share	3.80%
	Cumulative Preferred Stock par value $100 per share	4.50%
	Cumulative Preferred Stock par value $100 per share	4.35%
	Common Stock without par value	

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

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

Yes   X   No

The number of shares outstanding of the registrant's Common stock at August 9, 2002, was 61,908,574 shares.

Great Plains Energy and KCP&L separately file this combined Quarterly Report on Form 10-Q. Information contained herein relating to an individual registrant and its subsidiaries is filed by such registrant on its own behalf. Each registrant makes representations only as to information relating to itself and its subsidiaries.

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

GLOSSARY OF TERMS

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

Abbreviation or Acronym	Definition
Clean Air Act	Clean Air Act Amendments of 1990
CO2	Carbon Dioxide
Consolidated KCP&L	KCP&L and its subsidiary HSS

COLI	Corporate Owned Life Insurance
DIP	Debtor-in-Possession
DTI	DTI Holdings, Inc. and its subsidiary Digital Teleport Inc.
EIRR	Environmental Improvement Revenue Refunding
EPA	Environmental Protection Agency
EPS	Earnings per share
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
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, integrated electric utility subsidiary of Great Plains Energy Incorporated
MACT	Maximum Achievable Control Technology
MISO	Midwest Independent System Operator
MPSC	Missouri Public Service Commission
NEIL	Nuclear Electric Insurance Limited
NRC	Nuclear Regulatory Commission
NOx	Nitrogen Oxide
PCBs	Polychlorinated biphenyls
RSAE	R.S. Andrews Enterprises, Inc. a consumer services company in which HSS owns a 72% equity interest
Receivables Company	Kansas City Power & Light Receivables Company
RTO	Regional Transmission Organization
SPP	Southwest Power Pool
SFAS	Statement of Financial Accounting Standards
WCNOC	Wolf Creek Nuclear Operating Corporation

CAUTIONARY STATEMENTS REGARDING CERTAIN FORWARD-LOOKING INFORMATION

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

- future economic conditions in the regional, national and international markets
- state, federal and foreign regulation
- weather conditions including weather-related damage
- cost of fuel
- financial market conditions including, but not limited to, changes in interest rates
- inflation rates
- increased competition including, but not limited to, the deregulation of the electric utility industry and the entry of new competitors
- ability to carry out marketing and sales plans
- ability to achieve generation planning goals and the occurrence of unplanned generation outages
- nuclear operations
- ability to enter new markets successfully and capitalize on growth opportunities in nonregulated businesses
- adverse changes in applicable laws, regulations or rules governing environmental regulations (including air quality), tax or accounting matters
- delays in the anticipated in-service dates of additional generating capacity
- performance of projects undertaken by our non-regulated businesses and the success of efforts to invest in and develop new opportunities
- non-performance of counterparties
- impact of terrorist acts
- availability and cost of capital and
- other risks and uncertainties.

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

PART I - FINANCIAL INFORMATION
Item 1. Consolidated Financial Statements

GREAT PLAINS ENERGY
Consolidated Balance Sheets
(Unaudited)

	June 30 2002	December 31 2001
	(thousands)	
ASSETS		
Current Assets		
Cash and cash equivalents	$ 30,743	$ 29,034
Receivables	219,317	152,114
Fuel inventories, at average cost	25,514	22,246
Materials and supplies, at average cost	50,815	50,696
Current income taxes	40,548	31,031
Deferred income taxes	743	5,061
Other	18,496	19,167
Total	386,176	309,349
Nonutility Property and Investments		
Affordable housing limited partnerships	72,251	81,136
Gas property and investments	46,840	43,385
Nuclear decommissioning trust fund	62,834	61,766
Other	70,983	63,616
Total	252,908	249,903
Utility Plant, at Original Cost		
Electric	4,397,314	4,332,464
Less-accumulated depreciation	1,845,264	1,793,786
Net utility plant in service	2,552,050	2,538,678
Construction work in progress	37,768	51,265
Nuclear fuel, net of amortization of $114,736 and $127,101	28,650	33,771
Total	2,618,468	2,623,714
Deferred Charges		
Regulatory assets	141,135	124,406
Prepaid pension costs	87,140	88,337
Goodwill	34,066	37,066
Other deferred charges	34,973	30,724
Total	297,314	280,533
Total	$ 3,554,866	$ 3,463,499
LIABILITIES AND CAPITALIZATION		
Current Liabilities		
Notes payable	$ 215,311	$ 144,404
Commercial paper	94,920	62,000
Current maturities of long-term debt	29,487	238,767
EIRR bonds classified as current	177,500	177,500
Accounts payable	178,779	173,956
Accrued taxes	24,034	14,324
Accrued interest	18,230	13,262
Accrued payroll and vacations	24,082	26,422
Accrued refueling outage costs	1,906	12,979
Other	27,674	35,810
Total	791,923	899,424
Deferred Credits and Other Liabilities		
Deferred income taxes	609,890	594,704
Deferred investment tax credits	43,657	45,748
Accrued nuclear decommissioning costs	64,122	63,040
Other	117,561	114,085
Total	835,230	817,577
Capitalization (see statements)	1,927,713	1,746,498
Commitments and Contingencies (Note 7)		
Total	$ 3,554,866	$ 3,463,499

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

GREAT PLAINS ENERGY
Consolidated Statements of Capitalization
(Unaudited)

	June 30 2002	December 31 2001
	(thousands)	
Long-term Debt (excluding current maturities)		
General Mortgage Bonds		
Medium-Term Notes due 2004-08, 7.37%* and 7.28%** weighted-average rate	$ 159,000	$ 179,000
2.90%* and 2.71%** EIRR bonds due 2012-23	158,768	158,768
EIRR bonds classified as current liabilities	(31,000)	(31,000)
Senior Notes		
7.125% due 2005	250,000	250,000
6.500% due 2011	150,000	150,000
6.000% due 2007	225,000	-
Unamortized discount	(1,027)	(660)
EIRR bonds		
3.25%*** Series A & B due 2015	106,500	106,500
3.25%*** Series D due 2017	40,000	40,000
EIRR bonds classified as current liabilities	(146,500)	(146,500)
4.50%*** Series C due 2017	50,000	50,000
Subsidiary Obligations		
R.S. Andrews Enterprises, Inc. long-term debt 8.03%* and 8.14%** weighted-average rate due 2003-07	2,933	2,832
Affordable Housing Notes 7.83%* and 8.16%** weighted-average rate due 2003-08	11,197	19,746
Total	974,871	778,686
Company-obligated Mandatorily Redeemable Preferred Securities of a trust holding solely KCP&L 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
Total	39,000	39,000
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	(1,632)	(1,656)
Retained earnings (see statements)	322,693	344,815
Treasury stock	(4)	(903)
Accumulated other comprehensive loss		
Loss on derivative hedging instruments	(5,881)	(12,110)
Minimum pension liability	(1,031)	(1,031)
Total	763,842	778,812
Total	$ 1,927,713	$ 1,746,498

*   Weighted-average rate as of June 30, 2002
** Weighted-average rate as of December 31, 2001
*** Weighted-average rate as of June 30, 2002 and December 31, 2001

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

GREAT PLAINS ENERGY
Consolidated Statements of Income
(Unaudited)

	Three Months Ended June 30		Year to Date June 30	
	2002	2001	2002	2001
	(thousands)			
Operating Revenues				
Electric revenues - KCP&L	$ 247,229	$ 237,564	$ 446,138	$ 436,386
Electric revenues - Strategic Energy	200,973	80,268	346,987	130,583
Other revenues	17,162	28,738	31,045	59,791
Total	465,364	346,570	824,170	626,760
Operating Expenses				
Fuel	35,350	39,589	69,357	72,303
Purchased power - KCP&L	12,301	13,875	23,232	38,045
Purchased power - Strategic Energy	175,881	64,644	300,873	109,173
Gas purchased and production expenses	737	4,960	1,589	17,115
Other	81,414	85,059	158,618	164,859
Maintenance	20,774	20,444	55,708	41,753
Depreciation and depletion	37,301	39,991	74,732	76,622
General taxes	23,240	22,562	46,401	45,414
Total	386,998	291,124	730,510	565,284
Gain on property	(108)	(20,398)	(67)	(21,706)
Total	386,890	270,726	730,443	543,578
Operating income	78,474	75,844	93,727	83,182
Gain (loss) from equity investments	(316)	424	(632)	(112)
Minority interest in subsidiaries	(2,918)	(1,606)	(5,355)	1,179
Non-operating income	2,363	3,943	3,580	7,459
Non-operating expenses	(4,293)	(1,688)	(12,675)	(9,169)
Interest charges	23,540	25,615	44,338	49,836
Income before income taxes, extraordinary item and cumulative effect of a change in accounting principle	49,770	51,302	34,307	32,703
Income taxes	13,803	15,070	1,237	(557)
Income before extraordinary item and cumulative effect of a change in accounting principle	35,967	36,232	33,070	33,260
Early extinguishment of debt, net of income taxes	-	-	-	15,872
Cumulative effect to January 1, 2002, of a change in accounting principle	-	-	(3,000)	-
Net income	35,967	36,232	30,070	49,132
Preferred stock dividend requirements	411	412	823	824
Earnings available for common stock	$ 35,556	$ 35,820	$ 29,247	$ 48,308
Average number of common shares outstanding	61,909	61,855	61,897	61,855
Basic and diluted earnings per common share before extraordinary item and cumulative effect of a change in accounting principle	$ 0.57	$ 0.58	$ 0.52	$ 0.52
Early extinguishment of debt	-	-	-	0.26
Cumulative effect to January 1, 2002, of a change in accounting principle	-	-	(0.05)	-
Basic and diluted earnings per common share	$ 0.57	$ 0.58	$ 0.47	$ 0.78
Cash dividends per common share	$ 0.415	$ 0.415	$ 0.83	$ 0.83

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

GREAT PLAINS ENERGY
Consolidated Statements of Cash Flows
(Unaudited)

Year to Date June 30	2002	2001
	(thousands)	
Cash Flows from Operating Activities		
Net income	$ 30,070	$ 49,132
Adjustments to reconcile income to net cash from operating activities:		
Early extinguishment of debt, net of income taxes	-	(15,872)
Cumulative effect of a change in accounting principle	3,000	-
Depreciation and depletion	74,732	76,622
Amortization of:		
Nuclear fuel	5,894	8,428
Other	4,968	8,561
Deferred income taxes (net)	15,167	346
Investment tax credit amortization	(2,091)	(2,145)
Loss from equity investments	632	112
Gain on property	(67)	(21,706)
Allowance for equity funds used during construction	16	(3,646)
Deferred storm costs	(19,518)	-
Other operating activities (Note 3)	(60,120)	(93,223)
Net cash from operating activities	52,683	6,609
Cash Flows from Investing Activities		
Utility capital expenditures	(66,603)	(120,010)
Allowance for borrowed funds used during construction	(452)	(7,698)
Purchases of investments	(5,421)	(40,653)
Purchases of nonutility property	(7,185)	(37,168)
Proceeds from sale of assets	1,621	62,485
Hawthorn No. 5 partial insurance recovery	-	30,000
Loan to DTI prior to majority ownership	-	(94,000)
Other investing activities	(7,697)	8,124
Net cash from investing activities	(85,737)	(198,920)
Cash Flows from Financing Activities		
Issuance of long-term debt	224,640	94,000
Repayment of long-term debt	(237,829)	(63,320)
Net change in short-term borrowings	103,827	197,151
Dividends paid	(52,192)	(52,164)
Other financing activities	(3,683)	(436)
Net cash from financing activities	34,763	175,231
Net Change in Cash and Cash Equivalents	1,709	(17,080)
Cash and Cash Equivalents at Beginning of Year	29,034	34,877
Cash and Cash Equivalents at End of Period	$ 30,743	$ 17,797

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

GREAT PLAINS ENERGY
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended June 30		Year to Date June 30	
	2002	2001	2002	2001
	(thousands)			
Net income	$ 35,967	$ 36,232	$ 30,070	$ 49,132
Other comprehensive income:				
Gain (loss) on derivative hedging instruments	(43)	(31,578)	5,800	(34,168)
Income taxes	13	13,127	(2,378)	14,207
Net gain (loss) on derivative hedging instruments	(30)	(18,451)	3,422	(19,961)
Reclassification to revenues and expenses, net of tax	1,367	(4,333)	2,807	(8,340)
Comprehensive income before cumulative effect of a change in accounting principles, net of income taxes	37,304	13,448	36,299	20,831
Cumulative effect to January 1, 2001, of a change in accounting principles, net of income taxes	-	-	-	17,443
Comprehensive income	$ 37,304	$ 13,448	$ 36,299	$ 38,274

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

GREAT PLAINS ENERGY
Consolidated Statements of Retained Earnings
(Unaudited)

	Three Months Ended June 30		Year to Date June 30	
	2002	2001	2002	2001
	(thousands)			
Beginning balance (Note 8)	$312,829	$460,139	$344,815	$473,321
Net income	35,967	36,232	30,070	49,132
	348,796	496,371	374,885	522,453
Dividends declared				
Preferred stock - at required rates	411	412	823	824
Common stock	25,692	25,670	51,369	51,340
Ending balance	$322,693	$470,289	$322,693	$470,289

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Balance Sheets
(Unaudited)

	June 30 2002	December 31 2001
	(thousands)	
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,308	$ 962
Receivables	82,902	62,511
Fuel inventories, at average cost	25,514	22,246
Materials and supplies, at average cost	50,815	50,696
Deferred income taxes	743	5,061
Other	15,685	11,484
Total	176,967	152,960
Nonutility Property and Investments		
Nuclear decommissioning trust fund	62,834	61,766
Other	45,415	40,797
Total	108,249	102,563
Utility Plant, at Original Cost		
Electric	4,397,314	4,332,464
Less-accumulated depreciation	1,845,264	1,793,786
Net utility plant in service	2,552,050	2,538,678
Construction work in progress	37,768	51,265
Nuclear fuel, net of amortization of $114,736 and $127,101	28,650	33,771
Total	2,618,468	2,623,714
Deferred Charges		
Regulatory assets	141,135	124,406
Prepaid pension costs	87,140	88,337
Goodwill	19,952	22,952
Other deferred charges	28,038	30,724
Total	276,265	266,419
Total	$ 3,179,949	$ 3,145,656
LIABILITIES AND CAPITALIZATION		
Current Liabilities		
Notes payable	$ 23,311	$ 20,404
Commercial paper	94,920	62,000
Current maturities of long-term debt	20,351	227,383
EIRR bonds classified as current	177,500	177,500
Accounts payable	79,096	113,029
Accrued taxes	23,673	15,895
Accrued interest	17,779	11,327
Accrued payroll and vacations	22,240	22,581
Accrued refueling outage costs	1,906	12,979
Other	13,595	14,562
Total	474,371	677,660
Deferred Credits and Other Liabilities		
Deferred income taxes	643,339	630,699
Deferred investment tax credits	43,657	45,748
Accrued nuclear decommissioning costs	64,122	63,040
Other	79,840	75,186
Total	830,958	814,673
Capitalization (see statements)	1,874,620	1,653,323
Commitments and Contingencies (Note 7)		
Total	$ 3,179,949	$ 3,145,656

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Capitalization
(Unaudited)

	June 30 2002	December 31 2001
	(thousands)	
Long-term Debt (excluding current maturities)		
General Mortgage Bonds		
Medium-Term Notes due 2004-08,		
7.37%* and 7.28%** weighted-average rate	$ 159,000	$ 179,000
2.90%* and 2.71%** EIRR bonds due 2012-23	158,768	158,768
EIRR bonds classified as current liabilities	(31,000)	(31,000)
Senior Notes		
7.125% due 2005	250,000	250,000
6.500% due 2011	150,000	150,000
6.000% due 2007	225,000	-
Unamortized discount	(1,027)	(660)
EIRR bonds		
3.25%*** Series A & B due 2015	106,500	106,500
3.25%*** Series D due 2017	40,000	40,000
EIRR bonds classified as current liabilities	(146,500)	(146,500)
4.50%*** Series C due 2017	50,000	50,000
Subsidiary Obligations		
R.S. Andrews Enterprises, Inc. long-term debt		
8.03%* and 8.14%** weighted-average rate due 2003-07	2,933	2,832
Total	963,674	758,940
Company-obligated Mandatorily Redeemable Preferred Securities of a trust holding solely KCP&L Subordinated Debentures	150,000	150,000
Common Stock Equity		
Common stock-1,000 shares authorized without par value 1 share issued, stated value	562,041	526,041
Retained earnings (see statements)	199,897	219,524
Accumulated other comprehensive income (loss)		
Income (loss) on derivative hedging instruments	39	(151)
Minimum pension liability	(1,031)	(1,031)
Total	760,946	744,383
Total	$ 1,874,620	$ 1,653,323

* Weighted-average rate as of June 30, 2002
** Weighted-average rate as of December 31, 2001
*** Weighted-average rate as of June 30, 2002 and December 31, 2001

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Income
(Unaudited)

	Three Months Ended June 30		Year to Date June 30	
	2002	2001	2002	2001
	(thousands)			
Operating Revenues				
Electric revenues	$ 247,229	$ 317,832	$ 446,138	$ 566,969
Other revenues	17,018	28,738	30,294	59,791
Total	264,247	346,570	476,432	626,760
Operating Expenses				
Fuel	35,350	39,589	69,357	72,303
Purchased power	12,301	78,519	23,232	147,218
Gas purchased and production expenses	-	4,960	-	17,115
Other	69,276	85,059	135,345	164,859
Maintenance	20,741	20,444	55,638	41,753
Depreciation and depletion	36,940	39,991	73,819	76,622
General taxes	22,927	22,562	45,750	45,414
Total	197,535	291,124	403,141	565,284
Gain on property	(183)	(20,398)	(305)	(21,706)
Total	197,352	270,726	402,836	543,578
Operating income	66,895	75,844	73,596	83,182
Income (loss) from equity investments	-	424	-	(112)
Minority interest in subsidiaries	-	(1,606)	-	1,179
Non-operating income	1,889	3,943	2,750	7,459
Non-operating expenses	(2,346)	(1,688)	(5,003)	(9,169)
Interest charges	21,543	25,615	40,955	49,836
Income before income taxes, extraordinary item and cumulative effect of a change in accounting principle	44,895	51,302	30,388	32,703
Income taxes	17,864	15,070	11,338	(557)
Income before extraordinary item and cumulative effect of a change in accounting principle	27,031	36,232	19,050	33,260
Early extinguishment of debt, net of income taxes	-	-	-	15,872
Cumulative effect to January 1, 2002, of a change in accounting principle	-	-	(3,000)	-
Net income	27,031	36,232	16,050	49,132
Preferred stock dividend requirements	-	412	-	824
Earnings available for common stock	$ 27,031	$ 35,820	$ 16,050	$ 48,308

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Cash Flows
(Unaudited)

Year to date June 30	2002	2001
	(thousands)	
Cash Flows from Operating Activities		
Net income	$ 16,050	$ 49,132
Adjustments to reconcile income to net cash from operating activities:		
Early extinguishment of debt, net of income taxes	-	(15,872)
Cumulative effect of a change in accounting principle	3,000	-
Depreciation and depletion	73,819	76,622
Amortization of:		
Nuclear fuel	5,894	8,428
Other	3,511	8,561
Deferred income taxes (net)	16,836	346
Investment tax credit amortization	(2,091)	(2,145)
Loss from equity investments	-	112
Gain on property	(305)	(21,706)
Allowance for equity funds used during construction	16	(3,646)
Deferred storm costs	(19,518)	-
Other operating activities (Note 3)	(50,950)	(93,223)
Net cash from operating activities	46,262	6,609
Cash Flows from Investing Activities		
Utility capital expenditures	(66,603)	(120,010)
Allowance for borrowed funds used during construction	(452)	(7,698)
Purchases of investments	(1,711)	(40,653)
Purchases of nonutility property	(1,613)	(37,168)
Proceeds from sale of assets	-	62,485
Hawthorn No. 5 partial insurance recovery	-	30,000
Loan to DTI prior to majority ownership	-	(94,000)
Other investing activities	(7,728)	8,124
Net cash from investing activities	(78,107)	(198,920)
Cash Flows from Financing Activities		
Issuance of long-term debt	224,640	94,000
Repayment of long-term debt	(227,032)	(63,320)
Net change in short-term borrowings	35,827	197,151
Dividends paid	-	(52,164)
Dividends paid to Great Plains Energy	(35,677)	-
Equity contribution from Great Plains Energy	36,000	-
Other financing activities	(1,567)	(436)
Net cash from financing activities	32,191	175,231
Net Change in Cash and Cash Equivalents	346	(17,080)
Cash and Cash Equivalents at Beginning of Year	962	34,877
Cash and Cash Equivalents at End of Period	$ 1,308	$ 17,797

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three months ended June 30		Year to date June 30	
	2002	2001	2002	2001
	(thousands)			
Net income	$ 27,031	$ 36,232	$ 16,050	$ 49,132
Other comprehensive income:				
Gain (loss) on derivative hedging instruments	(186)	(31,578)	422	(34,168)
Income taxes	72	13,127	(165)	14,207
Net gain (loss) on derivative hedging instruments	(114)	(18,451)	257	(19,961)
Reclassification to revenues and expenses, net of tax	(104)	(4,333)	(67)	(8,340)
Comprehensive income before cumulative effect of a change in accounting principles, net of income taxes	26,813	13,448	16,240	20,831
Cumulative effect to January 1, 2001, of a change in accounting principles, net of income taxes	-	-	-	17,443
Comprehensive income	$ 26,813	$ 13,448	$ 16,240	$ 38,274

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Retained Earnings
(Unaudited)

	Three months ended June 30		Year to date June 30	
	2002	2001	2002	2001
	(thousands)			
Beginning balance (Note 8)	$182,866	$460,139	$219,524	$473,321
Net income	27,031	36,232	16,050	49,132
	209,897	496,371	235,574	522,453
Dividends declared				
Preferred stock - at required rates	-	412	-	824
Common stock	-	25,670	-	51,340
Common stock held by Great Plains Energy	10,000	-	35,677	-
Ending balance	$199,897	$470,289	$199,897	$470,289

The accompanying Notes to Consolidated Financial Statements are an integral part of these 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 combined 2001 annual report on Form 10-K.

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.

1. ORGANIZATION

Great Plains Energy (The Company)

Great Plains Energy's consolidated financial statements include consolidated KCP&L, KLT Inc. and GPP. KLT Inc.'s major holdings consist of Strategic Energy, KLT Gas, and investments in affordable housing limited partnerships. GPP's assets and results of operations are insignificant to Great Plains Energy's financial position and results of operations for all periods presented.

During the second quarter of 2002, the Company's management revised its corporate business strategy. As a result of this revision, management has decided to limit the operations of GPP until market conditions improve, or the Company makes changes in its business strategy.

Effective October 1, 2001, KCP&L distributed, as a dividend, 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. The presentation of the prior year results of operations for Great Plains Energy is provided for comparative purposes and is identical to the results of operations for consolidated KCP&L, prior to formation of the holding company, presented for that year. Intercompany balances and transactions have been eliminated in consolidation.

Consolidated KCP&L

KCP&L's consolidated financial statements include its wholly owned subsidiary HSS. HSS has two subsidiaries: Worry Free Service, Inc. and RSAE. 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.

Strategic Energy Revenues and Purchased Power Reclassified
Great Plains Energy retail electric revenues and purchased power have been reduced by $5.8 million for the three months ended March 31, 2002 to reflect Strategic Energy's policy of reflecting customer credits as a reduction of electricity energy sales when such credits are determined to be payable. Similarly, retail electric revenues and purchased power reported in the second quarter 2002 earnings press release have been reduced by $4.3 million and $10.1 million for the three months ended and year to date June 30, 2002, respectively. The table below details the originally reported amounts and the reclassification.

	Three Months Ended March 30 2002 (a)	Three Months Ended June 30 2002 (b) (millions)	Year to Date June 30 2002 (b)
Operating revenues- Strategic Energy, as reported	$ 152.2	$ 205.5	$ 357.7
Reclassification	(5.8)	(4.3)	(10.1)
Operating revenues - Strategic Energy	$ 146.4	$ 201.2	$ 347.6
Purchased power - Strategic Energy, as reported	$ 130.8	$ 180.2	$ 311.0
Reclassification	(5.8)	(4.3)	(10.1)
Purchased power - Strategic Energy	$ 125.0	$ 175.9	$ 300.9

(a) As reported in Form 10-Q for the period ended March 30, 2002 and on Form 8-K dated April 24, 2002.
(b) As reported in the press release dated July 24, 2002 for the period ended June 30, 2002.

2. RESTRICTED CASH

Strategic Energy has entered into performance assurance agreements with selected electricity power suppliers. As part of the agreements, Strategic Energy has directed selected retail customers to remit payment to lockboxes that are held in trust and managed by a Trustee, agreed upon by both the supplier and Strategic Energy. As part of the trust administration, the Trustee remits payment to the supplier for electricity purchased by Strategic Energy during the month according to the supplier payment terms. Any excess remittances into the lockboxes are remitted back to Strategic Energy after the disbursement to the supplier has been made. The assets of the Trust are included in cash and cash equivalents in the Great Plains Energy consolidated balance sheets and totaled $14.1 million at June 30, 2002 and $2.2 million at December 31, 2001.

3. SUPPLEMENTAL CASH FLOW INFORMATION

Great Plains Energy Other Operating Activities

	Year to Date June 30	
	2002	2001
Cash flows affected by changes in:	(thousands)	
Receivables	$ (67,203)	$ (60,076)
Fuel inventories	(3,102)	(3,107)
Materials and supplies	(119)	(1,326)
Accounts payable	4,823	(41,118)
Accrued taxes and current income taxes	193	3,568
Accrued interest	4,968	472
Wolf Creek refueling outage accrual	(11,073)	5,670
Pension and postretirement benefit obligations	(20)	(14,051)
Other	11,413	16,745
Total other operating activities	$ (60,120)	$ (93,223)
Cash paid during the period:		
Interest	$ 38,295	$ 41,178
Income taxes	$ 5,753	$ 8,624

Consolidated KCP&L Other Operating Activities

	Year to Date June 30	
	2002	2001
Cash flows affected by changes in:	(thousands)	
Receivables	$ (20,391)	$ (60,076)
Fuel inventories	(3,102)	(3,107)
Materials and supplies	(119)	(1,326)
Accounts payable	(33,933)	(41,118)
Accrued taxes	7,778	3,568
Accrued interest	6,452	472
Wolf Creek refueling outage accrual	(11,073)	5,670
Pension and postretirement benefit obligations	(20)	(14,051)
Other	3,458	16,745
Total other operating activities	$ (50,950)	$ (93,223)
Cash paid during the period:		
Interest	$ 33,428	$ 41,178
Income taxes	$ 1,800	$ 8,624

During the first quarter of 2001, KLT Telecom, a wholly owned subsidiary of KLT Inc., 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 excluded from both Great

Plains Energy and KCP&L's consolidated statement of cash flows
year to date June 30, 2001. See Note 11 for discussion of DTI's bankruptcy.

	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.

4. CAPITALIZATION

KCP&L Financing I (Trust) has previously issued $150.0 million of 8.3% preferred securities. The sole asset of the Trust is the $154.6 million principal amount of 8.3% Junior Subordinated Deferrable Interest Debentures, due 2037, issued by KCP&L.

In March 2002, KCP&L issued $225 million of 6.0% unsecured senior notes, maturing in 2007, through a private placement. The proceeds from the issuance were primarily used to refinance maturing unsecured medium-term notes. KCP&L, pursuant to its obligations under a registration rights agreement entered into in connection with the private placement, filed an S-4 registration statement offering to exchange up to $225 million of 6.0% unsecured senior notes registered under the Securities Act for the $225 million privately placed notes. KCP&L expects the registration statement to become effective during the third quarter.

During the first quarter of 2002, Great Plains Energy terminated its $129 million bridge revolving credit facility. Great Plains Energy replaced the bridge facility with a $205 million syndicated 364-day, revolving credit facility with a group of banks. During June 2002, Great Plains Energy entered into a separate $20 million 364-day revolving credit facility with a bank. At June 30, 2002, Great Plains Energy had $192.0 million of borrowings, at an average interest rate of 2.725%, outstanding under the facilities.

In March 2002, Great Plains Energy made a $36 million capital contribution to KCP&L increasing capital stock premium and expense to $75 million, which is reflected in Common stock in the KCP&L consolidated statement of capitalization.

Great Plains Energy filed an S-3 registration statement on April 29, 2002, for the issuance of an aggregate amount up to $300 million of any combination of senior debt securities, subordinated debt securities, trust preferred securities, convertible securities, or common stock. Great Plains Energy has previously announced its plans to issue additional common equity. The timing and amount of this transaction is dependent on a number of factors, including overall and sector-specific equity market conditions.

5. SEGMENT AND RELATED INFORMATION

Great Plains Energy

Great Plains Energy has three reportable segments based on its method of internal reporting, which generally segregates the reportable segments based on products and services, management responsibility and regulation. 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, generates, transmits and distributes electricity; (2) Strategic Energy 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 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 reportable segments. Segment performance is evaluated based on net income.

The tables below reflect summarized financial information concerning Great Plains Energy's reportable segments. Prior year information has been restated to conform to the current presentation.

For the three months ended June 30, 2002	KCP&L	Strategic Energy	KLT Gas	Other	Great Plains Energy
			(millions)		
Operating revenues	$247.2	$201.2	$ (0.1)	$ 17.1	$ 465.4
Depreciation and depletion	(36.1)	(0.2)	(0.1)	(0.9)	(37.3)
Interest charges	(21.1)	(0.1)	-	(2.3)	(23.5)
Loss from equity investments	-	-	-	(0.3)	(0.3)
Income taxes	(17.9)	(5.8)	2.5	7.4	(13.8)
Net income (loss)	27.3	8.2	(0.3)	0.8	36.0

For the three months ended June 30, 2001	KCP&L	Strategic Energy	KLT Gas	Other	Great Plains Energy
			(millions)		
Operating revenues	$237.6	$ 85.1	$ 0.4	$ 23.4	$ 346.5
Depreciation and depletion	(33.8)	(0.1)	(0.4)	(5.7)	(40.0)
Interest charges	(18.3)	-	-	(7.3)	(25.6)
Income (loss) from equity investments	-	-	0.9	(0.5)	0.4
Income taxes	(14.4)	(4.4)	(5.3)	9.0	(15.1)
Net income (loss)	23.4	6.3	11.9	(5.4)	36.2

Year to date June 30, 2002	KCP&L	Strategic Energy	KLT Gas	Other	Great Plains Energy
			(millions)		
Operating revenues	$446.1	$347.6	$ 0.1	$ 30.4	$ 824.2
Depreciation and depletion	(71.9)	(0.4)	(0.4)	(2.0)	(74.7)
Interest charges	(40.1)	(0.2)	-	(4.0)	(44.3)
Loss from equity investments	-	-	-	(0.6)	(0.6)
Income taxes	(11.3)	(10.6)	4.8	15.9	(1.2)
Cumulative effect of a change in accounting principle	-	-	-	(3.0)	(3.0)
Net income (loss)	20.4	15.1	(0.4)	(5.0)	30.1

Year to date June 30, 2001	KCP&L	Strategic Energy	KLT Gas	Other	Great Plains Energy
			(millions)		
Operating revenues	$436.4	$146.0	$ 1.9	$ 42.4	$ 626.7
Depreciation and depletion	(66.5)	(0.1)	(1.0)	(9.0)	(76.6)
Interest charges	(37.7)	(0.1)	-	(12.0)	(49.8)
Income (loss) from equity investments	-	-	1.0	(1.1)	(0.1)
Income taxes	(10.1)	(5.1)	(3.5)	19.2	0.5
Early extinguishment of debt	-	-	-	15.9	15.9
Net income	21.3	7.3	13.3	7.2	49.1

	KCP&L	Strategic Energy	KLT Gas	Other	Great Plains Energy
June 30, 2002			(millions)		
Assets(a)	$ 3,123.9	$ 183.1	$ 54.8	$ 193.1	$ 3,554.9
Capital and investment expenditures (b)	68.3	0.6	4.6	5.7	79.2
December 31, 2001					
Assets(a)	$ 3,089.4	$ 129.1	$ 57.6	$ 187.4	$ 3,463.5
Capital and investment expenditures (b)	265.8	1.5	25.0	82.0	374.3

(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.

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 have not been included in consolidated KCP&L's results of operations and financial position since October 1, 2001.

The table below reflects summarized financial information for the three months ended and year to date June 30, 2002, concerning consolidated KCP&L's reportable segment. For the three months ended and year to date June 30, 2001, consolidated KCP&L's segment information is identical to the Great Plains Energy segment information presented above.

For the three months ended June 30, 2002	KCP&L	Other	Consolidated KCP&L
		(millions)	
Operating revenues	$ 247.2	$ 17.0	$ 264.2
Depreciation and depletion	(36.1)	(0.8)	(36.9)
Interest charges	(21.1)	(0.5)	(21.6)
Income taxes	(17.9)	0.1	(17.8)
Net income (loss)	27.3	(0.2)	27.1

Year to date June 30, 2002	KCP&L	Other	Consolidated KCP&L
		(millions)	
Operating revenues	$ 446.1	$ 30.3	$ 476.4
Depreciation and depletion	(71.9)	(1.9)	(73.8)
Interest charges	(40.1)	(0.9)	(41.0)
Income taxes	(11.3)	-	(11.3)
Cumulative effect of a change in accounting principle	-	(3.0)	(3.0)
Net income (loss)	20.4	(4.3)	16.1

	KCP&L	Other	Consolidated KCP&L
June 30, 2002		(millions)	
Assets	$ 3,125.2	$ 54.7	$ 3,179.9
Capital and investment expenditures (a)	68.3	1.6	69.9
December 31, 2001			
Assets	$ 3,092.5	$ 53.1	$ 3,145.6
Capital and investment expenditures (a)	265.8	87.0	352.8

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

6. RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

In January of 1997, KLT Energy Services, a wholly-owned subsidiary of KLT Inc., 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. In a December 1999 reorganization, Custom Energy changed its name to Custom Energy Holdings and transferred all of its operations to a new wholly owned subsidiary called Custom Energy. After the reorganization, Custom Energy Holdings' assets consisted of its ownership interests in Strategic Energy and 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. In a July 2002 transaction, Custom Energy was distributed to KLT Energy Services and a third-party investor, resulting in Strategic Energy being the sole subsidiary of Custom Energy Holdings. Environmental Lighting Concepts continues to own a 5.8% indirect ownership interest in Strategic Energy. Gregory Orman, Executive Vice President of Corporate Development and Strategic Planning of Great Plains Energy and President and CEO of KLT Inc., holds a 67% interest in Environmental Lighting Concepts.

Custom Energy Holdings' business and affairs are controlled and managed by a three member Management Committee composed of one representative designated by KLT Energy Services, one representative designated by Environmental Lighting Concepts and one representative designated by a third party investor. Certain actions (including amendment of Custom Energy Holdings' operating agreement, approval of actions in contravention of the operating agreement, approval of a dissolution of Custom Energy Holdings, additional capital contributions and assumption of recourse indebtedness) require the unanimous consent of all the members of Custom Energy Holdings. Certain other actions (including mergers with Custom Energy Holdings, acquisitions by Custom Energy Holdings, assumption of non-recourse indebtedness, sales of substantial assets, approval of distributions, filing of registration statements, partition of assets, admission of new members and transfers of interests in Custom Energy Holdings) can be approved by the Management Committee, but to the extent they affect the rights, obligations, assets or business of Strategic Energy, the approval of the Strategic Energy Management Committee is also required.

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

7. 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, a nuclear generating station, (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 47% 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 47% 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 47% 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.

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 June 30, 2002 and December 31, 2001, 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, as well as developments in pending legal proceedings, 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 effect on KCP&L.

KCP&L operates in an environmentally responsible manner and seeks to use current technology to avoid and treat contamination. KCP&L regularly conducts environmental audits designed to ensure compliance with governmental regulations and to detect contamination. Governmental bodies, however, may impose additional or more rigid environmental regulations that could require substantial changes to operations or facilities at a significant cost. At June 30, 2002, and December 31, 2001, KCP&L had $1.9 million accrued for environmental remediation expenses covering water monitoring at one site and unasserted claims for remediation at a second site. The amounts accrued were established on an undiscounted basis and KCP&L does not currently have an estimated time frame over which the accrued amounts may be paid out. Expenditures to comply with environmental laws

and regulations have not been material in amount during the periods presented and are not expected to be material in the upcoming years with the exception of the issues discussed below.

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 by December 2003 to reduce mercury emissions and issue final rules by December 2004. Until the rules are proposed, 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 (PM-2.5) 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 further 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. On March 26, 2002, the Appeals Court issued its 3 to 0 decision on challenges to the 8-hour ozone and PM-2.5 national ambient air quality standards (NAAQS). This ruling denies all state, industry and environmental groups petitions for review and thus upheld as valid the EPA's new 8-hour ozone and PM-2.5 NAAQS. In so doing, the court held that the EPA acted consistently with the Clean Air Act in setting the standards at the levels it chose and the EPA's actions were reasonable and not arbitrary and capricious, and cited the deference given the Agency's decision-making authority. The court stated that the extensive records established for each rule supported the EPA's actions in both rulemakings.

This ruling by the Appeals Court removed the last major hurdle to the EPA's implementation of stricter ambient air quality standards for ozone and fine particles. The EPA has not yet issued regulations incorporating the new standards. Until new regulations are issued, KCP&L is unable to estimate the impact of the new standards. However, 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.

In the February 22, 2002, Federal Register, the EPA issued proposed Phase II NOx SIP Call regulation which specifically excludes the fossil plants in the western part of Missouri from the NOx SIP Call. To date, the EPA has not issued its final Phase II NOx SIP Call regulation.

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 carbon dioxide (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.

Proposed Water Use Regulations

In February 2002, the EPA issued proposed rules related to certain existing power producing facilities that employ cooling water intake structures that withdraw 50 million gallons or more per day and use 25% or more of that water for cooling purposes. The EPA must take final action by August 2003. KCP&L will continue to monitor the progress of this rulemaking. The impact of these proposed rules has not yet been quantified, however, KCP&L's generating stations would be affected.

KCP&L Leases

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. KCP&L is in the process of amending the lease arrangement to adjust the amount financed from the previously estimated $200 million to $176 million to reflect a reduction in the estimated cost for the purchase, installation, assembly and construction of the five combustion turbines. 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 June 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 June 30, 2002, cumulative project costs were approximately $86.8 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, is expected to be approximately $24.6 million in the aggregate.

During the second quarter of 2002, the FASB issued an exposure draft related to identifying and accounting for special-purpose entities. The proposed interpretation would require consolidation of special-purpose entities by a business that has a controlling financial interest. The proposed interpretation would explain how to determine if a business has a controlling financial interest through a variable interest such as financial instruments, service contracts, nonvoting ownership interest, or other arrangements. The provisions of the proposed interpretation would apply immediately to special-purpose entities created after the date of the final interpretation and would apply to special-purpose entities already in existence as of the beginning of the first fiscal year or interim period beginning after March 15, 2003. If the exposure draft were to be issued as currently proposed, the Company believes the synthetic lease discussed above would need to be consolidated.

Strategic Energy Purchased Power Energy Commitments
Strategic Energy has entered into agreements to purchase electricity at various fixed prices to meet estimated supply requirements. Commitments at June 30, 2002, under these agreements total $1,138.8 million through 2010. Commitments for the remainder of 2002 total $262.2 million and for the years 2003 through 2006 total $370.3 million, $242.3 million, $203.6 million, and $45.3 million, respectively. See Note 10 for further discussion.

Put Option Held by Minority Interests in Strategic Energy
KLT Energy Services indirectly owns approximately 83% of Strategic Energy. Certain employees of Strategic Energy and other investors have a put option to sell all or part of their interests in Strategic Energy (currently 11.45%) to Custom Energy Holdings at any time within the 90 days following January 31, 2004, under certain circumstances, at fair market value. Fair market value would be determined by the mutual agreement of the parties, or if an agreement cannot be reached, by third party appraisal.

DTI Holdings, Inc. and Subsidiaries
On December 31, 2001, DTI, a subsidiary of KLT Telecom, filed voluntary petitions for bankruptcy. DTI's reorganization under Chapter 11 of the U.S. Bankruptcy Code continues in process. Timing of completion of the bankruptcy process has yet to be determined. During the first quarter of 2002, the bankruptcy court approved $5 million in DIP financing to be provided by KLT Telecom. As of June 30, 2002, none of the DIP financing has been borrowed by DTI. As a result of DTI's filing for bankruptcy protection and KLT Telecom's resultant loss of control, KLT Telecom has not included the ongoing earnings or loss incurred by DTI in its results for the three months ended and year to date June 30, 2002.

Consistent with the fiduciary obligation of the creditors' committee to investigate potential sources of recovery for the DTI bankruptcy estate, the creditors' committee served a request for the production of documents by the Company and its affiliates relating to the issue of whether DTI should have been compensated for the use by the Company of its tax losses. The Company believes that it would have meritorious defenses to any such claim that ultimately might be asserted by the creditors' committee. Since the legal and factual basis for any such unasserted claim have not yet been established, the Company is currently unable to estimate the amount of liability or loss, if any, that might arise if a claim is asserted.

8. GOODWILL

SFAS No. 142, "Goodwill and Other Intangible Assets"
The Company adopted SFAS No. 142 on January 1, 2002. Under the new standard, goodwill is no longer amortized, but rather is tested for impairment upon adoption and at least annually thereafter. The annual test may be performed anytime during the year, but must be performed at the same time

each year. The Company will perform its annual goodwill impairment tests before the end of the year. Any future impairment of goodwill would be reflected in continuing operations.

Strategic Energy's initial valuation has been completed and there was no impairment of the $14 million of goodwill.

In accordance with SFAS No. 142, the Company completed its initial impairment test of RSAE during the second quarter of 2002 and recorded a $3.0 million write-down of goodwill. The goodwill write-down is reflected as a cumulative effect to January 1, 2002, of a change in accounting principle. After the write-down, RSAE had goodwill of $20 million, which was unchanged through June 30, 2002. First quarter 2002 income statement information has been restated to reflect the cumulative effect to January 1, 2002, of a change in accounting principle as follows:

For the three months ended March 31, 2002 (in thousands, except per share amounts)	Great Plains Energy	KCP&L
Net loss, as originally reported	$ (2,897)	$ (7,981)
Cumulative effect to January 1, 2002, of a change in accounting principle	(3,000)	(3,000)
Net loss, as restated	(5,897)	(10,981)
Preferred stock dividend requirements	412	-
Loss available for common stock, as restated	$ (6,309)	$ (10,981)
Basic and diluted loss per common share, as originally reported	$ (0.05)	
Cumulative effect to January 1, 2002, of a change in accounting principle	(0.05)	
Basic and diluted loss per common share, as restated	$ (0.10)	
Retained earnings at March 31, 2002, as originally reported	$ 315,829	$ 185,866
Cumulative effect to January 1, 2002, of a change in accounting principle	(3,000)	(3,000)
Retained earnings at March 31, 2002, as restated	$ 312,829	$ 182,866

The following table adjusts the reported 2001 Great Plains Energy and Consolidated KCP&L income statement information to add back goodwill amortization as if the provisions of SFAS No. 142 had been applied during all periods presented.

(in thousands, except per share amounts)	Three Months Ended June 30 2001	Year to Date June 30 2001
Income before extraordinary item, as reported	$ 36,232	$ 33,260
Add back: Goodwill amortization	703	1,742
Income before extraordinary item	36,935	35,002
Early extinguishment of debt, net of income taxes	-	15,872
Income, as adjusted	36,935	50,874
Preferred stock dividend requirments	412	824
Earnings available for common stock, as adjusted	$ 36,523	$ 50,050
Basic and diluted earnings per common share before extraordinary item, as reported	$ 0.58	$ 0.52
Add back: Goodwill amortization	0.01	0.03
Basic and diluted earnings per common share before extraordinary item, as adjusted	0.59	0.55
Early extinguishment of debt	-	0.26
Basic and diluted earnings per common share, as adjusted	$ 0.59	$ 0.81

9. RECEIVABLES

The Company's accounts receivables are comprised of the following:

	June 30 2002	December 31 2001
	(thousands)	
Kansas City Power & Light Receivables Company	$ 46,774	$ 25,723
KCP&L other receivables	36,128	36,788
Consolidated KCP&L receivables	82,902	62,511
Great Plains Energy other receivables	136,415	89,603
Great Plains Energy receivables	$219,317	$152,114

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 Receivables Company, a special purpose entity established to purchase customer accounts receivable from KCP&L. The agreement expires in October 2002, however, KCP&L will seek, and expects to renew the agreement. Receivables Company has sold receivable interests to outside investors. Accounts receivable sold under the revolving agreement between Receivables Company and KCP&L totaled $115.2 million at June 30, 2002 and $95.7 million at December 31, 2001. These sales included unbilled receivables of $46.1 million at June 30, 2002, and $28.9 million at December 31, 2001. In consideration of the sale, KCP&L receives up to $70 million in cash and the remaining balance in the form of a subordinated note from Receivables Company. At June 30, 2002, KCP&L had received $68.4 million in cash from Receivables Company. The agreement is structured as a true sale under which the creditors of Receivables Company are entitled to be satisfied out of the assets of Receivables Company prior to any value being returned to KCP&L or its creditors.

KCP&L sells its receivables at a fixed price based upon the expected cost of funds and charge-offs. These costs comprise KCP&L's loss on the sale of accounts receivable and are included in non-operating expenses. KCP&L services the receivables and receives an annual servicing fee of 0.25% of

the outstanding principal amount of the receivables sold and retains any late fees charged to customers. As currently proposed, the FASB exposure draft related to identifying and accounting for special-purpose entities would not require consolidation of the Receivables Company.

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

	Three Months Ended June 30		Year to Date June 30	
	2002	2001	2002	2001
	(thousands)			
Gross proceeds on sale of accounts receivable	$240,371	$233,047	$432,950	$434,482
Collections	211,785	207,780	419,026	424,577
Loss on sale of accounts receivable	1,251	1,756	2,353	5,659
Late fees	755	1,380	654	1,116

KCP&L other receivables at June 30, 2002 and 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 June 30, 2002 and December 31, 2001 are primarily the accounts receivable held by Strategic Energy which include unbilled receivables of $65.1 million at June 30, 2002 and $48.5 million at December 31, 2001.

10. 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. Cash flow hedges are derivative instruments used to mitigate the exposure to variability in expected future cash flows attributable to a particular risk.

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 adjust the Company's liability portfolio to optimize the mix of fixed and floating rate debt within an established range. The Company maintains commodity-price risk management strategies that use derivative instruments to 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 internal Risk Management Committees.

Interest Rate Risk Management

KCP&L utilizes interest rate management derivatives to adjust the Company's liability portfolio to optimize the mix of fixed and floating rate debt within an established range.

KCP&L has two interest rate swap agreements in place to fix the interest rate on $30 million of floating-rate long-term debt. These swaps do not meet the criteria to qualify for hedge accounting. The swap agreements terminate in 2003 and effectively fix the interest at a weighted-average rate of 3.88%. The fair market values of these agreements are recorded as current assets or liabilities and adjustments to interest expense. 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 generation requirements for retail and firm wholesale sales. These hedging instruments are designated as cash flow hedges. The fair market value of these instruments is recorded as current assets or 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. 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 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.

As a result of supplying electricity to retail customers under fixed rate contracts, Strategic Energy's policy is to match customers' demand with fixed price purchases. In certain markets where Strategic Energy operates, entering into forward fixed price contracts is cost prohibitive. 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). 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. At June 30, 2002, the accumulated comprehensive loss, net of income taxes and minority interest, reflected in Great Plains Energy's consolidated statement of capitalization reflected a $5.9 million loss related to such cash flow hedges. However, substantially all 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.

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 or current liabilities, as applicable, and the cumulative effect of a change in 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 is currently developing gas properties and has no production hedged at June 30, 2002.

The amounts recorded related to the cash flow hedges in other comprehensive income (OCI) are summarized below.

Great Plains Energy activity for the three months ended June 30, 2002

	March 31 2002	Increase (Decrease) in OCI	Reclassified	June 30 2002
Assets		(millions)		
Other current assets	$ 0.8	$ (0.5)	$ (0.2)	$ 0.1
Other deferred debits	0.3	0.2	-	0.5
Liabilities and capitalization				
Other current liabilities	(7.4)	(3.4)	2.9	(7.9)
Accumulated OCI	7.2	-	(1.3)	5.9
Deferred income taxes	5.1	-	(1.0)	4.1
Other deferred credits	(6.0)	3.7	(0.4)	(2.7)

Consolidated KCP&L activity for the three months ended June 30, 2002

	March 31 2002	Increase (Decrease) in OCI	Reclassified	June 30 2002
Assets		(millions)		
Other current assets	$ 0.4	$ (0.2)	$ (0.2)	$ -
Liabilities and capitalization				
Accumulated OCI	(0.3)	0.2	0.1	-
Deferred income taxes	(0.1)	-	0.1	-

Great Plains Energy and Consolidated KCP&L activity for the three months ended June 30, 2001

	March 31 2001	Increase (Decrease) in OCI	Reclassified	June 30 2001
Assets		(millions)		
Other current assets	$ 30.1	$(13.8)	$(10.3)	$ 6.0
Liabilities and capitalization				
Other current liabilities	(4.4)	(24.7)	1.1	(28.0)
Accumulated OCI	(11.9)	18.4	4.3	10.8
Deferred income taxes	(8.7)	13.1	3.1	7.5
Other deferred credits	(5.1)	7.0	1.8	3.7

Great Plains Energy activity year to date June 30, 2002

	December 31 2001	Increase (Decrease) in OCI	Reclassified	June 30 2002
		(millions)		
Assets				
Other current assets	$ (0.2)	$ 0.4	$ (0.1)	$ 0.1
Other deferred debits	-	0.5	-	0.5
Liabilities and capitalization				
Other current liabilities	(12.7)	(1.0)	5.8	(7.9)
Accumulated OCI	12.1	(3.4)	(2.8)	5.9
Deferred income taxes	8.5	(2.4)	(2.0)	4.1
Other deferred credits	(7.7)	5.9	(0.9)	(2.7)

Consolidated KCP&L activity year to date June 30, 2002

	December 31 2001	Increase (Decrease) in OCI	Reclassified	June 30 2002
		(millions)		
Assets				
Other current assets	$ (0.2)	$ 0.3	$ (0.1)	$ -
Liabilities and capitalization				
Other current liabilities	(0.1)	0.1	-	-
Accumulated OCI	0.2	(0.2)	-	-
Deferred income taxes	0.1	(0.2)	0.1	-

Great Plains Energy and Consolidated KCP&L activity
year to date June 30, 2001

	Cumulative Effect to January 1, 2001	Increase (Decrease) in OCI	Reclassified	June 30 2001
		(millions)		
Assets				
Other current assets	$ 44.5	$(17.3)	$(21.2)	$ 6.0
Liabilities and capitalization				
Other current liabilities	(6.8)	(24.4)	3.2	(28.0)
Accumulated OCI	(17.4)	19.9	8.3	10.8
Deferred income taxes	(12.7)	14.2	6.0	7.5
Other deferred credits	(7.6)	7.6	3.7	3.7

Reclassified to earnings for the three months ended June 30,

	Great Plains Energy		Consolidated KCP&L	
	2002	2001	2002	2001
		(millions)		
Gas revenues	$ (0.2)	$ (1.0)	$ -	$ (1.0)
Fuel expense	0.2	-	0.2	-
Purchased power expense	(2.7)	10.2	-	10.2
Minority interest	0.4	(1.8)	-	(1.8)
Income taxes	1.0	(3.1)	(0.1)	(3.1)
OCI	$ (1.3)	$ 4.3	$ 0.1	$ 4.3

Reclassified to earnings year to date June 30,

	Great Plains Energy		Consolidated KCP&L	
	2002	2001	2002	2001
	(millions)			
Gas revenues	$ (0.2)	$ (3.1)	$ -	$ (3.1)
Fuel expense	0.1	-	0.1	-
Purchased power expense	(5.6)	21.1	-	21.1
Minority interest	0.9	(3.7)	-	(3.7)
Income taxes	2.0	(6.0)	(0.1)	(6.0)
OCI	$ (2.8)	$ 8.3	$ -	$ 8.3

11. KCP&L JANUARY ICE STORM

At the end of January 2002, the most damaging ice storm in Kansas City history caused roughly 285,000 customer outages throughout the KCP&L territory. Incremental costs incurred through June 30, 2002, related to the January ice storm were approximately $50.2 million of which $14.7 million were capital expenditures and therefore recorded to utility plant. KCP&L expensed $16.0 million ($0.16 per share) for the Kansas jurisdictional portion of the storm costs and deferred as a regulatory asset $19.5 million of the storm costs applicable to Missouri.

In the second quarter of 2002, the KCC approved the stipulation and agreement that KCP&L had reached with the Commission staff and the Citizens Utility Ratepayers Board with regard to treatment of the Kansas portion of the ice storm costs. Under this stipulation and agreement, KCP&L received a rate moratorium until 2006 in exchange for KCP&L's agreement to not seek recovery of the $16.0 million expense for the Kansas jurisdictional portion of the storm costs, and reduce rates by $12.0 - $13.0 million annually beginning in 2003. Additionally, KCP&L agreed to determine depreciation expense of the Wolf Creek nuclear generating station using a 60 year life instead of a 40 year life effective January 2003, which results in a reduction of expense by approximately $7.0 - $8.0 million annually. KCP&L also agreed to file a rate case by May 15, 2006.

Effective August 2002, the MPSC approved KCP&L's application for an accounting authority order related to the Missouri jurisdictional portion of the storm costs. The order allows KCP&L to defer and amortize $19.5 million, representing the Missouri impact of the storm, through January 2007. The amortization will begin in September 2002 and is expected to be approximately $1.5 million in 2002 and approximately $4.6 million annually for the remainder of the amortization period.

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

The Management's Discussion and Analysis of Financial Condition and Results of Operations that follow are a combined presentation for Great Plains Energy and KCP&L, both registrants under this filing. The discussion and analysis by management focuses on those factors that had a material effect on the financial condition and results of operations of the registrants during the periods presented. It should be read in conjunction with the accompanying Financial Statements and Notes and with the management's discussion and analysis included in the Company's 2001 annual report on Form 10-K.

Great Plains Energy Incorporated

Effective October 1, 2001, Great Plains Energy became the holding company of KCP&L, GPP and KLT Inc. and subsidiaries. As a diversified energy company, its primary segments of business include:

- KCP&L, an integrated electric utility in the states of Missouri and Kansas, provides reliable, low-cost electricity to retail customers;
- Strategic Energy provides power supply coordination services in several deregulated electricity markets, including Pennsylvania, southern California, Ohio, New York, Massachusetts and Texas.
- KLT Gas acquires and develops early stage coalbed methane natural gas properties.

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.

During the second quarter of 2002, the Company's management revised its corporate business strategy. The goal is to become a premier diversified energy company that achieves annual growth in earnings per share in a financially disciplined manner. To achieve this goal, Great Plains Energy intends to focus on its three primary segments of business and identify synergistic energy investments by:

- Developing KCP&L into an operationally excellent electric utility,
- Continuing to grow Strategic Energy's business model into new markets,
- Developing KLT Gas into a premier brand in the unconventional natural gas exploration market, and
- Identifying synergistic energy investments that drive earnings growth while supporting the Company's core strategies.

Great Plains Energy Results of Operations

	Three Months Ended June 30		Year to Date June 30	
	2002	2001	2002	2001
	(millions)			
Operating revenues	$ 465.4	$ 346.5	$ 824.2	$ 626.7
Fuel	(35.4)	(39.6)	(69.4)	(72.3)
Purchased power	(188.2)	(78.4)	(324.1)	(147.1)
Revenues, net of fuel and purchased power	241.8	228.5	430.7	407.3
Other operating expenses	(126.2)	(133.1)	(262.4)	(269.2)
Depreciation and depletion	(37.3)	(40.0)	(74.7)	(76.6)
Gain on property	0.1	20.4	0.1	21.7
Operating income	78.4	75.8	93.7	83.2
Loss from equity investments	(0.3)	0.4	(0.6)	(0.1)
Non-operating income (expenses)	(4.8)	0.7	(14.5)	(0.6)
Interest charges	(23.5)	(25.6)	(44.3)	(49.8)
Income taxes	(13.8)	(15.1)	(1.2)	0.5
Early extinguishment of debt	-	-	-	15.9
Cumulative effect of a change in accounting principle	-	-	(3.0)	-
Net income	36.0	36.2	30.1	49.1
Preferred dividends	(0.5)	(0.4)	(0.9)	(0.8)
Earnings applicable to common	$ 35.5	$ 35.8	$ 29.2	$ 48.3

Three months ended June 30, 2002, compared to June 30, 2001

Great Plains Energy's earnings for the three months ended, as detailed in the table below, decreased slightly compared to the same period of 2001.

	Three Months Ended June 30			
	2002 Earnings	2001 Earnings	2002 EPS	2001 EPS
	(millions)			
KCP&L	$ 27.3	$ 23.0	$ 0.44	$ 0.37
Subsidiary operations	(0.2)	(1.6)	-	(0.02)
Consolidated KCP&L	27.1	21.4	0.44	0.35
Strategic Energy	8.2	6.3	0.13	0.10
KLT Gas	(0.3)	11.9	-	0.19
Other non-regulated operations	0.5	(3.8)	-	(0.06)
Total	$ 35.5	$ 35.8	$ 0.57	$ 0.58

KCP&L's increase in earnings for the three months ended June 30, 2002, compared to the same period of 2001, is primarily the result of warmer June 2002 weather, continued load growth, lower average cost per mmbtu of fuel, and a significantly lower price per mwh of purchased power. These factors combined to more than offset increased pension costs of $4.0 million. Strategic Energy's continued growth in the retail markets (including increases in customer accounts) and mwh's served increased earnings $6.6 million excluding earnings during the three months ended June 30, 2001, of $4.7 million resulting from the sale of power purchased from one supplier under wholesale contracts that expired at the end of 2001. KLT Gas is currently developing production properties following its most recent sale of property during the second quarter of 2001 which resulted in an after tax gain of $11.6 million. Other

non-regulated operations includes, among other things, earnings from affordable housing of $2.7 million and $3.7 million for the three months ended June 30, 2002 and 2001, respectively. Additionally, the three months ended June 30, 2001, reflects DTI losses of $9.5 million.

Year to date June 30, 2002, compared to June 30, 2001

Great Plains Energy's earnings year to date June 30, 2002, compared to 2001 remained unchanged, excluding the cumulative effect of a change in accounting principle in 2002 and the early extinguishment of debt in 2001.

	Year to Date June 30			
	2002 Earnings	2001 Earnings	2002 EPS	2001 EPS
	(millions)			
KCP&L	$ 20.4	$ 20.5	$ 0.33	$ 0.33
Subsidiary operations	(1.3)	(3.4)	(0.02)	(0.05)
Cumulative effect to January 1, 2002 of a change in accounting principle	(3.0)	-	(0.05)	-
Consolidated KCP&L	16.1	17.1	0.26	0.28
Strategic Energy	15.1	7.3	0.24	0.12
KLT Gas	(0.4)	13.3	(0.01)	0.21
Other non-regulated operations	(1.6)	(5.3)	(0.02)	(0.09)
Earnings excluding extraordinary item	29.2	32.4	0.47	0.52
Early extinguishment of debt	-	15.9	-	0.26
Total	$ 29.2	$ 48.3	$ 0.47	$ 0.78

KCP&L earnings were unchanged year to date June 30, 2002, compared to the same period of 2001. The positive impact of the return to service of Hawthorn No. 5 in June 2001 and significantly lower cost per mwh of purchased power were offset by increased pension expense and the impact of expensing the Kansas jurisdictional portion of the January 2002 ice storm costs. Strategic Energy's continued growth in the retail markets increased earnings $13.0 million excluding earnings during year to date June 30, 2001, of $5.2 million resulting from the sale of power purchased from one supplier under wholesale contracts that expired at the end of 2001. KLT Gas is currently developing production properties following its most recent sale of property during the second quarter of 2001 which resulted in an after tax gain of $11.6 million. Other non-regulated operations includes earnings from affordable housing of $3.2 million and $7.0 million year to date June 30, 2002 and 2001, respectively. Additionally, year to date June 30, 2001, reflects DTI losses of $13.9 million, excluding the early extinguishment of debt.

On December 31, 2001, DTI filed voluntary petitions for bankruptcy. As a result of DTI's filing for bankruptcy protection, and KLT Telecom's resultant loss of control, KLT Telecom has not included in its results for the three months ended and year to date June 30, 2002, the ongoing earnings or loss incurred by DTI.

The Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets" effective January 1, 2002. In accordance with SFAS No. 142, the Company completed its initial impairment test of RSAE during the second quarter of 2002 and determined that a $3.0 million write-down of goodwill was required. As a result, Great Plains Energy's year to date June 30, 2002, net income was reduced by the $3.0 million which is reflected as a cumulative effect to January 1, 2002, of a change in accounting principle.

On February 1, 2001, DTI, an equity investment of KLT Telecom on that date, completed a tender offer for 50.4% of its outstanding senior discount notes. This transaction resulted in a $15.9 million ($0.26 per share) extraordinary gain on the early extinguishment of debt.

For further discussion regarding each segment's results of operations, see its respective section below.

Consolidated KCP&L
The following discussion of consolidated KCP&L results of operations includes KCP&L, an integrated electric utility and HSS, an unregulated subsidiary of KCP&L. References to KCP&L, in the discussion that follows, reflect only the operations of the integrated electric utility. The discussion excludes the results of operations for KLT Inc. and subsidiaries and GPP, which were transferred to Great Plains Energy on October 1, 2001.

Consolidated KCP&L Business Overview
KCP&L consists of two business units - power and delivery.

The power business unit has over 3,700 megawatts of generating capacity. During 2001, KCP&L entered into a $200 million, five-year construction and synthetic operating lease transaction for five combustion turbines that will add 385 megawatts of peaking capacity. The lease is currently in the process of being amended to reduce the amount financed from the previously estimated $200 million to $176 million to reflect changes in the estimated cost for the purchase, installation, assembly and construction of the five combustion turbines. Construction will begin in 2002 with the expected commercial operation of the five combustion turbines in the spring and summer 2003.

The delivery business unit consists of transmission and distribution facilities that serve over 480,000 customers as of June 30, 2002. Historically, load growth has increased approximately 2.0% to 2.5% annually through increased customer usage and additional customers. Rates charged for electricity are below the national average.

KCP&L has an obligation, under FERC Order 2000, to join a FERC approved RTO. RTOs combine regional transmission operations of utility businesses into an organization that schedules transmission services and monitors the energy market to ensure regional transmission reliability and non-discriminatory access. KCP&L is a member of the SPP. During the first quarter of 2002, the SPP and the MISO voted to consolidate the two organizations to create a larger Midwestern RTO, a non-profit organization that will operate in twenty states and one Canadian province. The consolidation is expected to be completed during the third quarter of 2002 and has received FERC approval. FERC has already approved an RTO proposal submitted by the MISO.

KCP&L also has a wholly-owned unregulated subsidiary, HSS, that holds investments in businesses primarily in residential services. HSS is comprised of two subsidiaries, RSAE and Worry Free Services, Inc.

Consolidated KCP&L Results of Operations

The following table summarizes consolidated KCP&L's comparative results of operations. For comparative purposes only, the 2001 periods presented below have been restated to exclude the results of operations for KLT Inc. and subsidiaries and GPP, which were transferred to Great Plains Energy on October 1, 2001. Therefore, the 2001 periods presented below do not agree with the 2001 periods presented in KCP&L's consolidated statements of income and should only be used in the context of the discussion and analysis that follows.

	Three Months Ended June 30		Year to Date June 30	
	2002	2001	2002	2001
	(millions)			
Operating revenues	$ 264.2	$ 256.3	$ 476.4	$ 471.8
Fuel	(35.4)	(39.6)	(69.4)	(72.3)
Purchased power	(12.3)	(13.8)	(23.2)	(38.0)
Revenues, net of fuel and purchased power	216.5	202.9	383.8	361.5
Other operating expenses	(112.9)	(112.6)	(236.7)	(226.2)
Depreciation and depletion	(36.9)	(34.5)	(73.8)	(67.8)
Gain on property	0.2	(1.4)	0.3	(1.4)
Operating income	66.9	54.4	73.6	66.1
Loss from equity investments	-	-	-	(0.1)
Non-operating income (expenses)	(0.4)	0.4	(2.2)	(0.5)
Interest charges	(21.6)	(18.6)	(41.0)	(38.4)
Income taxes	(17.8)	(14.5)	(11.3)	(9.2)
Cumulative effect of a change in accounting principle	-	-	(3.0)	-
Net income	27.1	21.7	16.1	17.9
Preferred dividends	-	(0.4)	-	(0.8)
Earnings applicable to common	$ 27.1	$ 21.3	$ 16.1	$ 17.1

Consolidated KCP&L's earnings increased $5.8 million for the three months ended June 30, 2002, and decreased $1.0 million year to date June 30, 2002, compared to the same periods of 2001.

For the three months ended June 30, 2002, KCP&L earnings increased $4.3 million, compared to the same period of 2001. Warmer June 2002 weather, continued load growth, lower average cost per mmbtu of fuel, and a lower price per mwh of purchased power combined to more than offset increased pension costs of $4.0 million. HSS improved its results of operations $1.4 million despite a 9% decline in revenues due to the closure of some locations and the implementation of cost saving strategies.

Year to date June 30, 2002, KCP&L earnings were unchanged. The positive impact of the return to service of Hawthorn No. 5 in June 2001 and significantly lower prices per mwh of purchased power were offset by increased pension expense and the impact of expensing the Kansas jurisdictional portion of the January 2002 ice storm costs. HSS, excluding the cumulative effect of a change in accounting principle, improved operating results $2.1 million due to the closure of some locations and the implementation of cost saving strategies.

The Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets" effective January 1, 2002. In accordance with SFAS No. 142, the Company completed its initial impairment test of RSAE during the second quarter of 2002 and determined that a $3.0 million write-down of goodwill was required. As a result, year to date June 30, 2002, Great Plains Energy net income was reduced by the

$3.0 million which is reflected as a cumulative effect to January 1, 2002, of a change in accounting principle.

Consolidated KCP&L Sales Revenues and Megawatt-hour (mwh) Sales

	Three Months Ended June 30		%	Year to Date June 30		%
	2002	2001	Change	2002	2001	Change
Retail revenues	(millions)			(millions)		
Residential	$ 84.2	$ 78.3	8 %	$154.0	$149.1	3 %
Commercial	110.2	107.8	2 %	196.7	191.9	2 %
Industrial	26.4	25.8	2 %	46.2	53.0	(13)%
Other retail revenues	2.1	2.1	4 %	4.3	4.1	4 %
Total retail	222.9	214.0	4 %	401.2	398.1	1 %
Sales for resale revenues						
Bulk power sales	20.3	18.7	8 %	36.9	28.9	28 %
Other sales for resale revenues	0.8	0.8	(5)%	1.7	2.0	(14)%
Other revenues	3.2	4.1	(20)%	6.3	7.4	(14)%
KCP&L electric revenues	247.2	237.6	4 %	446.1	436.4	2 %
Subsidiary revenues	17.0	18.7	(9)%	30.3	35.4	(14)%
Consolidated KCP&L revenues	$264.2	$256.3	3 %	$476.4	$471.8	1 %

	Three Months Ended June 30		%	Year to Date June 30		%
	2002	2001	Change	2002	2001	Change
Retail mwh sales	(thousands)			(thousands)		
Residential	1,080	1,012	7 %	2,149	2,126	1 %
Commercial	1,726	1,721	- %	3,282	3,265	1 %
Industrial	522	515	1 %	948	1,082	(12)%
Other retail mwh sales	19	19	8 %	41	39	7 %
Total retail	3,347	3,267	2 %	6,420	6,512	(1)%
Sales for resale mwh						
Bulk power sales	968	732	32 %	1,793	1,127	59 %
Other sales for resale	30	29	2 %	60	60	(1)%
KCP&L electric mwh sales	4,345	4,028	8 %	8,273	7,699	7 %

Total revenues increased for the three months ended and year to date June 30, 2002, compared to the same periods of 2001. Warmer June 2002 weather and continued load growth increased retail revenues for the three months ended June 30, 2002. The increase was mostly offset by the mild weather in the first quarter of 2002 and the bankruptcy of one major industrial customer in early 2001 ($4.4 million of revenues year to date June 30, 2001) to net a slight increase in retail revenue year to date, compared to the same period of 2001. Load growth resulting from higher usage-per-customer and the addition of new customers partially offset the decreases. Less than 1% of revenues include an automatic fuel adjustment provision.

Bulk power sales vary with system requirements, generating unit and purchased power availability, fuel costs and requirements of other electric systems. The significant increases in bulk power mwh sales were partially offset by a decline of approximately 20% in prices per bulk power mwh sold for the three months ended and year to date June 30, 2002, compared to the same periods in 2001.

In the second quarter 2002, the KCC approved the stipulation and agreement that KCP&L had reached with the Commission staff and the Citizens Utility Ratepayers Board with regard to treatment of the Kansas portion of the ice storm costs. Under this stipulation and agreement, KCP&L received a rate moratorium until 2006 in exchange for KCP&L's agreement to not seek recovery of the $16 million expense for the Kansas jurisdictional portion of the storm costs, and reduce rates by $12 - $13 million in 2003. Additionally, KCP&L agreed to determine depreciation expense of the Wolf Creek nuclear generating station using a 60 year life instead of a 40 year life effective January 2003, which results in a reduction of expense by approximately $7 - $8 million in 2003. KCP&L also agreed to file a rate case by May 15, 2006.

KCP&L Fuel and Purchased Power
KCP&L fuel costs decreased $4.2 million for the three months ended and $2.9 million year to date June 30, 2002, compared to the same periods of 2001, even though generation increased 10% and 11%, respectively. Lower fuel cost per mmBtu due to a change in the generation fuel mix (additional coal and less natural gas and oil) following the return to service of Hawthorn No. 5, a coal-fired unit, in June 2001 was the primary reason for the decline in fuel costs. Significantly lower natural gas prices in the 2002 periods also contributed to the lower cost.

Purchased power expenses decreased $1.5 million for the three months ended and $14.8 million year to date June 30, 2002, compared to the same period of 2001. Cost per mwh purchased decreased approximately 40% in 2002 compared to 2001 due to regional energy availability and a less volatile energy market. The significantly lower cost per mwh purchased more than offset the effect on purchased power expense of a 36% increase in the quantity of power purchased during the three months ended. Also contributing to the year to date decrease was a 17% decrease in the quantity of power purchased due to the availability of KCP&L generating units.

The cost per mmBtu of fuel and the cost per mwh of purchased power have a significant impact on the results of operations for KCP&L. Generation fuel mix can change the cost per mmBtu of fuel substantially. Nuclear fuel costs per mmBtu remain substantially less than the mmBtu price of coal. Replacement power costs for planned Wolf Creek outages are accrued evenly over the unit's operating cycle, as discussed below. KCP&L expects its cost of nuclear fuel to remain fairly constant through the year 2003. Coal has a significantly lower cost per mmBtu than natural gas and oil. KCP&L's procurement strategies continue to provide delivered coal costs below the regional average. The cost per mwh for purchased power is still significantly higher than the fuel cost per mwh of coal and nuclear generation. KCP&L continually evaluates its system requirements, the availability of generating units, availability and cost of fuel supply, availability and cost of purchased power and the requirements of other electric systems to provide reliable power economically.

In June 2002, Montrose Unit No. 3, a 176-mw unit, began a forced outage due to damage to the turbine blades in the combined high and intermediate pressure section of the turbine. The unit is expected to be back on-line in the first half of September 2002. This unanticipated outage is expected to cost approximately $4.0 million of capital, $0.6 million in additional operations and maintenance expense and $3.0 million in net fuel and purchased power expense in 2002. To date, favorable wholesale market energy prices and near capacity operation of KCP&L's base load units have combined to mitigate some of KCP&L's exposure to higher purchased power costs to replace the lost generation at Montrose Unit No. 3. However, the expected costs could be significantly influenced by the price of energy, both purchases and sales for the remainder of the outage.

Consolidated KCP&L Other Operating Expenses
KCP&L's other operating expenses increased $2.5 million for the three months ended June 30, 2002, compared to the same period of 2001 primarily due to a $4.0 million increase in pension expense. KCP&L's other operating expenses increased $20.5 million year to date June 30, 2002, compared to

the same period of 2001 primarily due to an increase in pension expense of $8.0 million and expensing $16.0 million for the Kansas jurisdictional portion of the January ice storm. The increased pension expense for both periods is mostly due to a significant decline in the market value of plan assets at the end of the plan's year, September 30, 2001.

HSS's other expenses decreased $2.2 million for the three months ended and $10.0 million year to date June 30, 2002, compared to the same periods of 2001 due to the closure of some locations and the implementation of cost saving strategies.

Consolidated KCP&L Depreciation
Consolidated KCP&L's depreciation expense increased $2.4 million for the three months ended and $6.0 million year to date June 30, 2002, compared to the same periods of 2001, primarily due to increased capital additions relating to Hawthorn No. 5, which was returned to service in 2001, and the purchase of the previously leased Hawthorn No. 6 turbine at the end of the third quarter of 2001.

Consolidated KCP&L Interest Charges
Consolidated KCP&L's interest charges increased $3.0 million for the three months ended and $2.6 million year to date June 30, 2002, compared to the same periods of 2001, primarily due to a significant decrease in capitalized interest. The decrease in capitalized interest was partially offset by significantly lower rates on variable rate debt year to date June 30, 2002, compared to 2001. A portion of proceeds from long-term debt issuances have been used to refinance short-term debt.

Long-term debt interest expense
KCP&L's long-term debt interest expense increased $1.9 million for the three months ended June 30, 2002, and decreased $0.7 million year to date June 30, 2002, compared to the same periods of 2001. Higher average levels of long-term debt were partially offset by lower average interest rates in the three months ended. Lower average interest rates more than offset the higher average levels of long-term debt year to date. The higher average levels of long-term debt primarily reflect the issuances of $375.0 million of unsecured, fixed-rate senior notes partially offset by $257.0 million of scheduled debt repayments since June 30, 2001.

Short-term debt interest expense
KCP&L's short-term debt interest expense decreased $2.6 million for the three months ended and $4.5 million year to date June 30, 2002, compared to the same periods of 2001. Average interest rates and average levels of outstanding commercial paper for the 2002 periods are both down more than 50% compared to the same periods of 2001. KCP&L had $94.9 million of commercial paper outstanding at June 30, 2002 and $245.8 million of commercial paper outstanding at June 30, 2001.

Capitalized interest
Allowance for borrowed funds used during construction decreased $3.4 million for the three months ended and $7.2 million year to date June 30, 2002, compared to the same periods of 2001 because of decreased construction work in progress primarily due to the return to service of Hawthorn No. 5 in 2001.

Wolf Creek
Wolf Creek, a nuclear generating station, represents about 15% of KCP&L's generating capacity. The plant's operating performance has remained strong over the last three years, contributing an average of 28% of KCP&L's annual mwh generation while operating at an average capacity of 92%. Wolf Creek has the lowest fuel cost per mmBtu of any of KCP&L's generating units.

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

incurred, the refueling liability and related deferred tax asset are reduced. Wolf Creek returned to service on April 27, 2002, following a 35-day refueling and maintenance outage that began on March 23, 2002. During the outage, a complete inspection of the reactor vessel head indicated no corrosion or other problems of the type experienced at the Davis-Besse nuclear plant in Ohio. The next outage is scheduled for the fall of 2003.

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

Strategic Energy

Strategic Energy Business Overview

Strategic Energy provides power supply coordination services by purchasing electricity and reselling it to retail customers in several deregulated electricity markets, including Pennsylvania, California, Ohio, New York, Massachusetts and Texas. As part of its process of managing electricity portfolios for retail customers, Strategic Energy occasionally sells unsold power back into the wholesale market. Strategic Energy also provides strategic planning and consulting services in the natural gas and electricity markets. In the first half of 2002, power supply coordination services provided to retail customers accounted for substantially all of Strategic Energy's operating income.

In the first quarter of 2001, KLT Energy Services exchanged its ownership of $4.7 million of preferred stock in another energy service company for additional ownership in Strategic Energy. This transaction increased KLT Energy Services ownership of Strategic Energy from 72% to 83%. As of June 30, 2002, KLT Energy Services has invested $17.0 million in cash and securities to acquire its 83% ownership position.

In 2000, Strategic Energy also provided retail gas services to commercial, institutional and small manufacturing customers. Strategic Energy elected to exit this business in the first quarter of 2001 to focus on power supply coordination services and had phased out of retail gas services at the end of 2001. Strategic Energy made this decision after evaluating the organizational demands, growth prospects and relative levels of profitability of both businesses. As the marketplace and Strategic Energy's business evolves, Strategic Energy may elect to re-enter the market for retail gas services.

Strategic Energy currently provides power supply coordination services on behalf of approximately 27,500 commercial, institutional and small manufacturing accounts. Strategic Energy's customer base is very diverse. Customers include numerous Fortune 500 companies, school districts, and governmental entities. Based on current signed contracts and expected usage, Strategic Energy forecasts a peak load of 2,527 megawatts in 2002. The largest concentration of the forecasted load, 682 megawatts, is in Texas. The largest customer of the forecasted peak load, 181 megawatts, is a government agency. Strategic Energy enters into full-requirements contracts (usually one to five years in duration) with customers to supply electricity and manage their energy needs. In return, Strategic Energy receives an ongoing management fee which is included in the contracted price for the electricity. The average term remaining on Strategic Energy's current contracts is 2.7 years.

To supply its retail contracts, Strategic Energy purchases blocks of electricity under forward contracts to purchase fixed quantities at fixed prices from power suppliers based on projected peak demand under one to five year contracts. When Strategic Energy has excess supply in the on-peak period, the excess is sold in the wholesale market. The savings generated by the sale of excess supply of on-peak electricity is used to reduce the cost of providing energy to Strategic Energy's retail customers and is recorded as a reduction of purchased power.

At June 30, 2002, Strategic Energy had entered into forward contracts with multiple suppliers. Should the supplier default and not deliver, Strategic Energy would be exposed to market fluctuations, and possible losses to the extent that the then current market price was higher than the fixed forward contract price. Strategic Energy monitors this risk by evaluating the credit quality of its suppliers on a routine basis as part of its risk management policy and practices. At June 30, 2002, Strategic Energy's five largest suppliers under forward supply contracts represented 77% of the total future committed purchases. Based on current wholesale electricity market prices, management believes that replacement power could be obtained without a significant impact on Strategic Energy's results of operations in the event of a default by a major supplier.

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. As a result of supplying electricity to retail customers under fixed rate contracts, Strategic Energy's policy is to match customers' demand with fixed price purchases. In certain markets where Strategic Energy operates, entering into forward fixed price contracts is cost prohibitive. 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. 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 June 30, 2002, the accumulated comprehensive loss, net of income taxes and minority interest, reflected in Great Plains Energy's consolidated statement of capitalization included a $5.9 million loss related to such cash flow hedges. However, substantially all 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 the losses represented in comprehensive income.

Strategic Energy Results of Operations

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

	Three Months Ended June 30		Year to Date June 30	
	2002	2001	2002	2001
	(millions)			
Operating revenues	$ 201.2	$ 85.1	$ 347.6	$ 146.0
Purchased power	(175.9)	(64.6)	(300.9)	(109.1)
Revenues, net of purchased power	25.3	20.5	46.7	36.9
Other operating expenses	(8.2)	(8.8)	(15.2)	(23.1)
Depreciation	(0.2)	(0.1)	(0.4)	(0.1)
Operating income	16.9	11.6	31.1	13.7
Non-operating expenses	(2.8)	(0.9)	(5.2)	(1.2)
Interest charges	(0.1)	-	(0.2)	(0.1)
Income taxes	(5.8)	(4.4)	(10.6)	(5.1)
Net income	$ 8.2	$ 6.3	$ 15.1	$ 7.3

Strategic Energy continued its trend of strong revenue and earnings growth in the second quarter of 2002, compared to the same period of 2001. Net income from Strategic Energy increased $1.9 million for the three months ended and $7.8 million year to date June 30, 2002, compared to the same periods of 2001. Operating income increased $5.3 million (46%) for the three months ended and $17.4 million (127%) year to date June 30, 2002, compared to the same periods of 2001, primarily due to growth in

retail electric sales from the expansion into new markets and continued sales efforts, partially offset by decreases in wholesale electric and commercial gas sales and increases in other operating expenses.

Strategic Energy Operating Revenues

Operating revenues from Strategic Energy increased $116.1 million (136%) for the three months ended and $201.6 million (138%) year to date June 30, 2002, compared to the same periods of 2001. The following table reflects the operating revenues of Strategic Energy for the three months ended and year to date June 30, 2002 and 2001.

	Three Months Ended June 30		Year to Date June 30	
	2002	2001	2002	2001
	(millions)			
Electric - Retail	$ 194.3	$ 56.6	$ 333.1	$ 93.2
Electric - Wholesale	6.7	23.6	13.9	37.3
Gas and other	0.2	4.9	0.6	15.5
Total Operating Revenues	$ 201.2	$ 85.1	$ 347.6	$ 146.0

Strategic Energy currently serves approximately 27,500 commercial and small manufacturing accounts, compared to about 12,600 accounts at June 30, 2001. Strategic Energy added approximately 6,000 commercial and small manufacturing accounts during the second quarter of 2002, and approximately 8,000 commercial and small manufacturing accounts since the beginning of 2002. Based on current signed contracts and expected usage, Strategic Energy forecasts a peak load of 2,527 megawatts compared to a previously forecasted peak load of 2,268 megawatts disclosed in the 2001 Report on Form 10-K.

Retail electric revenues increased $137.7 million (243%) for the three months ended June 30, 2002, compared to the same period of 2001, primarily due to an increase in retail mwh sales. Retail mwh's sold totaled 2,939,904 for the three months ended June 30, 2002, an increase of approximately 244% compared to the same period in 2001. Retail electric revenues increased $239.9 million (257%) year to date June 30, 2002, compared to the same period of 2001, primarily due to a 227% increase in retail mwh sales to 5,180,225 mwh.

Wholesale electric revenues decreased $16.9 million (72%) for the three months ended and $23.4 million (63%) year to date June 30, 2002, compared to the same periods of 2001. The decline in wholesale electric revenues was primarily due to large block sales of power during the first and second quarters of 2001 purchased under a specific wholesale contract that expired at the end of 2001.

Strategic Energy provides periodic billing credits to its customers resulting from favorable experience in its power supply coordination efforts. The amounts credited back to the customer are treated as a reduction of electricity energy sales when it is determined to be payable.

During the fourth quarter of 2001, Strategic Energy phased out its natural gas retail supply service. This is the primary reason for the decrease in gas and other sales revenues for the three months ended and year to date June 30, 2002, compared to the same periods of 2001.

Strategic Energy Purchased Power

Purchased power increased $111.3 million (172%) for the three months ended and $191.8 million (176%) year to date June 30, 2002, compared to the same periods of 2001 primarily due to the increases in electric sales, as discussed above. Purchase power as a percentage of electric sales increased for both the three months ended and year to date June 30, 2002, compared to the same

periods of 2001, primarily due to purchases of power from one supplier during the first and second quarters of 2001 under very favorable wholesale contracts that expired at the end of 2001.

Strategic Energy Other Operating Expenses

Other operating expenses decreased $0.6 million for the three months ended and $7.9 million year to date June 30, 2002, compared to the same periods of 2001. However, the cost of commercial gas sales is included in other operating expenses for 2001. As previously mentioned, Strategic Energy phased out its natural gas retail supply service during the fourth quarter of 2001. Other operating expenses (excluding the cost of commercial gas sales) increased $3.4 million for the three months ended and $7.1 million year to date June 30, 2002, compared to the same periods of 2001, primarily due to higher general and administrative expenses associated with the growth in retail electric sales, expansion into new markets and increased fuel management and consulting activities.

Strategic Energy Non-operating Expenses

Non-operating expenses increased $1.9 million for the three months ended June 30, 2002, compared to the same period of 2001, primarily due to a gain of $1.4 million recognized on the sale of gas contracts during the second quarter of 2001. Non-operating expenses increased $4.0 million year to date June 30, 2002, compared to the same period of 2001, primarily due to an increase of $2.7 million in minority interest expense, which represents the share of Strategic Energy's net income not owned by KLT Energy Services, and the gain of $1.4 million recognized on the sale of gas contracts during the second quarter of 2001.

KLT Gas

KLT Gas Business Overview

KLT Gas' business strategy is to acquire and develop early stage coalbed methane properties. KLT Gas believes that coalbed methane production provides an economically attractive alternative source of supply to meet the growing demand for natural gas in North America. KLT Gas has built a knowledge base in coalbed methane production and reserves evaluation. Therefore, KLT Gas focuses on coalbed methane - a niche in the natural gas industry where it believes its expertise provides a competitive advantage. Because it has a longer, predictable reserve life and lower development cost, management believes coalbed methane is inherently lower risk than conventional gas exploration.

Although gas prices have been volatile recently, KLT Gas continues to believe that the long-term future price scenarios for natural gas appear strong. Environmental concerns and the increased demand for natural gas for new electric generating capacity are contributing to this projected growth in demand.

KLT Gas' properties are located in Colorado, Texas, Wyoming, Kansas, and Nebraska. These leased properties cover approximately 250,000 undeveloped acres. The development of this acreage is in accordance with KLT Gas' exploration plan and capital budget. KLT Gas has revised its capital expenditure estimates, based on changes in market conditions and the anticipated development of recently acquired acreage in Colorado, to approximately $8 million, $33 million, $46 million and $31 million for the years 2002 through 2005, respectively. The timing of the development may vary from current plans based upon obtaining the required environmental and regulatory approvals and permits and future changes in market conditions. During the second quarter of 2002, KLT Gas completed pilot drilling at a Powder River Basin project and continued pilot development and testing of two additional coalbed methane projects in the Rocky Mountain region.

KLT Gas Results of Operations

The following table summarizes KLT Gas' comparative results of operations.

	Three Months Ended June 30		Year to Date June 30	
	2002	2001	2002	2001
	(millions)			
Operating revenues	$ (0.1)	$ 0.4	$ 0.1	$ 1.9
Other operating expenses	(2.5)	(3.3)	(5.0)	(6.0)
Depreciation and depletion	(0.1)	(0.4)	(0.4)	(1.0)
Gain (loss) on property	(0.1)	19.6	(0.2)	20.9
Operating income	(2.8)	16.3	(5.5)	15.8
Income from equity investments	-	0.9	-	1.0
Non-operating income	-	-	0.3	-
Income taxes	2.5	(5.3)	4.8	(3.5)
Net income (loss)	$ (0.3)	$ 11.9	$ (0.4)	$ 13.3

KLT Gas incurred losses for the three months ended and year to date June 30, 2002, compared to the same periods of 2001, when KLT Gas realized a gain on the Patrick KLT Gas, LLC sale. Net income for the three months ended and year to date June 30, 2001 included KLT Gas' second quarter 2001 Patrick KLT Gas, LLC, sale which resulted in a $19.5 million before tax gain ($11.6 million after tax).

KLT Gas Operating Revenues

Operating revenues decreased for the three months ended and year to date June 30, 2002, compared to the same periods of 2001, primarily due to declining production at KLT Gas' South Texas property and the effect of gas hedging activities.

KLT Gas Income Taxes

KLT Gas recorded tax credits related to its investment in natural gas properties of $1.5 million and $2.8 million for the three months ended and year to date June 30, 2002, respectively, as compared to $1.6 million and $3.4 million for the three months ended and year to date June 30, 2001, respectively. The law that allows these credits will expire at the end of 2002 unless extended by legislation.

Other Non Regulated Activities

Investments in Affordable Housing Limited Partnerships - KLT Investments

At June 30, 2002, KLT Investments had $72.3 million in affordable housing limited partnerships. About 66% of these investments were recorded at cost; the equity method was used for the remainder. Tax expense is reduced in the year tax credits are generated. The investments generate future cash flows from tax credits and tax losses of the partnerships. The investments also generate cash flows from the sales of the properties. For most investments, tax credits are received over ten years. A change in accounting principle relating to investments made after May 19, 1995, requires the use of the equity method when a company owns more than 5% in a limited partnership investment. Of the investments recorded at cost, $45.8 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 $5.3 million during the first quarter of 2002 and $1.8 million during the second quarter of 2002. KLT Investments estimates that additional reductions in affordable housing investments,

primarily as a result of ongoing utilization of tax credits, will approximate $2 million in the remainder of 2002. Projected annual reductions of the carrying value for the years 2003 through 2006 total $14 million, $6 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.

KLT Investments accrued tax credits related to its investments in affordable housing limited partnerships of $4.8 million and $9.6 million for the three months ended and year to date June 30, 2002, respectively, as compared to $4.8 million and $9.6 million for the three months ended and year to date June 30, 2001, respectively.

DTI Bankruptcy Update

On December 31, 2001, a subsidiary of KLT Telecom, DTI filed voluntary petitions for bankruptcy. DTI's reorganization under Chapter 11 of the U.S. Bankruptcy Code continues in process. Timing of completion of the bankruptcy process has yet to be determined. During the first quarter of 2002, the bankruptcy court approved $5 million DIP financing to be provided by KLT Telecom. As of June 30, 2002, none of the DIP financing has been borrowed by DTI. As a result of DTI's filing for bankruptcy protection and KLT Telecom's resultant loss of control, KLT Telecom has not included in its results for the three months ended and year to date June 30, 2002, the ongoing earnings or loss incurred by DTI. KLT Telecom's results for the three months ended June 30, 2001, reflected DTI losses of $9.5 million and its results year to date June 30, 2001, reflected DTI losses of $13.9 million, excluding the early extinguishment of debt.

Other Consolidated Discussion

Significant Balance Sheet Changes
(June 30, 2002 compared to December 31, 2001)

- Great Plains Energy's receivables increased $67.2 million primarily due to a $51.8 million increase in Strategic Energy's receivables as a result of the strong growth in its power supply coordination services and a $20.4 million increase in consolidated KCP&L's receivables. Consolidated KCP&L's receivables increased primarily due to a $21.1 million increase in KCP&L's receivables due to the seasonal nature of the utility business.
- Great Plains Energy's affordable housing limited partnerships decreased $8.9 million primarily due to a reduction in the valuation of the properties held by KLT Investments, Inc.
- Great Plains Energy's other nonutility property and investments increased $7.4 million primarily due to a $2.1 million increase in KLT Energy Services' investment in preferred stock in Custom Energy and a $4.6 million increase in consolidated KCP&L's other investments. Consolidated KCP&L's other nonutility property and investments increased primarily due to a $3.2 million increase in property at RSAE to record vehicles under a capital lease.
- Great Plains Energy's and consolidated KCP&L's regulatory assets increased $16.7 million primarily due to deferral of $19.5 million of the January ice storm costs applicable to KCP&L's Missouri customers partially offset by scheduled amortization of the assets.
- Great Plains Energy's notes payable increased $70.9 million due to increased borrowings by Great Plains Energy of $68.0 million on its short-term credit facility for general corporate purposes and a $2.9 million increase in consolidated KCP&L's notes payable. Consolidated KCP&L's notes payable increased due to additional borrowing by RSAE on its short-term credit facility for general corporate purposes.
- Great Plains Energy's and consolidated KCP&L's commercial paper increased $32.9 million primarily due to a $27.0 million repayment of medium-term notes and additional borrowings as expenditures exceeded cash receipts.

- Great Plains Energy's current maturities of long-term debt decreased $209.3 million primarily due to a $207.0 million decrease in consolidated KCP&L's current maturities of long-term debt. Consolidated KCP&L's decrease is primarily due to refinancing $200.0 million of maturing KCP&L medium-term notes with the issuance of KCP&L unsecured senior notes and a $27.0 million decrease due to KCP&L retiring medium-term notes partially offset by a $20.0 million increase in the current portion of KCP&L's medium-term notes.
- Great Plains Energy's accounts payable increased $4.8 million primarily due to a $45.4 million increase in Strategic Energy's accounts payable as a result of the strong growth in its power supply coordination services, mostly offset by a $33.9 million decrease in consolidated KCP&L's accounts payable and a $6.5 million decrease in KLT Gas' accounts payable. Consolidated KCP&L's accounts payable decreased primarily due to the timing of cash payments.
- Great Plains Energy's accrued taxes increased $9.7 million primarily due to a $7.8 million increase in consolidated KCP&L's accrued taxes. Consolidated KCP&L's increase is primarily due to an increase in KCP&L's accrued property taxes because of the timing of property tax payments.
- Great Plains Energy's accrued interest increased $5.0 million primarily due to a $6.5 million increase in consolidated KCP&L's accrued interest. Consolidated KCP&L's increase is primarily due to additional debt and the timing of interest payments on KCP&L's long-term debt.
- Great Plains Energy's other current liabilities decreased primarily due to the fluctuation in the fair value of Strategic Energy's derivatives.

Capital Requirements and Liquidity

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

Great Plains Energy's liquid resources at June 30, 2002, included cash flows from operations of subsidiaries and $99.5 million of unused bank lines of credit. The unused lines consisted of $56.1 million from KCP&L's short-term bank lines of credit, $0.4 million from RSAE's bank credit agreement, $10.0 million from Strategic Energy's bank line of credit, and $33.0 million from Great Plains Energy's revolving credit facilities.

During the first quarter of 2002, Great Plains Energy terminated its $129 million bridge revolving credit facility and replaced it with a $205 million 364-day revolving credit facility syndicated with a group of banks. The revolving credit facility contains a Material Adverse Change (MAC) clause that requires Great Plains Energy to represent, prior to receiving any funding, that no MAC has occurred. Great Plains Energy's available liquidity under this facility is not impacted by a decline in credit ratings unless the downgrade occurs in the context of a merger, consolidation or sale.

During the second quarter of 2002, Great Plains Energy entered into a $20 million 364-day revolving credit facility with a bank. The revolving credit facility does not contain a MAC clause. Great Plains Energy's available liquidity under this facility is not impacted by a decline in credit ratings unless the downgrade occurs in the context of a merger, consolidation or sale.

During August 2002, Strategic Energy increased its bank line of credit to $30 million from $10 million. The line of credit contains a MAC clause. This agreement requires Strategic Energy to represent, prior to receiving any funding, that no MAC has occurred.

KCP&L's primary sources of liquidity are cash flows from operations and bilateral credit lines totaling $151.0 million with seven banks (as of June 30, 2002). KCP&L uses these lines to provide support for its issuance of commercial paper, $94.9 million of which was outstanding at June 30, 2002. During July

2002, KCP&L repaid $39.3 million of commercial paper. These bank facilities are each for a 364-day term and mature at various times throughout the year. KCP&L has MAC clauses in two agreements covering $50.0 million of available bilateral credit lines. These two agreements require KCP&L to represent, prior to receiving any funding, that no MAC has occurred. KCP&L's available liquidity under these facilities is not impacted by a decline in credit ratings unless the downgrade occurs in the context of a merger, consolidation or sale.

Great Plains Energy has agreements with KLT Investments Inc., a wholly owned subsidiary of KLT Inc., associated with notes KLT Investments Inc. issued to acquire its affordable housing investments. Prior to forming Great Plains Energy, KCP&L had these agreements. Great Plains Energy agreed not to take certain actions including, but not limited to, merging, dissolving or causing the dissolution of KLT Investments Inc., or withdrawing amounts from KLT Investments Inc. if the withdrawals would result in KLT Investments Inc. to not be in compliance with minimum net worth and cash balance requirements. The amendment also gives KLT Investments Inc.'s lenders the right to have KLT Investments Inc. repurchase the notes if Great Plains Energy's senior debt rating falls below investment grade, or if Great Plains Energy ceases to own at least 80% of KCP&L's stock. At June 30, 2002, KLT Investments Inc. had $20.3 million in outstanding notes, including current maturities.

Pursuant to agreements with the MPSC and the KCC, KCP&L has maintained its common equity at not less than 35 percent of total capitalization. Additionally, Great Plains Energy has maintained its consolidated common equity at no less than 30 percent of total consolidated capitalization. For the purposes of this calculation, capitalization is defined as common equity, preferred stock, long-term debt and short-term debt in excess of construction work in progress.

Great Plains Energy's consolidated statements of cash flows include consolidated KCP&L, KLT Inc. and GPP. KCP&L's consolidated statements of cash flows include its wholly owned subsidiary HSS. In addition, KCP&L's consolidated statements of cash flows include KLT Inc. and GPP for all the periods prior to the October 1, 2001 formation of the holding company. The presentation of the prior year statement of cash flows for Great Plains Energy is provided for comparative purposes and is identical to the statement of cash flows for consolidated KCP&L, prior to the formation of the holding company.

Great Plains Energy and consolidated KCP&L generated positive cash flows from operating activities year to date June 30, 2002. The increase for Great Plains Energy and consolidated KCP&L over the same period of 2001 is attributable to changes in working capital detailed in Note 3 to the consolidated financial statements. The individual components of working capital vary with normal business cycles and operations. Also, the timing of the Wolf Creek outage affects the refueling outage accrual, deferred income taxes and amortization of nuclear fuel.

Cash used for investing activities varies with the timing of utility capital expenditures and purchases of investments and nonutility property. Investing activities are offset by the proceeds from the sale of properties and insurance recoveries. Year to date June 30, 2002, utility capital expenditures decreased $53.4 million and allowance for borrowed funds used during construction decreased $7.2 million, compared to 2001, primarily due to the 2001 completion of the rebuild of Hawthorn No. 5. The decrease was partially offset by $14.7 million of capital expenditures as a result of the January 2002 ice storm. Cash used for purchases of investments and nonutility property year to date June 30, 2002, compared to the same period of 2001, decreased primarily reflecting KLT Telecom's 2001 investments in DTI and DTI's 2001 purchases of telecommunications property.

Cash from Great Plains Energy and consolidated KCP&L financing activities decreased year to date June 30, 2002 compared to the same period of 2001, primarily because of the net changes in short-term borrowings. Additionally, long-term debt issuances, net of repayments decreased $43.9 million for

Great Plains Energy and $33.1 million for consolidated KCP&L. These decreases reflect decreased investing activities in utility capital expenditures, nonutility property and investments discussed above.

KCP&L expects to meet day-to-day operating requirements including interest payments, construction requirements (excluding new generating capacity) and dividends with internally-generated funds. However, it might not be able to meet these requirements with internally-generated funds because of the effect of inflation on operating expenses, the level of mwh sales, regulatory actions, compliance with future environmental regulations and the availability of generating units. The funds Great Plains Energy and consolidated KCP&L need to retire $396.3 million and $376.9 million, respectively, of maturing debt through the year 2006 are expected to be provided from operations, the issuance of long and short-term debt and/or the issuance of equity or equity-linked instruments. In addition, the Company may issue debt, equity and/or equity-linked instruments to finance growth or take advantage of new opportunities.

In March 2002, KCP&L issued $225 million of 6.0% unsecured senior notes, maturing in 2007, through a private placement. The proceeds from the issuance were primarily used to refinance maturing unsecured medium-term notes. KCP&L, pursuant to its obligations under a registration rights agreement entered into in connection with the private placement, filed an S-4 registration statement offering to exchange up to $225 million of 6.0% unsecured senior notes registered under the Securities Act for the $225 million privately placed notes. KCP&L expects the registration statement to become effective during the third quarter.

Great Plains Energy filed an S-3 registration statement on April 29, 2002, for the issuance of an aggregate amount up to $300 million of any combination of senior debt securities, subordinated debt securities, trust preferred securities, convertible securities, or common stock. Great Plains Energy has previously announced its plans to issue additional common equity. The timing and amount of this transaction is dependent on a number of factors, including overall and sector-specific equity market conditions.

Supplemental Capital Requirements and Liquidity Information Update
Great Plains Energy's other long-term contractual cash obligations, net, have increased approximately 28% since December 31, 2001. The increase is primarily for new Strategic Energy purchased power contracts in the years 2003 through 2006 supporting the growth in their power supply coordination services.

The Company's guarantees in total are relatively unchanged from December 31, 2001. However, year to date 2002, approximately $126.5 million of KLT Inc.'s guarantees related to Strategic Energy have been replaced by Great Plains Energy guarantees. There was also an increase to $25 million from $22 million at December 31, 2001, in RSAE's line of credit with a commercial bank, which Great Plains Energy supports through an agreement that ensures adequate capital to operate.

Environmental Matters
The Company's operations comply with federal, state and local environmental laws and regulations. The generation and transmission of electricity produces and requires disposal of certain products and by-products, including PCBs, asbestos and other hazardous materials. The Superfund law imposes strict joint and several liability for those who generate, transport or deposit hazardous waste. In addition, the current owner of contaminated property, as well as prior owners since the time of contamination, may be liable for cleanup costs.

Environmental audits are conducted to detect contamination and ensure compliance with governmental regulations. However, compliance programs need to meet new and future environmental laws, as well as regulations governing water and air quality, including carbon dioxide emissions, nitrogen oxide

emissions, hazardous waste handling and disposal, toxic substances and the effects of electromagnetic fields. Therefore, compliance programs could require substantial changes to operations or facilities (see Note 7 to the consolidated financial statements).

Critical Accounting Policies Update

KCP&L is regulated and follows SFAS No. 71, "Accounting for Certain Types of Regulation", which applies to regulated entities with rates that are designed to recover the costs of providing service. Accordingly, 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, regulatory assets would be written off. At June 30, 2002, KCP&L had $141.1 million of unamortized regulatory assets including storm costs discussed below.

Effective August 2002, the MPSC approved KCP&L's application for an accounting authority order related to the Missouri jurisdictional portion of the storm costs. The order allows KCP&L to defer and amortize $19.5 million, representing the Missouri impact of the storm, through January 2007. The amortization begins in September 2002 and is expected to be approximately $1.5 million in 2002 and approximately $4.6 million annually for the remainder of the amortization period.

The Company adopted SFAS No. 142 on January 1, 2002. Under the new standard, goodwill is no longer amortized, but rather is tested for impairment upon adoption and at least annually thereafter. The annual test may be performed anytime during the year, but must be performed at the same time each year. The Company will perform its annual goodwill impairment tests before the end of the year. Any future impairment of goodwill would be reflected in continuing operations.

Strategic Energy's initial valuation has been completed and there was no impairment of the $14 million of goodwill. In accordance with SFAS No. 142, the Company completed its initial impairment test of RSAE during the second quarter of 2002 and recorded a $3.0 million write-down of goodwill. The goodwill write-down is reflected as a cumulative effect to January 1, 2002 of a change in accounting principle. After the write-down, RSAE had goodwill of $20 million, which was unchanged through June 30, 2002.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Great Plains Energy and consolidated KCP&L are exposed to market risks associated with commodity price and supply, interest rates and equity prices. Market risks are handled in accordance with established policies, which may include entering into various derivative transactions. In the normal course of business, Great Plains Energy and consolidated KCP&L also face risks that are either non-financial or non-quantifiable. Such risks principally include business, legal, operational and credit risks and are not represented in the following analysis.

Great Plains Energy and consolidated KCP&L interim period disclosures about market risk included in quarterly reports on Form 10-Q address material changes, if any from the most recently filed annual report on Form 10-K. Therefore, interim period disclosures should be read in connection with the quantitative and qualitative disclosures about market risk included in our 2001 annual report on Form 10-K. There have been no material changes in Great Plains Energy's or consolidated KCP&L's market risk since December 31, 2001.

PART II - OTHER INFORMATION

ITEM 3. OTHER LEGAL PROCEEDINGS

Patricia S. Lang, et al. on behalf of herself and all others similarly situated v. Kansas City Power & Light Company. On October 8, 1999, A First Amended Class Action Complaint was filed against KCP&L in the United Sates District Court, Western District of Missouri (the Court) by Patricia Lang (the Plaintiff). The complaint, filed as a class action on behalf of Plaintiff and all other current and former African American employees, alleged that Plaintiff and the members of the proposed class were subjected to a hostile and offensive working environment, denied promotional opportunities, compensated less than similarly or less qualified Caucasian employees, and were disciplined and/or terminated for complaining about allegedly racially discriminatory practices by KCP&L. The complaint sought a monetary award for alleged lost wages and fringe benefits, alleged wage differentials, as well as punitive damages, attorneys fees and costs of the action together with an injunction to prohibit KCP&L from retaliating against the litigants and to continue court monitoring of KCP&L's compliance with anti-discrimination laws. On March 1, 2001, the Court denied Plaintiff's motion to certify a class action of African-American employees in the race discrimination case. The plaintiff appealed this decision and on April 10, 2001, the United States Court of Appeals for the 8th Circuit (the 8th Circuit Court of Appeals) denied the appeal. On January 11, 2002, the Court dismissed Plaintiff's individual case on summary judgment. On February 8, 2002, Plaintiff appealed both the decision dismissing her individual case on summary judgment and the order denying her motion for class certification to the 8th Circuit Court of Appeals. On April 5, 2002, the Eighth Circuit dismissed the appeal. On June 4, 2002, the case was dismissed with prejudice by stipulation.

DTI Chapter 11 Reorganization Proceedings.

Pending in the United States Bankruptcy Court for the Eastern District of Missouri (Bankruptcy Court) is the bankruptcy reorganization proceedings filed on December 31, 2001, by DTI and its Virginia subsidiary in Case Nos. 01-54369-399, 01-54370-399 and 01-54371-399. These proceedings have been consolidated for joint procedural administration. DTI is continuing to conduct its business operations while it restructures its financial obligations. KLT Telecom Inc. is a creditor in the proceedings. Timing of completion of the bankruptcy process has yet to be determined. During the first quarter of 2002, the bankruptcy court approved $5 million in DIP financing to be provided by KLT Telecom. As of June 30, 2002, none of the DIP financing has been borrowed by DTI.

Consistent with the fiduciary obligation of the creditors' committee to investigate potential sources of recovery for the DTI bankruptcy estate, the creditors' committee served a request for the production of documents by the Company and its affiliates relating to the issue of whether DTI should have been compensated for the use by the Company of its tax losses. The Company believes that it would have meritorious defenses to any such claim that ultimately might be asserted by the creditors' committee. Since the legal and factual basis for any such unasserted claim have not yet been established, the Company is currently unable to estimate the amount of liability or loss, if any, that might arise if a claim is asserted.

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

Great Plains Energy Incorporated held its annual meeting of shareholders on May 7, 2002. Three matters were submitted to a vote of the Company's shareholders:

1. The following directors were elected by cumulative voting to hold office until the next Annual Meeting of Shareholders in 2003:

Director Nominee	Votes Cast For	Abstentions (Withheld Authority) to Vote for All Directors
B. J. Beaudoin	51,929,013	941,887
D. L. Bodde	51,636,604	941,887
M. A. Ernst	51,575,382	941,887
R. C. Ferguson, Jr.	51,650,612	941,887
W. K. Hall	51,838,536	941,887
L. A. Jimenez	51,669,726	941,887
J. A. Mitchell	51,748,748	941,887
W. C. Nelson	51,494,683	941,887
L. H. Talbott	51,807,385	941,887
R. H. West	51,575,681	941,887

2. The term of the Company's Long-Term Incentive Plan was extended by the following vote:

For	46,090,000
Against	5,356,904
Abstentions	1,187,620

3. The appointment of Deloitte & Touche LLP as independent auditors was ratified by the following vote:

For	50,763,333
Against	1,283,604
Abstentions	587,587

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

EXHIBITS

Great Plains Energy Incorporated

Exhibit No.	Description
10.1.a.	General Agreement of Indemnity issued by Great Plains Energy Incorporated and Strategic Energy, L.L.C., in favor of Federal Insurance Company and subsidiary or affiliated insurers, dated May 23, 2002.
10.1.b.	Agreement of Indemnity issued by Great Plains Energy Incorporated and Strategic Energy, L.L.C., in favor of Federal Insurance Company and subsidiary or affiliated insurers, dated May 23, 2002.
10.1.c.	Guaranty issued by Great Plains Energy Incorporated in favor of El Paso Merchant Energy, L.P. dated June 14, 2002.
10.1.d.	Line of Credit Agreement between Great Plains Energy Incorporated and LaSalle Bank National Association, dated as of June 14, 2002
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.	Description
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

REPORTS ON FORM 8-K

Great Plains Energy Incorporated

Great Plains Energy Incorporated filed on April 25, 2002, a report on Form 8-K dated April 24, 2002, including a press release regarding first quarter results and accompanying financials.

Kansas City Power & Light Company

Kansas City Power & Light Company did not file any reports on Form 8-K during the second quarter 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Great Plains Energy Incorporated and Kansas City Power & Light Company have duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GREAT PLAINS ENERGY INCORPORATED

Dated: August 12, 2002

By: /s/Bernard J. Beaudoin
(Bernard J. Beaudoin)
(Chief Executive Officer)

Dated: August 12, 2002

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

KANSAS CITY POWER & LIGHT COMPANY

Dated: August 12, 2002

By: /s/Bernard J. Beaudoin
(Bernard J. Beaudoin)
(Chief Executive Officer)

Dated: August 12, 2002

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

Exhibit 10.1.a.

CHUBB GROUP OF INSURANCE COMPANIES

15 Mountain View Road, P.O. Box 1615, Warren, New Jersey 07061-1615

GENERAL AGREEMENT OF INDEMNITY

WHEREAS, the undersigned (hereinafter individually and collectively called "Indemnitor") desires FEDERAL INSURANCE COMPANY or any of its subsidiary or affiliated insurers (hereinafter called "Company") to execute bonds including undertakings and other like obligations (hereinafter referred to as bond or bonds) on its behalf or on behalf of any of its subsidiaries or on behalf of any subsidiary or a subsidiary or successive subsidiaries, direct or indirect, now existing or hereafter created (hereinafter called "Subsidiaries") or on behalf of any one or more of them and also desires the execution of bonds on behalf of individuals, partnerships or corporations, limited liability companies or any other similarly unincorporated associations of members (hereinafter called "Affiliates").

WHEREAS, from time to time either the Indemnitor or one of more of its Subsidiaries may be participant in joint ventures with others, and bonds will be required on behalf of the Indemnitor or one or more of its Subsidiaries along with the other participants in such joint ventures.

NOW, THEREFORE, in consideration of the Company executing said bond or bonds, and the undersigned Indemnitor hereby requests the execution thereof, and in consideration of the sum of One Dollar paid to the Indemnitor by said Company, the receipt whereof is hereby acknowledged, the Indemnitor being benefited by the execution and delivery of said bond or bonds, hereby agrees that it will at all times jointly and severally indemnify and save harmless said Company from and against any and all loss, damage or expense, including court costs and attorneys' fees, which it shall at any time incur by reason of its execution and/or delivery of said bond or bonds or its payment of any claim or liability thereunder and will place the said Company in funds to meet all its liability under said bond or bonds promptly on request and before it may be required to make any payment thereunder and that the voucher or other evidence of payment by said Company of any such loss, damage, expense, claim, or liability shall be prima facie evidence of the fact and amount of said Indemnitor's liability to said Company under this Agreement.

IT IS UNDERSTOOD AND AGREED that Indemnitor will, upon the written request of the Company, promptly procure the full and complete discharge of the Company from any bonds specified in such request and all liability by reason thereof. If such full and complete discharge is unattainable, the Indemnitor will, if requested by the Company, promptly provide the Company an irrevocable letter of credit acceptable to the Company, as collateral, in an amount sufficient to cover all undischarged liability under such specified bond or bonds, or promptly make other provisions acceptable to the Company to fully collateralize the aforesaid undischarged liability. Indemnitor further agrees that, in the event of its breach of its obligation to collateralize the undischarged liability under all specified bonds, the Company will have no adequate remedy at law and shall therefore be entitled to specific performance of the Indemnitor's obligation to collateralize such undischarged liability. The Company's failure to act to enforce its right to specific performance hereunder shall not be construed as a waiver of that right, which may be enforced at any time at the Company's sole discretion.

IT IS UNDERSTOOD AND AGREED that with respect to any bonds on behalf of Indemnitor, or any Subsidiary participating in a joint venture that if specific application is filed with the Company for such bonds the liability of the Indemnitor to the Company with respect to such joint venture bonds shall be limited to the amount expressly set forth in said application.

IT IS UNDERSTOOD AND AGREED that all of the terms, provisions, and conditions of this Agreement shall be extended to and for the benefit not only of the Company either as a direct writing company or as a co-surety or reinsurer but also for the benefit of any surety or insurance company or companies with which the Company may participate as a co-surety or reinsurer and also for the benefit of any other company which may execute any bond or bonds at the request of the Company on behalf of Indemnitor or any of its Subsidiaries or Affiliates.

IT IS FURTHER UNDERSTOOD AND AGREED that said Indemnitor, its heirs, successors and assigns are jointly and severally bound by the foregoing conditions of this Agreement.

IN WITNESS WHEREOF said Indemnitor has signed this instrument under seal this 23rd day of May, 2002.

STRATEGIC ENERGY, L.L.C. (Seal)   GREAT PLAINS ENERGY INC.(Seal)

By: /s/ Richard M. Zomnir   By: /s/ Andrea F. Bielsker

____

By: ____________________________   ____________________________
Individually

____

By: ____________________________   ____________________________
Individually

____

CERTIFICATE OF ACKNOWLEDGEMENT

State of Pennsylvania)
County of Allegheny)

On May 23, 2002 before me Eileen L. Parson personally appeared Richard M. Zomnir personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature /s/ Eileen L. Parson (Seal)

CERTIFICATE OF ACKNOWLEDGEMENT

State of Pennsylvania)
County of Allegheny)

On May 23, 2002 before me Eileen L. Parson personally appeared Andrea F. Bielsker, Senior Vice President Finance, Chief Financial Officer & Treasurer personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature /s/ Eileen L. Parson (Seal)

CERTIFICATE OF ACKNOWLEDGEMENT

State of Pennsylvania)
County of Allegheny)

On before me
personally appeared
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature (Seal)

CERTIFICATE OF ACKNOWLEDGEMENT

State of Pennsylvania)
County of Allegheny)

On before me
personally appeared

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature (Seal)

Exhibit 10.1.b.

CHUBB GROUP OF INSURANCE COMPANIES

Surety Department, 15 Mountain View Road, P.O. Box 1615, Warren, NJ 07061-1615
Phone: (908) 903-3485 * Facsimile: (908) 903-3656

FEDERAL INSURANCE COMPANY

AGREEMENT OF INDEMNITY

WHEREAS, application has been made to FEDERAL INSURANCE COMPANY, or any of its subsidiary or affiliated insurers, of 15 Mountain View Road, Warren, New Jersey (hereinafter called "Company"), to continue as surety upon specific bonds described on the attached Schedule A.

NOW, THEREFORE, in consideration of the Company having written said bonds on behalf of Strategic Energy L.L.C., and the undersigned (hereinafter individually and collectively called "Indemnitor") acknowledges the release of KLT Inc. as indemnitor, for all past, present and future liability, and in consideration of the sum of One Dollar paid to the Indemnitor by said Company, the receipt whereof is hereby acknowledged, the Indemnitor, being substantially benefited by the continued existence of said bonds, (and having either a direct or indirect financial interest in said applicant), hereby agrees:

1. That the Indemnitor will at all times indemnify and save harmless said Company from and against any and all loss, cost, damage or expense, including court costs and attorneys' fees, which it shall at any time incur, sustain or incur

   i. by reason of having executed or procured the execution of said bonds,
   ii. by reason of failure of the undersigned to perform or comply with the covenants and conditions of this agreement, or
   iii. in enforcing any of the covenants and conditions of this agreement,

   and will place the said Company in funds to meet all its liability under said bonds promptly on request and before it may be required to make any payment thereunder. That the voucher or other evidence of payment by said Company of any such loss, cost, damage, expense, claim or liability shall be prima facie evidence of the fact and amount of the Indemnitor's liability to said Company under this Agreement;

2. That the Company may make or consent to any change or alteration in said bonds and may execute renewals thereof or other obligations in lieu thereof, or may consent or assent to any change or alteration in any instrument, contract or agreement concerned therewith, without notice to the Indemnitor (notice being expressly waived) and, in such case, the Indemnitor shall be liable to the Company fully and to the same extent that the Company shall be liable under such changed or altered bonds or such renewals thereof or other obligations in lieu thereof;

3. That the Company shall have the exclusive right for itself and for the Indemnitor to take charge of all matters arising under said bonds and decide whether or not it is liable thereunder and shall determine the amount of its liability in case it decides that it is liable. It may settle or compromise any claims and defend, settle or compromise any suits and take such other action in connection with any claim matter arising under said bonds as it may deem advisable. Any such decision, determination, settlement, defense, compromise or other action of the Company in connection with any claim matter arising under said bonds shall be final and conclusive and unconditionally binding upon the Indemnitor;

4. That the Indemnitor and the heirs, legal representatives, successors and assigns of the Indemnitor shall be and hereby are jointly and severally bound by the foregoing provisions of this Agreement, and that the liability of the Indemnitor hereunder and of the heirs, legal representatives, successors and assigns of the Indemnitor hereunder shall not be dependent upon the proper execution of this Agreement or any instrument herein referred to by any other Indemnitor or by said applicant, and that if the Company procures any co-

surety on said bonds, and it is hereby authorized to do so, this Agreement shall be deemed extended to and for the benefit of said co-surety.

IT IS UNDERSTOOD AND AGREED that Indemnitor will, upon the written request of the Company, promptly procure the full and complete discharge of the Company from said bonds and all liability by reason thereof. If such full and complete discharge is unattainable, the Indemnitor will, if requested by the Company, promptly provide the Company an irrevocable letter of credit acceptable to the Company, as collateral, in an amount sufficient to cover all undischarged liability under said bonds, or promptly make other provisions acceptable to the Company to fully collateralize the aforesaid undischarged liability. Indemnitor further agrees that, in the event of its breach of its obligation to collateralize the undischarged liability under said bond, the Company will have no adequate remedy at law and shall therefore be entitled to specific performance of the Indemnitor's obligation to collateralize such undischarged liability. The Company's failure to act to enforce its right to specific performance hereunder shall not be construed as a waiver of that right, which may be enforced at any time at the Company's sole discretion.

IT IS FURTHER UNDERSTOOD AND AGREED that all of the terms, provisions, and conditions of this Agreement shall be extended to and for the benefit not only of the company either as a direct writing company or as a co-surety or reinsurer but also for the benefit of any surety or insurance company or companies with which the Company may participate as a co-surety or reinsurer and also for the benefit of any other company which may execute said bond at the request of the Company.

IN WITNESS WHEREOF the Indemnitor has signed this Agreement this 23rd day of May, 2002.

STRATEGIC ENERGY, L.L.C. (seal)	GREAT PLAINS ENERGY INC. (seal)
By: /s/ Richard M. Zomnir	By: /s/ Andrea F. Bielsker
Name and Title: Richard M. Zomnir President & CEO	Name and Title: Andrea F. Bielsker Senior Vice President, Finance Chief Financial Officer & Treasurer

CERTIFICATE OF ACKNOWLEDGEMENT

State of Pennsylvania)
County of Allegheny)

On May 23, 2002 before me Eileen L. Parson personally appeared Richard M. Zomnir personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: /s/ Eileen L. Parson (Seal)

CERTIFICATE OF ACKNOWLEDGEMENT

State of Pennsylvania)
County of Allegheny)

On May 23, 2002 before me Eileen L. Parson personally appeared Andrea F. Bielsker, Senior Vice President Finance, Chief Financial Officer and Treasurer personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: /s/ Eileen L. Parson (Seal)

CERTIFICATE OF ACKNOWLEDGEMENT

State of ___________)
County of___________)

On before me personally appeared personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: (Seal)

CERTIFICATE OF ACKNOWLEDGEMENT

State of ___________)
County of __________)

On before me personally appeared personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: (Seal)

Exhibit 10.1.c

GUARANTY

This Guaranty, dated as of June 14, 2002, is made by Great Plains Energy Incorporated (herein called "Guarantor"), a Missouri corporation with its principal place of business located at 1201 Walnut, Kansas City, Missouri 64106, in favor of El Paso Merchant Energy, L.P. (herein called "Creditor") with its principal place of business located at 1001 Louisiana, Houston, Tx 77002.

Creditor and Strategic Energy, L.L.C., a Delaware limited liability company and a related company of Guarantor (Guarantor has an indirect ownership interest in Strategic Energy, L.L.C.), with its principal place of business located at Two Gateway Center, Pittsburgh, PA 15222, (herein called "Debtor") have entered into or hereafter may enter into contracts, agreements or commitments (i) for the sale, purchase, exchange, transmission or transportation of electricity or (ii) which constitute or cover swaps, options or other derivative transactions relative to electricity or the price thereof (herein collectively called the "Agreements"). In order to induce Creditor to extend or to continue to extend credit to Debtor pursuant to the Agreements, Guarantor has agreed to provide to Creditor this Guaranty and acknowledges adequate consideration, including the fact that it will benefit directly and/or indirectly from the Agreement, and hereby further agrees as follows:

Section 1. Guaranty. Guarantor hereby unconditionally guarantees the punctual and complete payment when due (whether at stated maturity, by acceleration or otherwise), of any and all indebtedness, liabilities, and obligations under the Agreements of Debtor to Creditor now or hereafter existing, whether absolute or contingent, joint and/or several, secured or unsecured, direct or indirect (all such indebtedness, liabilities and obligations are being herein collectively called the "Obligations"). This Guaranty is a guarantee of payment and not of collection. Guarantor acknowledges that it is jointly and severally liable for payment of the Obligations.

Section 2. Demands. If Debtor fails or refuses to pay any Obligations when due, and Creditor elects to exercise its rights under this Guaranty, Creditor shall make a demand upon Guarantor (hereinafter referred to as a "Payment Demand"). A Payment Demand shall be in writing and shall reasonably and briefly specify in what manner and what amount Debtor has failed to pay and an explanation of why such payment is due, with a specific statement that Creditor is calling upon Guarantor to pay under this Guaranty. A Payment Demand satisfying the foregoing requirements when delivered to Guarantor pursuant to Section 9 of this Guaranty shall be the only requirement with respect to Obligations before Guarantor is required to pay such Obligations hereunder and shall be deemed sufficient notice to Guarantor that it must pay the Obligations within ten (10) days after its receipt of the Payment Demand. A single written Payment Demand that complies with the terms of this Section 2 shall be effective as to any specific failure to pay during the continuance of such failure to pay, until Debtor or Guarantor has cured such failure to pay, and additional written demands concerning such failure to pay shall not be required until such failure to pay is cured.

Section 3. Guaranty Absolute. Creditor may, at any time and from time to time, without the consent of or notice to Guarantor, and without impairing, reducing, affecting or releasing the Obligations of Guarantor hereunder:

(a) change the manner, place or terms of payment of, or renew, extend or alter, any or all of the Obligations;

(b) amend, waive, terminate or otherwise modify, alter, extend or supplement, any document or agreement relating to any of the Obligations;

(c) release the Debtor or any other person liable in any manner for payment of any or all of the Obligations;

(d) take, substitute, surrender, exchange or release any collateral for any or all of the Obligations; or

(e) except as to applicable statutes of limitation, exercise or refrain from exercising any rights against Debtor or any other person or otherwise act or refrain from acting or otherwise fail to be diligent.

Section 4. Waiver. Except with respect to the limited

terms and conditions otherwise provided in Sections 2, 7 or 10 hereof, Guarantor hereby waives:

(a) notice of acceptance of this Guaranty, of the creation and/or existence of any of the Agreements or Obligations, and of any action by Creditor in reliance hereon or in connection herewith;

(b) promptness, diligence, presentment, demand for payment, notice of dishonor or nonpayment, protest and notice of protest with respect to the Obligations;

(c) any requirement that suit be brought against, or any other action by Creditor be taken against, or any notice of default or other notice be given to, or any demand be made on, the Debtor or any other person, or that any other action be taken or not taken as a condition to Guarantor's obligations under this Guaranty or as a condition to enforcement of this Guaranty against Guarantor, and

(d) all other notices.

Section 5. Effect of Certain Events. Guarantor agrees that Guarantor's liability hereunder will not be released, reduced, affected or impaired by the occurrence of any one or more of the following events:

(a) The liquidation, dissolution, assignment for the benefit of creditors, insolvency, bankruptcy, reorganization, release, merger, receivership or discharge of Debtor, or the arrangement, composition or readjustment or other similar proceeding affecting the status, composition, identity, existence, assets or obligations of Debtor, or the disaffirmance or termination of any of the Obligations or Agreements in or as a result of any such proceeding;

(b) The renewal, consolidation, extension, modification, supplementation, termination or amendment from time to time of any of the Agreements that might otherwise affect the Obligations;

(c) Except as to applicable statutes of limitation, the failure, delay, lack of diligence, waiver or refusal by Creditor to exercise, in whole or part, any right or remedy held by Creditor with respect to the Agreements or the Obligations;

(d) The sale, encumbrance, transfer or other modification of the ownership of Debtor or the change in the financial condition or management of Debtor;

(e) Lack of consideration or any other deficiency in the formation of the Agreement and any and all amendments and modifications thereof;

(f) Lack of organizational power or authority of Guarantor or Debtor; or

(g) Any changes to the ownership of the Debtor or its asset structure, including but not limited to sale, merger, acquisition, encumbrance, lien, hypothecation or otherwise.

Section 6. Representations and Warranties. Guarantor hereby represents and warrants to Creditor as follows:

(a) Guarantor is a corporation, duly organized, validly existing and in good standing under the laws of the state of its organization, and is duly qualified and in good standing in each jurisdiction where the nature of its business or the character of the assets and properties owned or held under lease by it requires such qualification, except where the failure to so quality could not reasonably be expected to have a material adverse effect on Guarantor. Guarantor has all requisite power and authority, organizational or otherwise, to conduct in all material respects its business and to own, or hold under lease, its material assets or properties and to execute and deliver, and perform all of its obligations under this Guaranty;

(b) The execution, delivery and performance by Guarantor of this Guaranty are within the Guarantor's organizational powers, have been duly authorized by all necessary corporate action and do not contravene the organizing documents of Guarantor or any law or material contractual restriction binding on or affecting Guarantor;

(c) This Guaranty is the legal, valid and binding obligation of Guarantor enforceable against the Guarantor in accordance with its terms except as the enforceability of this Guaranty may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors rights generally and by general principles of equity; and

(d) Debtor is a majority-owned indirect subsidiary of Guarantor and Guarantor will benefit, directly or indirectly, from the Guaranty granted hereby.

Section 7. Setoffs and Counterclaims. Without limiting Guarantor's own defenses and rights hereunder, Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses to which Debtor or any other affiliate of Guarantor is or may be entitled to, relating to or arising from or out of the Agreements or otherwise, except for defenses relating to, arising from or out of the bankruptcy, insolvency, dissolution or liquidation of Debtor.

Section 8. Amendments, etc. No amendment or waiver of any provision of this Guaranty nor consent to any departure by Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by Creditor, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 9. Addresses for Notices. All notices and other communications provided for hereunder shall (i) be in writing and shall be addressed to the parties at their respective addresses set forth above or at such other addresses as shall be designated in a written notice to the other party and (ii) except as otherwise provided herein, when mailed, be effective five days after being deposited in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid, and, in the case of personal delivery, when delivered at the aforesaid address. Notwithstanding anything herein to the contrary, any notice of termination provided by Guarantor to Creditor shall be transmitted to Creditor only by certified mail, return receipt requested.

Section 10. No Waiver; Remedies. Except as to applicable statutes of limitation or repose, no failure on the part of Creditor to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 11. Continuing Guaranty; Termination. This Guaranty is an absolute and continuing guaranty, except as specifically set forth herein. This Guaranty shall terminate on the first to occur of (a) thirty (30) days after Creditor receives written notice from Guarantor of such termination, and (b) June 30, 2003 (the "Termination Date"). From and after the Termination Date, Guarantor shall have no liability whatsoever for any Obligations created or incurred after the Termination Date, but no such termination of this Guaranty shall affect Guarantor's obligations hereunder for any Obligations created or incurred on or before the Termination Date. Notwithstanding anything to the contrary herein, this Guaranty shall continue to be effective or reinstated, as the case may be, if at any time payment, or any part thereof, for any of the Obligations created, incurred or otherwise contracted for on or before the Termination Date, is rescinded or must otherwise be returned by Creditor upon the insolvency, bankruptcy or reorganization of Debtor, or otherwise under applicable law or at equity, all as though such payment had not been made. Guarantor's obligations hereunder may not be assigned without Creditor's written consent. This Guaranty shall be binding upon Guarantor, its successors and assigns, and shall inure to the benefit of and be enforceable by Creditor and its successors and assigns.

Section 12. Governing Law. This Guaranty and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Texas, without reference to conflict of laws principles of said state.

Section 13. Additional Events of Default. Notwithstanding anything to the contrary in any document or agreement now or hereafter existing between Creditor and Debtor, Guarantor agrees that, solely for the purposes of this Guaranty, the Obligations of Debtor shall, whether or not then due under any such document or agreement, automatically be deemed and become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Guarantor, upon

the occurrence of any of the following events: (i) Guarantor or Debtor shall commence a voluntary case concerning itself under Title 11 of the United States Code entitled "Bankruptcy" as now or hereafter in effect, or any successor thereto (the "Bankruptcy Code"); (ii) an involuntary case is commenced against Guarantor or Debtor, and the petition is not controverted within ten days, or is not dismissed within sixty days, after commencement of the case; (iii) a custodian (as defined in the Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of Guarantor or Debtor; (iv) Guarantor or Debtor commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to it or there is commenced against Guarantor or Debtor any such proceeding which remains undismissed for a period of sixty days or any order of relief or other order approving any such case or proceeding is entered; (v) Guarantor or Debtor is adjudicated insolvent or bankrupt; (vi) Guarantor or Debtor suffers any appointment of any custodian or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of sixty days; (vii) Guarantor or Debtor makes a general assignment for the benefit of creditors; (viii) any organizational action is taken by Guarantor or Debtor for the purpose of effecting any of the foregoing; or (ix) any representation or warranty made by Guarantor herein shall prove to be untrue in any material respect on the date as of which made.

Section 14. Severability. If any provision of this Guaranty or the application thereof to any party or circumstance shall be invalid or unenforceable, then the remaining provisions or the application of such provision to parties or circumstances other than those as to which it is invalid or unenforceable, shall continue to be valid and enforceable.

Section 15. Limitation on Guarantor's Liability. Notwithstanding anything herein to the contrary, the liability of Guarantor under this Guaranty shall be limited to the following:

(a) Guarantor's liability hereunder shall be and is specifically limited to payments expressly required to be made by Debtor under the Agreements, and to the extent that they have been expressly disclaimed under such Agreements Guarantor shall not be liable or otherwise subject hereunder to any indirect, special, incidental, consequential, exemplary, punitive or tort damages; and

(b) Guarantor's aggregate liability to Creditor under this Guaranty is limited to and shall not exceed Twenty Million Five Hundred Thousand Dollars ($20,500,000.00).

Section 16. Entire Agreement. This Guaranty embodies the entire agreement and understanding between Guarantor and Creditor and supersedes all prior and contemporaneous agreements and understandings relating to the subject matter hereof. The headings in this Guaranty are for purposes of reference only, and shall not affect the meaning hereof.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer as of the date first above written.

GREAT PLAINS ENERGY INCORPORATED

By: /s/ Andrea F. Bielsker
Name: Andrea F. Bielsker
Title: Senior VP Finance, Chief Financial Officer & Treasurer

Exhibit 10.1.d

LINE OF CREDIT AGREEMENT

THIS LINE OF CREDIT AGREEMENT (this "Agreement"), dated as of June 14, 2002, is between GREAT PLAINS ENERGY INCORPORATED, a Missouri corporation (herein called the "Company"), and LASALLE BANK NATIONAL ASSOCIATION (herein called the "Bank").

On the terms and subject to the conditions set forth in this Agreement, the Bank hereby agrees to make Advances to the Company, from time to time on any Business Day falling during the period from the date hereof to June 13, 2003, (the "Commitment Termination Date"), in such amounts as the Company may from time to time request but not exceeding $20,000,000 in aggregate principal amount (the "Commitment Amount") at any one time outstanding. Subject to the terms hereof, the Company may from time to time borrow, prepay and (before the Commitment Termination Date) reborrow Advances made pursuant to this Agreement.

In addition to the terms defined elsewhere in this Agreement, the following terms shall have the meanings indicated for purposes of this Agreement and the Note (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Advance" means a borrowing hereunder (or conversion or continuation thereof) consisting of the aggregate amount of the several loans made on the same Borrowing Date (or date of conversion or continuation) by the Bank to the Borrower of the same Type and, in the case of Eurodollar Advances, for the same Interest Period.

"Alternate Base Rate" means, for any day, a rate of interest per annum equal to the higher of (i) the Prime Rate for such day and (ii) the sum of the Federal Funds Effective Rate for such day plus 1/2% per annum.

"Applicable Margin" means, with respect to Advances of any Type at any time, the percentage rate per annum which is applicable at such time with respect to Advances of such Type as set forth in the Pricing Schedule.

"Attributable Indebtedness" means, on any date, (a) in respect of any Capitalized Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP is such lease were accounted for as a Capitalized Lease.

"Authorized Officer" means any officer or employee designated by the Company from time to time in an incumbency certificate, which certificate shall become effective when received by the Bank.

"Borrower" means Great Plains Energy Incorporated, a Missouri corporation, and it's permitted successors and assigns.

"Borrowing Date" means a date on which an Advance is made hereunder.

"Business Day" means (i) with respect to any borrowing, payment or rate selection of Eurodollar Advances, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago and New York for the conduct of substantially all of their commercial lending activities and on which dealings in United States dollars are carried on in the London interbank market and (ii) for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago for the conduct of substantially all of their commercial lending activities.

"Capitalized Lease" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

"Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP.

"Consolidated EBITDA" means, for any period, for the

Borrower and its Consolidated Subsidiaries, an amount equal to the result of (i) Consolidated Net Income plus (ii) Consolidated Interest Charges plus (iii) the amount of taxes, based on or measured by income, used or included in the determination of such Consolidated Net Income plus (iv) the amount of depreciation and amortization expense deducted in determining such Consolidated Net Income plus (v) all other non-cash items that reduce Consolidated Net Income for such period minus (vi) all non-cash items that increase Consolidated Net Income for such period.

"Consolidated Interest Charges" means, for the Borrower and its Consolidated Subsidiaries for any period, the sum of (i) all interest, premium payments, fees, charges and related expenses of the Borrower and its Consolidated Subsidiaries in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, and (ii) the portion of rent expense of the Borrower and its Consolidated Subsidiaries with respect to such period under capital leases that is treated as interest in accordance with GAAP. It is understood and agreed that Consolidated Interest Charges shall not include any obligations of the Borrower or any Consolidated Subsidiary with respect to subordinated, deferrable interest debt securities, and any related securities issued by a trust or other special purpose entity in connection therewith, as long as the maturity date of such debt securities is subsequent to the scheduled Commitment Termination Date.

"Consolidated Net Income" means, for any period, for the Borrower and its Consolidated Subsidiaries, the net income of the Borrower and its Consolidated Subsidiaries from continuing operations, excluding extraordinary items for that period.

"Consolidated Subsidiaries" means, as to any Person, each Subsidiary of such Person (whether now existing or hereafter created or acquired) the financial statements of which shall be (or should have been) consolidated with the financial statements of such Person in accordance with GAAP.

"Contingent Obligation" of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss.

"DTI Company" means any of DTI Holdings, Inc. and any of its Subsidiaries.

"Eurodollar Advance" means an Advance which bears interest at the applicable Eurodollar Rate.

"Eurodollar Base Rate" means, with respect to a Eurodollar Advance for the relevant Interest Period, the applicable British Bankers' Association Interest Settlement Rate for deposits in U.S. dollars appearing on Reuters Screen FRBD as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period; provided that, (i) if Reuters Screen FRBD is not available to the Bank for any reason, the applicable Eurodollar Base Rate for the relevant Interest Period shall instead be the applicable British Bankers' Association Interest Settlement Rate for deposits in U.S. dollars as reported by any other generally recognized financial information service as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period, and (ii) if no such British Bankers' Association Interest Settlement Rate is available to the Bank, the applicable Eurodollar Base Rate for the relevant Interest Period shall instead be the rate determined by the Bank to be the rate at which the Bank offers to place deposits in U.S. dollars with first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, in the approximate amount of the Bank's relevant Eurodollar Loan and having a maturity equal to such Interest Period.

"Eurodollar Loan" means a loan which bears interest at the applicable Eurodollar Rate.

"Eurodollar Rate" means, with respect to a Eurodollar Advance or Eurodollar Loan for the relevant Interest Period, the sum of (i) the quotient of (a) the Eurodollar Base Rate applicable to such Interest Period, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to such Interest Period, plus (ii) the Applicable Margin. The Eurodollar

Rate shall be rounded to the next higher multiple of 1/16 of 1% if the rate is not such a multiple.

"Facility Fee Rate" means, at any time, the percentage rate per annum at which facility fees are accruing at such time as set forth in the Pricing Schedule.

"Federal Funds Effective Rate" means, for any date, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:00 a.m. (Chicago time) on such day on such transactions received by the Bank from three Federal funds brokers of recognized standing selected by the Bank in its sole discretion.

"Floating Rate" means, for any day, a rate per annum equal to the sum of (i) the Alternate Base Rate for such day plus (ii) the Applicable Margin, in each case changing when and as the Alternate Base Rate changes.

"Floating Rate Advance" means an Advance which bears interest at the Floating Rate.

"Floating Rate Loan" means a loan which bears interest at the Floating Rate.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements of the Financial Accounting Standards Board.

"Indebtedness" means, as to any Person at a particular time, all of the following, without duplication, to the extent recourse may be had to the assets or properties of such Person in respect thereof: (i) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (ii) any direct or contingent obligations of such Person in the aggregate in excess of $2,000,000 arising under letters of credit (including standby and commercial), banker's acceptances, bank guaranties, surety bonds and similar instruments; (iii) net obligations of such Person under Swap Contracts; (iv) all obligations of such Person to pay the deferred purchase price of property or services except trade accounts payable arising, and accrued expenses incurred, in the ordinary course of business), and indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse; (v) Capitalized Lease Obligations and Synthetic Lease Obligations of such Person; and (vi) all Contingent Obligations of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer, unless such Indebtedness is non-recourse to such Person. It is understood and agreed that Indebtedness (including Contingent Obligations) shall not include any obligations of the Borrower with respect to subordinated, deferrable interest debt securities, and any related securities issued by a trust or other special purpose entity in connection therewith, as long as the maturity date of such debt is subsequent to the scheduled Commitment Termination Date; provided that the amount of mandatory principal amortization or defeasance of such debt prior to the scheduled Commitment Termination Date shall be included in this definition of Indebtedness. The amount of any Capitalized Lease Obligation or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

"Interest Period" means, with respect to a Eurodollar Advance, a period of one, two, three or six months commencing on a Business Day selected by the Borrower pursuant to this Agreement. Such Interest Period shall end on the day which corresponds numerically to such date one, two, three or six months thereafter; provided, however, that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last Business Day of such next, second, third, or sixth

succeeding month. If an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day; provided, however, that if said next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day.

"Lien" means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement).

"Moody's" means Moody's Investors Service, Inc.

"Person" means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

"Pricing Schedule" means the schedule attached hereto identified as such.

"Prime Rate" means a rate per annum equal to the prime rate of interest announced by the Bank from time to time (which is not necessarily the lowest rate charged to any customer), changing when and as said prime rate changes.

"Project Finance Subsidiary" means any Subsidiary that meets the following requirements: (i) it is primarily engaged, directly or indirectly, in the ownership, operation and/or financing of independent power production and related facilities and assets; and (ii) neither the Borrower nor any other Subsidiary (other than another Project Finance Subsidiary) has any liability, contingent or otherwise, for the Indebtedness or other obligations of such Subsidiary (other than non-recourse liability resulting from the pledge of stock of such Subsidiary).

"Property" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"Regulatory Change" means the introduction of, or any change in any applicable law, treaty, rule, regulation or guideline or in the interpretation or administration thereof by any governmental authority or any central bank or other fiscal, monetary or other authority having jurisdiction over the Bank or its lending office.

"Reserve Requirement" means, with respect to an Interest Period, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D on Eurocurrency liabilities.

"S&P" means Standard and Poor's Ratings Services, a division of The McGraw Hill Companies, Inc.

"Shareholders' Equity" means, as of any date of determination for the Borrower and its Consolidated Subsidiaries on a consolidated basis, shareholders equity as of that date determined in accordance with GAAP.

"Subsidiary" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, join venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled; provided that no DTI Company will be considered a Subsidiary of the Borrower for purposes of this Agreement. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"Swap Contract" means (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transaction, floor transactions, collar

transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by a subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc. any International Foreign Exchange Master Agreement, or any other master agreement (any master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic or off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Total Capitalization" means Total Indebtedness of the Borrower and its Consolidated Subsidiaries plus the sum of (i) Shareholder's Equity and (ii) to the extent not otherwise included in Indebtedness or Shareholder's Equity, preferred and preference stock and securities of the Borrower and its Subsidiaries included in a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries in accordance with GAAP.

"Total Indebtedness" means all Indebtedness of the Borrower and its Consolidated Subsidiaries on a consolidated basis, excluding (i) Indebtedness arising under Swap Contracts entered into in the ordinary course of business to hedge bona fide transactions and business risks and not for speculation, (ii) Indebtedness of Project Finance Subsidiaries, (iii) Contingent Obligations incurred after May 15, 1996 with respect to Indebtedness of Strategic Energy, L.L.C. in an aggregate amount not exceeding $275,000,000 and (iv) Indebtedness of KLT Investments Inc. incurred in connection with the acquisition and maintenance of its interests (whether direct or indirect) in low income housing projects.

"Type" means, with respect to any Advance, its nature as a Floating Rate Advance or a Eurodollar Advance.

"Utilization Fee Rate" means, at any time, the percentage rate per annum at which utilization fees are accruing at such time as set forth in the Pricing Schedule.

All Advances shall be evidenced by a single promissory note of the Company (herein called the "Note") in substantially the form of Exhibit A hereto. The Company hereby irrevocably authorizes the Bank to make (or cause to be made) appropriate notations on the grid attached to the Note (or on any continuation of such grid) which notations, if made, shall evidence (among other things) the date of, the outstanding principal of, and the interest rate applicable to, the Advances evidenced thereby. Such notations shall be conclusive and binding on the Company absent manifest error; provided, however, that failure to record any such notations shall not limit or otherwise affect the Company's obligations hereunder or under the Note to make payments of principal of or interest on the Advances when due.

A Floating Rate Advance may be made on any Business Day falling before the Commitment Termination Date upon prior written or telephonic request (promptly confirmed in writing) from any of the Company's Authorized Officers received by the Bank prior to 2:00 pm, Chicago time, on such Business Day. Each such request shall specify (i) the Borrowing Date (which shall be a Business Day), (ii) the amount of such Floating Rate Advance and (iii)the interest rate applicable to such Advance. Each Floating Rate Advance shall mature and shall become due and payable on the Commitment Termination Date.

Any of the Company's Authorized Officers may, on any Business Day, request and receive, by telephone, a quotation of the Eurodollar Rate that would be applicable to a Eurodollar Rate Advance; provided, however, that the Bank shall be obligated to make a Eurodollar Rate Advance at such Eurodollar Rate only upon prior written or telephonic request (promptly confirmed in writing) from an Authorized Officer received no later than 11:00 a.m., Chicago time, on such Business Day. Each such request for a Eurodollar Rate Advance shall specify (i) the Borrowing Date

(which shall be at least three Business Days after the Business Day on which the quotation of the Eurodollar Rate was made), (ii) the principal amount of such Advance, (iii) the interest rate applicable to such Advance and (iv) the period of such Advance (which shall be the period specified when the Company sought a quotation of the Eurodollar Rate). Each Eurodollar Rate Advance shall mature and shall become due and payable on the last day of its applicable Interest Period.

Interest on (i) Eurodollar Rate Advances and all fees will be calculated on the basis of a 360 day year for actual number of days elapsed and (ii) Floating Rate Advances will be calculated on the basis of a 365 or 366 day year for the actual number of days elapsed. Interest accrued on each Floating Rate Advance shall be payable quarterly, in arrears, on the Commitment Termination Date and on the date of any prepayment of such Advance (on the principal amount prepaid). Interest accrued on each Eurodollar Advance shall be payable on the maturity date for such Advance, on the date of any prepayment of such Advance and, for any Eurodollar Advance having an Interest Period longer than three months on the last day of each three-month interval during such Interest Period. The Company shall have the right to prepay any Floating Rate Advance in whole or in part at any time without premium or penalty. No Eurodollar Rate Advance may be repaid prior to its maturity date without the Bank's prior written consent.

If the Bank determines in good faith (which determination shall be conclusive, absent manifest error) prior to the commencement of any Interest Period that (i) United States dollar deposits of sufficient amount and maturity for funding any Eurodollar Advances are not available to the Bank in the London Interbank Eurodollar market in the ordinary course of business, or (ii) by reason of circumstances affecting the London Interbank Eurodollar market, adequate and fair means do not exist for ascertaining the rate of interest to be applicable to the relevant Eurodollar Advance, the Bank shall promptly notify the Company thereof and, so long as the foregoing conditions continue, Advances may not be advanced as a Eurodollar Advance thereafter. In addition, at the Company's option, each existing Eurodollar Advance shall be immediately (i) converted to a Floating Rate Advance on the last Business Day of the then existing Interest Period, or (ii) due and payable on the last Business Day of the then existing Interest Period, without further demand, presentment, protest or notice of any kind, all of which are hereby waived by the Company.

In addition, if, after the date hereof, a Regulatory Change shall, in the reasonable determination of the Bank, make it unlawful for the Bank to make or maintain the Eurodollar Advances, then the Bank shall promptly notify the Company and Advances may not be advanced as a Eurodollar Advance thereafter. In addition, at the Company's option, each existing Eurodollar Advance shall be immediately (i) converted to a Floating Rate Advance on the last Business Day of the then existing Interest Period or on such earlier date as required by law, or (ii) due and payable on the last Business Day of the then existing Interest Period or on such earlier date as required by law, all without further demand, presentment, protest or notice of any kind, all of which are hereby waived by the Company.

If any Regulatory Change (whether or not having the force of law) shall (a) impose, modify or deem applicable any assessment, reserve, special deposit or similar requirement against assets held by, or deposits in or for the account of or loans by, or any other acquisition of funds or disbursements by, the Bank; (b) subject the Bank or any Eurodollar Advance to any tax, duty, charge, stamp tax or fee or change the basis of taxation of payments to the Bank of principal or interest due from the Company to the Bank hereunder (other than a change in the taxation of the overall net income of the Bank); or (c) impose on the Bank any other condition regarding such Eurodollar Advance or the Bank's funding thereof, and the Bank shall determine (which determination shall be conclusive, absent manifest error) that the result of the foregoing is to increase the cost to the Bank of making or maintaining such Eurodollar Advance or to reduce the amount of principal or interest received by the Bank hereunder, then the Company shall pay to the Bank, on demand, such additional amounts as the Bank shall, from time to time, determine are sufficient to compensate and indemnify the Bank for such increased cost or reduced amount.

Advances, renewals, or payments hereunder shall be made in immediately available funds at the principal banking office of the Bank.

The Company hereby authorizes the Bank to rely upon the telephone

or written instructions of any person identifying himself or herself as an Authorized Officer and upon any signature which the Bank reasonably believes to be genuine, and the Company shall be bound thereby in the same manner as if such person were authorized or such signature were genuine.

In consideration of the Bank's commitment to lend hereunder, the Company agrees to pay (i) on or as of the date hereof, an upfront fee equal to 0.150% of the Commitment Amount; (ii) a facility fee at a per annum rate equal to the Facility Fee Rate (regardless of usage) on the Commitment Amount and (iii) for any date on which the Advances outstanding exceed 33% of the Commitment Amount, a utilization fee at a per annum rate equal to the Utilization Fee Rate on outstanding Advances. The facility fee and utilization fee shall accrue during the period commencing with and including the date hereof and ending on and including the last day this Agreement is in effect. The facility fee and utilization fee shall be payable in arrears on the last Business Day of each calendar quarter, commencing June 30, 2002, and on the Commitment Termination Date.

The obligation of the Bank to make Advances hereunder is subject to the satisfaction of the following conditions precedent:

1. At or before the making of the initial Advance hereunder, the Company shall furnish the Bank with (i) certified copies of resolutions of the Board of Directors of the Company authorizing or ratifying and approving the execution and delivery of this Agreement and future borrowings hereunder and the execution and delivery of the Note; (ii) a certificate of its secretary or assistant secretary as to the incumbency and signatures of those of its officers authorized to act with respect to this Agreement and the Note; (iii) an opinion of counsel for the Company, satisfactory in form and substance to the Bank, to the effect (among other things specified by the Bank) that the Company is a corporation duly organized and existing under the laws of Missouri and in good standing, that the making and performance of this Agreement and the Note have been duly authorized by all necessary corporate action, that all necessary governmental and regulatory approvals have been obtained, and that, upon the execution and delivery of the Note, this Agreement and the Note will constitute legal, valid and binding obligations of the Company, enforceable in accordance with their respective terms under the laws of the State of Missouri; and (iv) such additional documents or information as the Bank may reasonably request.

2. At the time of the making of the initial Advance, and each subsequent Advance hereunder, the Company shall, upon request, furnish the Bank with a certificate signed by a Vice President of the Company, together with the Treasurer or an Assistant Treasurer of the Company, it being agreed by the Company that each such signatory shall be an Authorized Officer, to the effect that: such Advance will not contravene any provision of law, the Company's Articles of Consolidation or By-Laws, or any indenture, agreement, or instrument to which the Company is a party or by which the Company or its property may be bound or affected; and no event of default, or event which with notice or lapse of time or both would become an event of default, shall have occurred and be continuing or shall result from the making of such Advance.

Each of the following shall constitute an event of default under this Agreement:

A. The Company shall fail (i) to pay when due any principal of or interest on any Advance or (ii) to comply with any other term of this Agreement, and such failure shall have continued for a period of 30 days or more after notice thereof by the Bank to the Company;

B. An event of default shall occur with respect to any other indebtedness of the Company for borrowed money and shall have continued for a period of time sufficient to entitle the holder of such indebtedness to accelerate the maturity or otherwise enforce the payment thereof and such holder has asserted this right to accelerate payment;

C. The Company becomes insolvent or admits in writing its inability to pay its

debts as they mature or is adjudicated a bankrupt or insolvent; or the Company applies for, consents to, or acquiesces in the appointment of, a trustee or receiver for the Company or any property thereof, or makes a general assignment for the benefit of creditors; or in the absence of such application, consent or acquiescence, a trustee or receiver is appointed for the Company or for a substantial part of the property thereof, and is not discharged within 30 days; or any bankruptcy, reorganization, debt arrangement, or other proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the Company and if instituted against the Company is consented to or acquiesced in by the Company or remains for 30 days undismissed;

D. Any representation, warranty, or certificate made by or on behalf of the Company to the Bank shall prove to have been incorrect or misleading in any material respect when made;

E. As of the end of each of its fiscal quarters, Borrower fails to maintain a ratio of (a) Consolidated EBITDA for the period of the four prior fiscal quarters ending on such date to (b) Consolidated Interest Charges during such period of not less than 2.0 to 1.0;

F. As of the end of each of its fiscal quarters, the Borrower fails to cause the ratio of (i) Total Indebtedness to (ii) Total Capitalization to be less than or equal to 0.65 to 1.00.

If any event of default described in clause A, B, D, E or F above shall occur and be continuing, the Bank may declare its commitment to make Advances to be terminated and declare the principal of, and all interest then accrued on, the Note to be forthwith due and payable, whereupon such commitment shall terminate and all Advances and all interest then accrued thereon shall immediately become due and payable, all without notice, protest, or demand of any kind. The Bank shall promptly advise the Company of any such declaration, but failure to do so shall not impair the effect of such declaration. If an event of default described in clause C above shall occur, the Bank's commitment to make Advances shall immediately terminate and each Advance and all accrued interest thereon shall become immediately due and payable, all without notice, protest, or demand of any kind.

This Agreement shall be governed by and construed in accordance with the internal law of the State of Missouri, shall be deemed to have been executed in the State of Missouri, shall bind the Company and its successors and assigns, and shall inure to the benefit of the Bank and its successors and assigns. The Company agrees to pay upon demand all expenses (including attorneys' fees and legal costs and expenses) incurred or paid by the Bank or any holder hereof in connection with the enforcement or preservation of its rights hereunder. The Company irrevocably waives presentment, protest, demand and notice of any kind in connection herewith.

IN WITNESS WHEREOF, the Company and the Bank have executed this Agreement as of the date first above written.

GREAT PLAINS ENERGY INCORPORATED

By: /s/ Andrea F. Bielsker

Title: Senior Vice President - Finance,
Chief Financial Officer & Treasurer

LASALLE BANK NATIONAL ASSOCIATION

By: /s/ Denis Campbell IV

Title: Senior Vice President

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 Quarterly Report on Form 10-Q of Great Plains Energy Incorporated (the "Company") for the quarterly period ended June 30, 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 symbol) 1350, as adopted pursuant to 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 12, 2002

/s/Andrea F. Bielsker
Andrea F. Bielsker
Senior Vice President - Finance,
Chief Financial Officer and
Treasurer
Date: August 12, 2002

This certification accompanies the Report pursuant to (Section symbol) 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 symbol) 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 Quarterly Report on Form 10-Q of Kansas City Power & Light Company (the "Company") for the quarterly period ended June 30, 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 symbol) 1350, as adopted pursuant to (Section symbol) 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 12, 2002

/s/Andrea F. Bielsker
Andrea F. Bielsker
Senior Vice President - Finance,
Chief Financial Officer and
Treasurer
Date: August 12, 2002

This certification accompanies the Report pursuant to (Section symbol) 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 symbol) 18 of the Securities Exchange Act of 1934, as amended.