UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended **September 30, 2004**

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**
001-32206	**GREAT PLAINS ENERGY INCORPORATED** (A Missouri Corporation) 1201 Walnut Street Kansas City, Missouri 64106 (816) 556-2200 www.greatplainsenergy.com	43-1916803
1-707	**KANSAS CITY POWER & LIGHT COMPANY** (A Missouri Corporation) 1201 Walnut Street Kansas City, Missouri 64106 (816) 556-2200 www.kcpl.com	44-0308720

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 _

Indicated by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Great Plains Energy Incorporated Yes X No _ Kansas City Power & Light Company Yes _ No X

As of November 1, 2004 the number of shares outstanding of (i) Great Plains Energy's common stock was 74,317,784 and (ii) Kansas City Power & Light Company's common stock was one, which was held by Great Plains Energy Incorporated.

Great Plains Energy Incorporated and Kansas City Power & Light Company 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.

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

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

CAUTIONARY STATEMENTS REGARDING CERTAIN FORWARD-LOOKING INFORMATION

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

- *future economic conditions in the regional, national and international markets, including but not limited to regional and national wholesale electricity markets*
- *market perception of the energy industry and the Company*
- *changes in business strategy, operations or development plans*
- *effects of current or proposed state and federal legislative and regulatory actions or developments, including, but not limited to, deregulation, re-regulation and restructuring of the electric utility industry and constraints placed on the Company's actions by the Public Utility Company Act of 1935*
- *adverse changes in applicable laws, regulations, rules, principles or practices governing tax, accounting and environmental matters including, but not limited to, air quality*

  financial market conditions and performance including, but not limited to, changes in interest rates and in

- *availability and cost of capital and the effects on the Company's pension plan assets and costs*
- *ability to maintain current credit ratings*
- *inflation rates*
- *effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments*
- *impact of terrorist acts*
- *increased competition including, but not limited to, retail choice in the electric utility industry and the entry of new competitors*
- *ability to carry out marketing and sales plans*
- *weather conditions including weather-related damage*
- *cost, availability and deliverability of fuel*
- *ability to achieve generation planning goals and the occurrence of unplanned generation outages*
- *delays in the anticipated in-service dates of additional generating capacity*
- *nuclear operations*
- *ability to enter new markets successfully and capitalize on growth opportunities in non-regulated businesses*
- *performance of projects undertaken by the Company's non-regulated businesses and the success of efforts to invest in and develop new opportunities, and*
- *other risks and uncertainties.*

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

GLOSSARY OF TERMS

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

Abbreviation or Acronym	**Definition**
2003 Form 10-K	Combined 2003 Annual Report on Form 10-K, as amended by Amendment No. 1 on Form 10-K/A and by the Current Report on Form 8-K dated May 12, 2004
35 Act	Public Utility Holding Company Act of 1935, as amended
AOCI	Accumulated Other Comprehensive Income
ARO	Asset Retirement Obligations
CAIR	Clean Air Interstate Rule
CO_2	Carbon Dioxide
Clean Air Act	Clean Air Act Amendments of 1990
Compact	Central Interstate Low-Level Radioactive Waste Compact
Company	Great Plains Energy Incorporated and its subsidiaries
Consolidated KCP&L	KCP&L and its subsidiary, HSS
Custom Energy Holdings	Custom Energy Holdings, L.L.C.
DOE	Department of Energy
EBITDA	Earnings before interest, income taxes, depreciation and amortization
EEI	Edison Electric Institute
EIRR	Environmental Improvement Revenue Refunding
EITF	Emerging Issues Task Force
EPA	Environmental Protection Agency
EPS	Earnings per common share
ERISA	Employee Retirement Income Security Act of 1974
FASB	Financial Accounting Standards Board
FELINE PRIDES[SM]	Flexible Equity Linked Preferred Increased Dividend Equity Securities, a service mark of Merrill Lynch & Co., Inc.
FERC	Federal Energy Regulatory Commission
GDP	Gross Domestic Product
GPP	Great Plains Power Incorporated, a wholly-owned subsidiary of Great Plains Energy
Great Plains Energy	Great Plains Energy Incorporated and its subsidiaries
HSS	Home Service Solutions Inc., a wholly-owned subsidiary of KCP&L
IEC	Innovative Energy Consultants Inc., a wholly-owned subsidiary of Great Plains Energy
ISO	Independent System Operator
KCC	The State Corporation Commission of the State of Kansas
KCP&L	Kansas City Power & Light Company, a wholly-owned subsidiary of Great Plains Energy
KLT Energy Services	KLT Energy Services Inc., a wholly-owned subsidiary of KLT Inc.
KLT Gas	KLT Gas Inc., a wholly-owned subsidiary of KLT Inc.
KLT Gas portfolio	KLT Gas natural gas properties
KLT Inc.	KLT Inc., a wholly-owned subsidiary of Great Plains Energy

KLT Investments	KLT Investments Inc., a wholly-owned subsidiary of KLT Inc.
kWh	Kilowatt hour
MAC	Material Adverse Change
MACT	Maximum Achievable Control Technology

Abbreviation or Acronym	**Definition**
MPSC	Missouri Public Service Commission
MWh	Megawatt hour
NEIL	Nuclear Electric Insurance Limited
NO_x	Nitrogen Oxide
NRC	Nuclear Regulatory Commission
OCI	Other Comprehensive Income
RSAE	R.S. Andrews Enterprises, Inc., a subsidiary of HSS
RTO	Regional Transmission Organization
Receivables Company	Kansas City Power & Light Receivables Company, a wholly-owned subsidiary of KCP&L
SE Holdings	SE Holdings, L.L.C.
SEC	Securities and Exchange Commission
Services	Great Plains Energy Services Incorporated
SFAS	Statement of Financial Accounting Standards
SIP	State Implementation Plan
SO_2	Sulfur Dioxide
SO_x	Sulfur Oxide
SPP	Southwest Power Pool, Inc.
Strategic Energy	Strategic Energy, L.L.C., a subsidiary of KLT Energy Services
WCNOC	Wolf Creek Nuclear Operating Corporation
Wolf Creek	Wolf Creek Generating Station
Worry Free	Worry Free Service, Inc., a wholly-owned subsidiary of HSS

PART I - FINANCIAL INFORMATION
Item 1. Consolidated Financial Statements

GREAT PLAINS ENERGY
Consolidated Balance Sheets
(Unaudited)

	September 30 2004	December 31 2003
ASSETS	(thousands)	
Current Assets		
Cash and cash equivalents	$ 138,894	$ 114,227
Restricted cash	11,560	20,850
Receivables	272,593	240,344
Fuel inventories, at average cost	21,491	22,543
Materials and supplies, at average cost	53,858	56,599
Deferred income taxes	1,967	686
Assets of discontinued operations	16,767	27,830
Other	23,663	14,293
Total	540,793	497,372
Nonutility Property and Investments		
Affordable housing limited partnerships	42,486	52,644
Nuclear decommissioning trust fund	79,644	74,965
Other	40,953	44,428
Total	163,083	172,037
Utility Plant, at Original Cost		
Electric	4,806,802	4,700,983
Less-accumulated depreciation	2,165,956	2,082,419
Net utility plant in service	2,640,846	2,618,564

Construction work in progress	57,874	53,250
Nuclear fuel, net of amortization of $124,057 and $113,472	22,285	29,120
Total	2,721,005	2,700,934
Deferred Charges		
Regulatory assets	150,877	145,627
Prepaid pension costs	105,674	108,247
Goodwill	86,899	26,105
Other deferred charges	66,183	31,628
Total	409,633	311,607
Total	$ 3,834,514	$ 3,681,950

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

GREAT PLAINS ENERGY
Consolidated Balance Sheets
(Unaudited)

	September 30 2004	December 31 2003
LIABILITIES AND CAPITALIZATION	(thousands)	
Current Liabilities		
Notes payable	$ -	$ 87,000
Current maturities of long-term debt	3,177	59,303
EIRR bonds classified as current	85,922	129,288
Accounts payable	191,656	186,747
Accrued taxes	121,879	39,886
Accrued interest	12,798	11,937
Accrued payroll and vacations	26,682	34,762
Accrued refueling outage costs	9,405	1,760
Supplier collateral	11,560	20,850
Liabilities of discontinued operations	1,693	4,607
Other	28,059	28,944
Total	492,831	605,084
Deferred Credits and Other Liabilities		
Deferred income taxes	621,214	609,333
Deferred investment tax credits	34,583	37,571
Asset retirement obligations	111,887	106,694
Pension liability	88,312	89,488
Other	95,856	79,141
Total	951,852	922,227
Capitalization		
Common stock equity		
Common stock-150,000,000 shares authorized without par value 74,321,659 and 69,259,203 shares issued, stated value	763,296	611,424
Unearned compensation	(1,231)	(1,633)
Capital stock premium and expense	(32,410)	(7,240)
Retained earnings	446,800	391,750
Treasury stock-13,988 and 3,265 shares, at cost	(415)	(121)
Accumulated other comprehensive loss	(33,730)	(36,886)
Total	1,142,310	957,294
Cumulative preferred stock $100 par value		
3.80% - 100,000 shares issued	10,000	10,000
4.50% - 100,000 shares issued	10,000	10,000
4.20% - 70,000 shares issued	7,000	7,000
4.35% - 120,000 shares issued	12,000	12,000
Total	39,000	39,000
Long-term debt (Note 6)	1,208,521	1,158,345
Total	2,389,831	2,154,639

Commitments and Contingencies (Note 12)		
Total	$ 3,834,514	$ 3,681,950

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 September 30 2004	Three Months Ended September 30 2003	Year to Date September 30 2004	Year to Date September 30 2003
Operating Revenues	(thousands)			
Electric revenues - KCP&L	$ 323,287	$ 350,056	$ 844,447	$ 831,763
Electric revenues - Strategic Energy	390,747	309,694	1,022,887	793,470
Other revenues	817	1,007	2,495	2,729
Total	714,851	660,757	1,869,829	1,627,962
Operating Expenses				
Fuel	52,257	51,407	135,113	125,911
Purchased power - KCP&L	14,015	10,210	43,835	42,151
Purchased power - Strategic Energy	358,879	276,963	930,637	702,909
Other	79,108	74,976	236,748	215,169
Maintenance	19,276	18,152	63,306	64,902
Depreciation	37,999	35,454	112,084	106,131
General taxes	28,468	28,368	78,492	76,476
Gain on property	(613)	(1,617)	(771)	(22,167)
Total	589,389	493,913	1,599,444	1,311,482
Operating income	125,462	166,844	270,385	316,480
Non-operating income	1,626	2,016	4,595	5,594
Non-operating expenses	(6,914)	(11,858)	(13,393)	(18,798)
Interest charges	(17,973)	(18,844)	(55,278)	(57,735)
Income from continuing operations before income taxes, loss from equity investments and minority interest in subsidiaries	102,201	138,158	206,309	245,541
Income taxes	(35,161)	(50,363)	(67,273)	(71,624)
Loss from equity investments	(461)	(1,125)	(1,074)	(1,711)
Minority interest in subsidiaries	1,283	(2,492)	848	(6,967)
Income from continuing operations	67,862	84,178	138,810	165,239
Gain (Loss) from discontinued operations, net of income taxes (Notes 7 and 8)	8,067	(419)	6,048	(16,039)
Net income	75,929	83,759	144,858	149,200
Preferred stock dividend requirements	412	411	1,235	1,234
Earnings available for common stock	$ 75,517	$ 83,348	$ 143,623	$ 147,966
Average number of common shares outstanding	74,270	69,189	71,251	69,189
Basic and diluted earnings per common share				
Continuing operations	$ 0.91	$ 1.21	$ 1.93	$ 2.37
Discontinued operations	0.11	(0.01)	0.09	(0.23)
Basic and diluted earnings per common share	$ 1.02	$ 1.20	$ 2.02	$ 2.14
Cash dividends per common share	$ 0.415	$ 0.415	$ 1.245	$ 1.245

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 September 30	2004	2003
Cash Flows from Operating Activities	(thousands)	
Net income	$ 144,858	$ 149,200
Less: Gain (loss) from discontinued operations, net of income taxes	6,048	(16,039)
Income from continuing operations	138,810	165,239
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and depletion	112,084	106,131
Amortization of:		
Nuclear fuel	10,585	10,549
Other	8,345	8,715
Deferred income taxes (net)	8,112	(6,117)
Investment tax credit amortization	(2,988)	(2,995)
Loss from equity investments	1,074	1,711
Gain on property	(771)	(22,167)
Minority interest	(848)	6,967
Other operating activities (Note 4)	43,981	54,069
Net cash from operating activities	318,384	322,102
Cash Flows from Investing Activities		
Utility capital expenditures	(137,073)	(108,975)
Allowance for borrowed funds used during construction	(1,175)	(1,006)
Purchases of investments	(2,664)	(2,632)
Purchases of nonutility property	(5,121)	(2,097)
Proceeds from sale of assets	6,731	27,457
Purchase of additional indirect interest in Strategic Energy	(90,166)	-
Hawthorn No. 5 partial insurance recovery	30,810	3,940
Hawthorn No. 5 partial litigation settlements	1,139	-
Other investing activities	(4,585)	327
Net cash from investing activities	(202,104)	(82,986)
Cash Flows from Financing Activities		
Issuance of common stock	151,872	-
Issuance of long-term debt	163,600	-
Issuance fees	(10,158)	-
Repayment of long-term debt	(213,261)	(132,548)
Net change in short-term borrowings	(87,000)	71,845
Dividends paid	(89,543)	(87,373)
Other financing activities	(7,123)	(6,100)
Net cash from financing activities	(91,613)	(154,176)
Net Change in Cash and Cash Equivalents	24,667	84,940
Cash and Cash Equivalents from Continuing Operations at Beginning of Year	114,227	65,506
Cash and Cash Equivalents from Continuing Operations at End of Period	$ 138,894	$ 150,446
Net Change in Cash and Cash Equivalents from Discontinued Operations	$ 2,667	$ (69)
Cash and Cash Equivalents from Discontinued Operations at Beginning of Year	168	95
Cash and Cash Equivalents from Discontinued Operations at End of Period	$ 2,835	$ 26

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

GREAT PLAINS ENERGY
Consolidated Statements of Common Stock Equity
(Unaudited)

Three Months Ended September 30	**2004**		**2003**	
	Shares	**Amount**	**Shares**	**Amount**
Common Stock		(thousands, except share data)		
Beginning balance	74,259,203	$ 761,424	69,196,322	$ 609,497
Issuance of common stock	62,456	1,872	-	-
Ending balance	74,321,659	763,296	69,196,322	609,497
Unearned Compensation				
Beginning balance		(1,405)		-
Compensation expense recognized		174		-
Ending balance		(1,231)		-
Capital Stock Premium and Expense				
Beginning balance		(32,444)		(7,508)
Other		34		93
Ending balance		(32,410)		(7,415)
Retained Earnings				
Beginning balance		402,175		370,773
Net income		75,929		83,759
Loss on reissuance of treasury stock		(67)		-
Dividends:				
Common stock		(30,823)		(28,715)
Preferred stock - at required rates		(412)		(411)
Options		(2)		-
Ending balance		446,800		425,406
Treasury Stock				
Beginning balance	(90)	(3)	(12,701)	(551)
Treasury shares acquired	(30,000)	(890)	(45,000)	(1,298)
Treasury shares reissued	16,102	478	54,436	1,503
Ending balance	(13,988)	(415)	(3,265)	(346)
Accumulated Other Comprehensive Loss				
Beginning balance		(28,822)		(25,809)
Derivative hedging activity		(4,908)		(2,812)
Ending balance		(33,730)		(28,621)
Total Common Stock Equity		$ 1,142,310		$ 998,521

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

GREAT PLAINS ENERGY
Consolidated Statements of Common Stock Equity
(Unaudited)

Year to Date September 30	**2004**		**2003**	
	Shares	**Amount**	**Shares**	**Amount**
Common Stock		(thousands, except share data)		
Beginning balance	69,259,203	$ 611,424	69,196,322	$ 609,497
Issuance of common stock	5,062,456	151,872	-	-
Ending balance	74,321,659	763,296	69,196,322	609,497
Unearned Compensation				
Beginning balance		(1,633)		-
Compensation expense recognized		402		-

Ending balance		(1,231)		-
Capital Stock Premium and Expense				
Beginning balance		(7,240)		(7,744)
Issuance of common stock		(5,600)		-
FELINE PRIDES℠ purchase contract adjustment, allocated fees and expenses		(19,657)		-
Other		87		329
Ending balance		(32,410)		(7,415)
Retained Earnings				
Beginning balance		391,750		363,579
Net income		144,858		149,200
Loss on reissuance of treasury stock		(194)		-
Dividends:				
Common stock		(88,308)		(86,139)
Preferred stock - at required rates		(1,235)		(1,234)
Options		(71)		-
Ending balance		446,800		425,406
Treasury Stock				
Beginning balance	(3,265)	(121)	(152)	(4)
Treasury shares acquired	(40,183)	(1,204)	(85,000)	(2,332)
Treasury shares reissued	29,460	910	81,887	1,990
Ending balance	(13,988)	(415)	(3,265)	(346)
Accumulated Other Comprehensive Loss				
Beginning balance		(36,886)		(25,858)
Derivative hedging activity		3,156		(2,723)
Minimum pension obligation		-		(40)
Ending balance		(33,730)		(28,621)
Total Common Stock Equity		$ 1,142,310		$ 998,521

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 September 30 2004	Three Months Ended September 30 2003	Year to Date September 30 2004	Year to Date September 30 2003
	(thousands)			
Net income	$ 75,929	$ 83,759	$144,858	$149,200
Other comprehensive income				
Gain (loss) on derivative hedging instruments	(9,812)	(1,536)	6,977	6,242
Income taxes	4,325	639	(3,041)	(2,721)
Net gain (loss) on derivative hedging instruments	(5,487)	(897)	3,936	3,521
Change in minimum pension obligation	-	-	-	(66)
Income taxes	-	-	-	26
Net change in minimum pension obligation	-	-	-	(40)
Reclassification to revenues and expenses, net of tax	579	(1,915)	(780)	(6,244)
Comprehensive income	$ 71,021	$ 80,947	$148,014	$146,437

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

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

	September 30 2004	December 31 2003
ASSETS	(thousands)	
Current Assets		
Cash and cash equivalents	$ 53,031	$ 26,520
Receivables	78,425	95,635
Fuel inventories, at average cost	21,491	22,543
Materials and supplies, at average cost	53,858	56,599
Deferred income taxes	3,667	686
Other	8,669	8,611
Total	219,141	210,594
Nonutility Property and Investments		
Nuclear decommissioning trust fund	79,644	74,965
Other	29,016	34,255
Total	108,660	109,220
Utility Plant, at Original Cost		
Electric	4,806,802	4,700,983
Less-accumulated depreciation	2,165,956	2,082,419
Net utility plant in service	2,640,846	2,618,564
Construction work in progress	57,874	53,046
Nuclear fuel, net of amortization of $124,057 and $113,472	22,285	29,120
Total	2,721,005	2,700,730
Deferred Charges		
Regulatory assets	150,877	145,627
Prepaid pension costs	101,588	106,888
Other deferred charges	22,351	29,517
Total	274,816	282,032
Total	$ 3,323,622	$ 3,302,576

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

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

	September 30 2004	December 31 2003
LIABILITIES AND CAPITALIZATION	(thousands)	
Current Liabilities		
Notes payable to Great Plains Energy	$ 15,442	$ 21,983
Current maturities of long-term debt	-	54,500
EIRR bonds classified as current	85,922	129,288
Accounts payable	63,132	82,353
Accrued taxes	104,523	41,114
Accrued interest	10,896	11,763
Accrued payroll and vacations	19,860	20,486
Accrued refueling outage costs	9,405	1,760
Other	8,501	8,619

Total	317,681	371,866
Deferred Credits and Other Liabilities		
Deferred income taxes	651,399	641,673
Deferred investment tax credits	34,583	37,571
Asset retirement obligations	111,887	106,694
Pension liability	84,033	84,434
Other	48,258	52,196
Total	930,160	922,568
Capitalization		
Common stock equity		
Common stock-1,000 shares authorized without par value		
1 share issued, stated value	812,041	662,041
Retained earnings	257,385	228,761
Accumulated other comprehensive loss	(35,301)	(35,244)
Total	1,034,125	855,558
Long-term debt (Note 6)	1,041,656	1,152,584
Total	2,075,781	2,008,142
Commitments and Contingencies (Note 12)		
Total	$ 3,323,622	$ 3,302,576

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

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

	Three Months Ended September 30		Year to Date September 30	
	2004	**2003**	**2004**	**2003**
Operating Revenues	(thousands)			
Electric revenues	$323,287	$350,056	$844,447	$831,763
Other revenues	366	601	1,220	1,691
Total	323,653	350,657	845,667	833,454
Operating Expenses				
Fuel	52,257	51,407	135,113	125,911
Purchased power	14,015	10,210	43,835	42,151
Other	63,504	61,400	190,457	177,579
Maintenance	19,264	18,147	63,277	64,891
Depreciation	36,513	34,983	108,839	104,852
General taxes	27,449	27,646	75,667	74,367
Gain on property	(613)	(1,617)	(771)	(1,517)
Total	212,389	202,176	616,417	588,234
Operating income	111,264	148,481	229,250	245,220
Non-operating income	1,393	1,698	3,857	3,645
Non-operating expenses	(2,211)	(2,608)	(5,839)	(6,752)
Interest charges	(15,313)	(17,519)	(49,701)	(52,959)
Income from continuing operations before income taxes and minority interest in subsidiaries	95,133	130,052	177,567	189,154
Income taxes	(32,503)	(51,554)	(63,946)	(75,598)
Minority interest in subsidiaries	1,283	-	3,804	-
Income from continuing operations	63,913	78,498	117,425	113,556
Loss from discontinued operations, net of income taxes (Note 8)	-	-	-	(8,690)

Net income	$ 63,913	$ 78,498	$117,425	$104,866

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

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

Year to date September 30	**2004**	**2003**
Cash Flows from Operating Activities	(thousands)	
Net income	$ 117,425	$ 104,866
Less: Loss from discontinued operations, net of income taxes	-	(8,690)
Income from continuing operations	117,425	113,556
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and depletion	108,839	104,852
Amortization of:		
Nuclear fuel	10,585	10,549
Other	5,770	7,008
Deferred income taxes (net)	6,782	(1,108)
Investment tax credit amortization	(2,988)	(2,995)
Gain on property	(771)	(1,517)
Minority interest	(3,804)	-
Other operating activities (Note 4)	49,050	45,441
Net cash from operating activities	290,888	275,786
Cash Flows from Investing Activities		
Utility capital expenditures	(137,073)	(108,975)
Allowance for borrowed funds used during construction	(1,175)	(1,006)
Purchases of investments	(2,664)	(2,632)
Purchases of nonutility property	(233)	(85)
Proceeds from sale of assets	5,251	3,794
Hawthorn No. 5 partial insurance recovery	30,810	3,940
Hawthorn No. 5 partial litigation settlements	1,139	-
Other investing activities	(4,589)	(1,617)
Net cash from investing activities	(108,534)	(106,581)
Cash Flows from Financing Activities		
Repayment of long-term debt	(209,140)	(124,000)
Net change in short-term borrowings	(6,541)	3,176
Dividends paid to Great Plains Energy	(88,801)	(98,000)
Equity contribution from Great Plains Energy	150,000	100,000
Other financing activities	(1,361)	(2)
Net cash from financing activities	(155,843)	(118,826)
Net Change in Cash and Cash Equivalents	26,511	50,379
Cash and Cash Equivalents from Continuing Operations at Beginning of Year	26,520	171
Cash and Cash Equivalents from Continuing Operations at End of Period	$ 53,031	$ 50,550
Net Change in Cash and Cash Equivalents from Discontinued Operations	$ -	$ (307)
Cash and Cash Equivalents from Discontinued Operations at Beginning of Year	-	307
Cash and Cash Equivalents from Discontinued Operations at End of Period	$ -	$ -

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

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

Three Months Ended September 30	**2004**		**2003**	
	Shares	**Amount**	**Shares**	**Amount**
	(thousands, except share data)			
Common Stock	1	$ 812,041	1	$ 662,041
Retained Earnings				
Beginning balance		224,530		202,974
Net income		63,913		78,498
Dividends:				
Common stock held by Great Plains Energy		(31,058)		(65,000)
Ending balance		257,385		216,472
Accumulated Other Comprehensive Loss				
Beginning balance		(34,995)		(25,894)
Derivative hedging activity		(306)		(931)
Ending balance		(35,301)		(26,825)
Total Common Stock Equity		$ 1,034,125		$ 851,688

Year to Date September 30	**2004**		**2003**	
	Shares	**Amount**	**Shares**	**Amount**
Common Stock	(thousands, except share data)			
Beginning balance	1	$ 662,041	1	$ 562,041
Equity contribution from Great Plains Energy	-	150,000	-	100,000
Ending balance	1	812,041	1	662,041
Retained Earnings				
Beginning balance		228,761		209,606
Net income		117,425		104,866
Dividends:				
Common stock held by Great Plains Energy		(88,801)		(98,000)
Ending balance		257,385		216,472
Accumulated Other Comprehensive Loss				
Beginning balance		(35,244)		(26,614)
Derivative hedging activity		(57)		(171)
Minimum pension obligation		-		(40)
Ending balance		(35,301)		(26,825)
Total Common Stock Equity		$ 1,034,125		$ 851,688

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

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

	Three Months Ended September 30		Year to Date September 30	
	2004	2003	2004	2003
	(thousands)			
Net income	$ 63,913	$ 78,498	$117,425	$104,866
Other comprehensive income				
Gain (loss) on derivative hedging instruments	158	(734)	565	513
Income taxes	(62)	287	(220)	(200)
Net gain (loss) on derivative hedging instruments	96	(447)	345	313
Change in minimum pension obligation	-	-	-	(66)
Income taxes	-	-	-	26
Net change in minimum pension obligation	-	-	-	(40)
Reclassification to revenues and expenses, net of tax	(402)	(484)	(402)	(484)
Comprehensive income	$ 63,607	$ 77,567	$117,368	$104,655

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

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

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

In management’s opinion, the consolidated interim financial statements reflect all adjustments (which, unless otherwise noted, 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 applicable financial statements and related notes included in the combined 2003 Annual Report on Form 10-K, as amended by Amendment No. 1 on Form 10-K/A and recast to reflect certain discontinued operations by the Current Report on Form 8-K dated May 12, 2004 (2003 Form 10-K), of Great Plains Energy and consolidated KCP&L.

1. ORGANIZATION

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

Great Plains Energy has five direct subsidiaries:

- KCP&L is an integrated, regulated electric utility, which provides reliable, affordable electricity to customers in the states of Missouri and Kansas. KCP&L is one of Great Plains Energy's two reportable segments. KCP&L's wholly-owned subsidiary, Home Service Solutions Inc. (HSS) has invested in Worry Free Service, Inc. (Worry Free). Worry Free is no longer actively pursuing new customers and management does not anticipate significant additional capital investments in Worry Free. Prior to the June 2003 disposition of R.S. Andrews Enterprises, Inc. (RSAE), HSS held an investment in RSAE. See Note 8 for additional information concerning the June 2003 disposition of RSAE. KCP&L and its subsidiaries are referred to as consolidated KCP&L.

- KLT Inc. is an intermediate holding company that primarily holds interests in Strategic Energy, L.L.C. (Strategic Energy), KLT Gas Inc. (KLT Gas) and affordable housing limited partnerships. Strategic Energy is the other reportable segment of Great Plains Energy. The Company sold substantially all of the KLT Gas natural gas properties (KLT Gas portfolio) in the third and fourth quarters of 2004. See Note 7 for additional information.

- Great Plains Power Incorporated (GPP) focuses on the development of wholesale generation. Management decided during 2002 to limit the operations of GPP, which has made no significant investments to date.

- Innovative Energy Consultants Inc. (IEC) holds an indirect interest in Strategic Energy. IEC does not own or operate any assets other than its indirect interest in Strategic Energy.

- Great Plains Energy Services Incorporated (Services) was formed in 2003 as a service company under the 35 Act to provide support and administrative services to Great Plains Energy and its subsidiaries.

The operations of Great Plains Energy and its subsidiaries are divided into two reportable segments: KCP&L and Strategic Energy. Great Plains Energy's legal structure differs from the functional management and financial reporting of its reportable segments. Other activities not considered a reportable segment include the operations of HSS, GPP, Services, all KLT Inc. operations other than Strategic Energy, and holding company operations.

2. CASH

Cash and Cash Equivalents
Cash equivalents consist of highly liquid investments with original maturities of three months or less. For Great Plains Energy this includes Strategic Energy's cash held in trust of $19.8 million and $16.1 million at September 30, 2004, and December 31, 2003, respectively.

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

Restricted Cash
Strategic Energy has entered into Master Power Purchase and Sale Agreements with its power suppliers. Certain of these agreements contain provisions whereby, to the extent Strategic Energy has a net exposure to the purchased power supplier, collateral requirements are to be maintained. Collateral posted in the form of cash to Strategic Energy is restricted by agreement, but would become unrestricted in the event of a default by the purchased power supplier. Restricted cash collateral at September 30, 2004, and December 31, 2003, was $11.6 million and $20.9 million, respectively.

3. BASIC AND DILUTED EARNINGS PER COMMON SHARE CALCULATION

There was no significant dilutive effect on Great Plains Energy's earnings per common share (EPS) from other securities for the three months ended and year to date September 30, 2004 and 2003. To determine basic EPS, preferred stock dividend requirements are deducted from income from continuing operations and net income before dividing by average number of common shares outstanding. The earnings (loss) per share impact of discontinued operations, net of income taxes, is determined by dividing the gain (loss) from discontinued operations, net of income taxes, by the average number of common shares outstanding. Diluted EPS assumes the issuance of common shares applicable to stock options, performance shares, restricted stock and FELINE PRIDES calculated using the treasury stock method.

The following tables reconcile Great Plains Energy's basic and diluted EPS from continuing operations:

	Income	Shares	EPS
Three Months Ended September 30, 2004	(thousands except per share amounts)		
Income from continuing operations	$ 67,862		
Less: Preferred stock dividend requirement	412		
Basic EPS			
Income available to common stockholders	67,450	74,270	$ 0.91
Add: effect of dilutive securities		66	
Diluted EPS	$ 67,450	74,336	$ 0.91

	Income	Shares	EPS
Three Months Ended September 30, 2003	(thousands except per share amounts)		
Income from continuing operations	$ 84,178		
Less: Preferred stock dividend requirement	411		
Basic EPS			
Income available to common stockholders	83,767	69,189	$ 1.21
Add: effect of dilutive securities		71	
Diluted EPS	$ 83,767	69,260	$ 1.21

	Income	Shares	EPS
Year to Date September 30, 2004	(thousands except per share amounts)		

	Income	Shares	EPS
Income from continuing operations	$ 138,810		
Less: Preferred stock dividend requirement	1,235		
Basic EPS			
Income available to common stockholders	137,575	71,251	$ 1.93
Add: effect of dilutive securities		83	
Diluted EPS	$ 137,575	71,334	$ 1.93

	Income	Shares	EPS
Year to Date September 30, 2003	(thousands except per share amounts)		
Income from continuing operations	$ 165,239		
Less: Preferred stock dividend requirement	1,234		
Basic EPS			
Income available to common stockholders	164,005	69,189	$ 2.37
Add: effect of dilutive securities		13	
Diluted EPS	$ 164,005	69,202	$ 2.37

For the three months ended September 30, 2004 and 2003, and year to date September 30, 2004, there were no anti-dilutive shares applicable to stock options, performance shares and restricted stock. For the three months ended and year to date September 30, 2004, the FELINE PRIDES were anti-dilutive. Options to purchase 27,898 shares of common stock year to date September 30, 2003, were excluded from the computation of diluted EPS because they were anti-dilutive due to the option exercise prices being greater than the average market price of the common shares during the period.

During the second quarter of 2004, the Company adopted Emerging Issues Task Force (EITF) No. 03-6, Participating Securities and the Two-Class Method under SFAS No. 128, "Earnings Per Share". For the three months ended and year to date September 30, 2004 and 2003, Great Plains Energy did not have any participating securities; therefore, EITF No. 03-6 did not have an effect on EPS.

4. SUPPLEMENTAL CASH FLOW INFORMATION

Great Plains Energy Other Operating Activities

Year to Date September 30	2004	2003
Cash flows affected by changes in:	(thousands)	
Receivables	$ (62,118)	$ (57,533)
Fuel inventories	1,470	(1,194)
Materials and supplies	2,741	(5,946)
Accounts payable	17,284	(3,705)
Accrued taxes	81,993	99,368
Accrued interest	186	(3,971)
Wolf Creek refueling outage accrual	7,645	7,147
Deposits with suppliers	836	(7,668)
Pension and postretirement benefit assets and obligations	917	10,279
Allowance for equity funds used during construction	(1,497)	(1,023)
Other	(5,476)	18,315
Total other operating activities	$ 43,981	$ 54,069
Cash paid during the period:		
Interest	$ 53,560	$ 59,966
Income taxes	$ 24,509	$ 29,595

Consolidated KCP&L Other Operating Activities

Year to Date September 30	2004	2003
Cash flows affected by changes in:	(thousands)	
Receivables	$ (13,600)	$ (42,665)
Fuel inventories	1,470	(1,194)
Materials and supplies	2,741	(5,946)
Accounts payable	(19,221)	(10,772)
Accrued taxes	63,409	92,200

Accrued interest	(867)	(3,460)
Wolf Creek refueling outage accrual	7,645	7,147
Pension and postretirement benefit assets and obligations	4,408	8,924
Allowance for equity funds used during construction	(1,497)	(1,023)
Other	4,562	2,230
Total other operating activities	$ 49,050	$ 45,441
Cash paid during the period:		
Interest	$ 48,092	$ 54,677
Income taxes	$ 23,780	$ 24,202

KCP&L adopted Statement of Financial Accounting Standards (SFAS) No. 143, “Accounting for Asset Retirement Obligations”, on January 1, 2003, and recorded a liability for asset retirement obligations (ARO) of $99.2 million and increased property and equipment, net of accumulated depreciation, by $18.3 million. KCP&L is a regulated utility subject to the provisions of SFAS No. 71, “Accounting for the Effects of Certain Types of Regulation”, and management believes it is probable that any differences between expenses under SFAS No. 143 and expenses recovered currently in rates will be recoverable in future rates. As a result, the $16.3 million net cumulative effect ($80.9 million gross cumulative effect net of $64.6 million decommissioning liability previously accrued) of the adoption of SFAS No. 143 was recorded as a regulatory asset; therefore, it had no impact on net income. The adoption of SFAS No. 143 had no effect on Great Plains Energy and consolidated KCP&L’s cash flows.

5. RECEIVABLES

The Company’s receivables are comprised of the following:

	September 30 2004	December 31 2003
	(thousands)	
Customer accounts receivable sold to Receivables Company	$ 41,429	$ 17,902
Consolidated KCP&L other receivables	36,996	77,733
Consolidated KCP&L receivables	78,425	95,635
Great Plains Energy other receivables	194,168	144,709
Great Plains Energy receivables	$ 272,593	$ 240,344

KCP&L has entered into a revolving agreement to sell all of its right, title and interest in the majority of its customer accounts receivable to Kansas City Power & Light Receivables Company (Receivables Company), which in turn sells most of the receivables to outside investors. KCP&L expects to renew the agreement when it expires in January 2005. Accounts receivable sold under this revolving agreement totaled $106.4 million and $87.9 million at September 30, 2004, and December 31, 2003, respectively. These sales included unbilled receivables of $36.6 million and $28.4 million at September 30, 2004, and December 31, 2003, respectively. As a result of the sale to outside investors, Receivables Company receives up to $70 million in cash, which is forwarded to KCP&L as consideration for its sale. At September 30, 2004, and December 31, 2003, Receivables Company had received $65.0 million and $70.0 million in cash, respectively. 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. 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.

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

	Three Months Ended September 30		Year to Date September 30	
	2004	2003	2004	2003
	(thousands)			
Gross proceeds on sale of accounts receivable	$ 295,559	$ 323,770	$ 730,999	$ 745,016
Collections	290,372	312,486	709,170	724,644
Loss on sale of accounts receivable	856	1,332	2,132	3,183
Late fees	695	748	1,707	1,701

Consolidated KCP&L’s other receivables at September 30, 2004, and December 31, 2003, consist primarily of receivables from partners in jointly-owned electric utility plants, wholesale sales receivables and accounts receivable held by Worry Free. The December 31, 2003, amounts also included insurance recoveries.

Great Plains Energy's other receivables at September 30, 2004, and December 31, 2003, are primarily the accounts receivable held by Strategic Energy including unbilled receivables of $97.2 million and $81.2 million, respectively.

6. CAPITALIZATION

Great Plains Energy and consolidated KCP&L's long-term debt is as follows:

	Year Due	September 30 2004	December 31 2003
Consolidated KCP&L		(thousands)	
General Mortgage Bonds			
7.95%* and 7.55%** Medium-Term Notes	2007	$ 500	$ 55,000
2.00%* and 2.36%** EIRR bonds	2012-2023	158,768	158,768
Senior Notes			
7.125%	2005	250,000	250,000
6.500%	2011	150,000	150,000
6.000%	2007	225,000	225,000
Unamortized discount		(520)	(689)
EIRR bonds			
2.78%* and 2.16%** Series A & B	2015	107,994	108,919
2.38%* and 2.25%** Series C	2017	50,000	50,000
2.78%* and 2.16%** Series D	2017	40,562	40,923
8.3% Junior Subordinated Deferred Interest Bonds		-	154,640
1.67%* and 1.25%** Combustion Turbine Synthetic Lease	2006	145,274	143,811
Current liabilities			
EIRR bonds classified as current		(85,922)	(129,288)
Current maturities		-	(54,500)
Total consolidated KCP&L excluding current liabilities		1,041,656	1,152,584
Other Great Plains Energy			
4.25% FELINE PRIDES Senior Notes	2009	163,600	-
7.63%* and 7.84%** Affordable Housing Notes	2005-2008	6,442	10,564
Current maturities		(3,177)	(4,803)
Total consolidated Great Plains Energy excluding current maturities		$ 1,208,521	$ 1,158,345

* Weighted-average rate as of September 30, 2004
** Weighted-average rate as of December 31, 2003

During the first quarter of 2004, Great Plains Energy syndicated a $150.0 million 364-day revolving credit facility and a $150.0 million three-year revolving credit facility with a group of banks. These facilities replaced a $225.0 million revolving credit facility with a group of banks. A default by Great Plains Energy or any of its significant subsidiaries of other indebtedness totaling more than $25.0 million is a default under these bank lines. Under the terms of these agreements, Great Plains Energy is required to maintain a consolidated indebtedness to consolidated capitalization ratio not greater than 0.65 to 1.0 at all times and an interest coverage ratio greater than 2.25 to 1.0, as those ratios are defined in the agreement. At September 30, 2004, the Company was in compliance with these covenants. At September 30, 2004, Great Plains Energy had no outstanding borrowings under these lines and had issued letters of credit totaling $18.0 million under the three-year revolving credit facility as credit support for Strategic Energy. At December 31, 2003, Great Plains Energy had $87.0 million of outstanding borrowings under the $225.0 million revolving credit facility with a weighted-average interest rate of 2.12% and had issued a letter of credit for $15.8 million as credit support for Strategic Energy.

During the third quarter of 2004, Strategic Energy syndicated a $125.0 million three-year revolving credit facility with a group of banks. Great Plains Energy has guaranteed $25.0 million of this facility.

This facility replaced a $95.0 million revolving credit facility with a group of banks. A default by Strategic Energy of other indebtedness, as defined in the new facility, totaling more than $7.5 million is a default under the facility. Under the terms of this agreement, Strategic Energy is required to maintain a minimum net worth of $62.5 million, a maximum funded indebtedness to EBITDA ratio of 2.25 to 1.00, a minimum fixed charge coverage ratio of at least 1.05 to 1.00 and a minimum debt service coverage ratio of at least 4.00 to 1.00 as those are defined in the agreement. In the event of a breach of one or more of these four covenants, so long as no other default has occurred, Great Plains Energy may cure the breach through a cash infusion, a guarantee increase or a combination of the two. At September 30, 2004, Strategic Energy was in compliance with these covenants. At September 30, 2004, $68.6 million in letters of credit had been issued and there were no borrowings under the agreement.

Great Plains Energy filed a registration statement, which became effective in April 2004, for the issuance of an aggregate amount up to $500.0 million of any combination of senior debt securities, subordinated debt securities, trust preferred securities and related guarantees, common stock, warrants, stock purchase contracts or stock purchase units. The prospectus filed with this registration statement also included $148.2 million of securities remaining available to be offered under a prior registration statement providing for an aggregate amount of availability of $648.2 million. In June 2004, Great Plains Energy issued 5.0 million shares of common stock at $30 per share under this registration statement with $150.0 million in gross proceeds. Issuance costs of $5.6 million are reflected in capital stock premium and expense on Great Plains Energy’s consolidated balance sheet and statement of common stock equity.

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

Applicable market value	**Settlement rate (in common shares)**	**Market value per common share [a]**
$35.40 or greater	0.7062 to 1	Greater than $25 per common share
$35.40 to $30.00	$25 divided by the applicable market value to 1	Equal to $25 per common share
$30.00 or less	0.8333 to 1	Less than $25 per common share

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

Great Plains Energy will make quarterly contract adjustment payments at the rate of 3.75% per year and interest payments at the rate of 4.25% per year both payable in February, May, August and November of each year, which commenced August 16, 2004. Great Plains Energy must attempt to remarket the senior notes, in whole but not in part. If the senior notes are not successfully remarketed by February 16, 2007, Great Plains Energy will exercise its rights as a secured party to dispose of the

senior notes in accordance with applicable law and satisfy in full each holder’s obligation to purchase the Company’s common stock under the purchase contracts.

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

In 1997, KCPL Financing I issued $150.0 million of 8.3% preferred securities and KCP&L invested $4.6 million in common securities of KCPL Financing I. The sole asset of KCPL Financing I was the $154.6 million principal amount of 8.3% Junior Subordinated Deferrable Interest Debentures, due 2037, issued by KCP&L. In July 2004, KCP&L redeemed the $154.6 million 8.3% Junior Subordinated Deferred Interest Debentures. KCPL Financing I used the proceeds from the repayment of the 8.3% Junior Subordinated Deferrable Interest Debentures to redeem the $4.6 million of common securities held by KCP&L and the $150.0 million of 8.3% preferred securities. KCP&L also retired $54.5 million of its medium-term notes at maturity during the third quarter of 2004.

KCP&L EIRR Bonds Classified as Current Liabilities

During the third quarter of 2004, KCP&L remarketed its secured 1994 series Environmental Improvement Revenue Refunding (EIRR) bonds totaling $35.9 million at a fixed rate of 2.25% and its 1998 Series C unsecured EIRR bonds totaling $50.0 million at a fixed rate of 2.38% ending August 31, 2005. If the bonds could not be remarketed, KCP&L would be obligated to either purchase or retire the bonds. KCP&L also remarketed its secured 1993 series EIRR bonds totaling $12.4 million at a fixed rate of 4.0% until maturity at January 2, 2012. The previous interest rate periods on these three series, with interest rates of 3.9%, 2.25% and 3.9%, respectively, expired on August 31, 2004.

In August 2004, KCP&L secured a municipal bond insurance policy as a credit enhancement to its secured 1992 series EIRR bonds totaling $31.0 million. This municipal bond insurance policy replaced a 364-day credit facility with a bank, which expired in August 2004 that previously supported full liquidity of these bonds. These variable-rate, secured EIRR bonds with a final maturity in 2017 are remarketed on a weekly basis. The insurance agreement between KCP&L and XL Capital Assurance Inc. (XLCA), the issuer of the municipal bond insurance policy, provides for reimbursement by KCP&L for any amounts that XLCA pays under the municipal bond insurance policy. The insurance policy is in effect for the term of the bonds. The insurance agreement contains a covenant that the indebtedness to total capitalization ratio of KCP&L and its consolidated subsidiaries will not be greater than 0.68 to 1.0. At September 30, 2004, KCP&L was in compliance with this covenant. KCP&L is also restricted from issuing additional bonds under its General Mortgage Indenture if, after giving effect to such additional bonds, the proportion of secured debt to total indebtedness would be more than 75%, or more than 50% if the long term rating for such bonds by Standard & Poor's or Moody's Investors Service would be at or below A- or A3, respectively. In the event of a default under the insurance agreement, XLCA may take any available legal or equitable action against KCP&L, including seeking specific performance of the covenants.

The $35.9 million of secured 1994 series EIRR bonds and $50.0 million of 1998 Series C unsecured EIRR bonds discussed above were classified as current liabilities at September 30, 2004. The $35.9 million of secured 1994 series EIRR bonds, $50.0 million of 1998 Series C unsecured EIRR bonds, $12.4 million of secured 1993 series EIRR bonds and $31.0 million of secured 1992 series EIRR bonds discussed above totaled $129.3 million and were classified as current liabilities at December 31, 2003.

7. KLT GAS DISCONTINUED OPERATIONS

In February 2004, the Board of Directors approved the sale of the KLT Gas portfolio and discontinuation of the gas business. Consequently, in the first quarter of 2004, the KLT Gas portfolio was reported as discontinued operations and KLT Gas' historical activities were reclassified in accordance with SFAS No. 144 "Accounting for the Impairment or Disposal of Long-lived Assets."

In the third quarter of 2004, KLT Gas completed the sale of the majority of the KLT Gas portfolio for $19.6 million cash, net of $1.2 million transaction costs. The gain on the third quarter sales totaled $8.6 million, or $0.12 per share. In October 2004, KLT Gas completed the sale of the remaining significant KLT Gas portfolio at a sales price of $4 million for a gain of approximately $2 million, or $0.02 per share.

The impact of the gain from the third quarter 2004 KLT Gas portfolio asset sales was partially offset by the loss from the wind down operations of $0.6 million and $1.4 million for the three months ended and year to date September 30, 2004, respectively. Additionally, the first quarter 2004 write down of the KLT Gas portfolio to its estimated net realizable value reduced year to date September 30, 2004, earnings by $1.2 million. Year to date 2003 reflects a loss from discontinued operations of $7.3 million, or $0.10 per share, and includes a loss of $5.5 million, or $0.08 per share, related to an impairment on a Rocky Mountain project.

The following table summarizes the discontinued operations through September 30, 2004.

	Three Months Ended September 30		Year to Date September 30	
	2004	**2003**	**2004**	**2003**
	(millions)			
Revenues	$ -	$ 0.5	$ 1.6	$ 1.2
Gain (loss) from discontinued operations before income taxes	13.0	(0.8)	9.3	(12.3)
Income taxes	(5.0)	0.4	(3.3)	5.0
Gain (loss) from discontinued operations, net of income taxes	$ 8.0	$ (0.4)	$ 6.0	$ (7.3)

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

	September 30 2004	December 31 2003
	(millions)	
Current assets	$ 2.8	$ 1.0
Gas property and investments	0.2	9.8
Other nonutility property and investments	0.3	0.3
Accrued taxes	10.9	6.7
Deferred income taxes	2.6	10.0
Total assets of discontinued operations	$ 16.8	$ 27.8
Current liabilities	$ 1.6	$ 2.8

Asset retirement obligations	0.1	1.8
Total liabilities of discontinued operations	$ 1.7	$ 4.6

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

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

Year to Date September 30	2003
	(millions)
Revenues	$ 31.8
Loss from operations before income taxes	$ (1.6)
Loss on disposal before income taxes	(18.9)
Total loss on discontinued operations before income taxes	(20.5)
Income tax benefit (a)	11.8
Loss on discontinued operations, net of income taxes	$ (8.7)

(a) RSAE had continual losses and therefore did not recognize tax benefits. The tax benefit reflected is the tax effect of Great Plains Energy's disposition of its interest in RSAE.

9. ACQUISITION OF ADDITIONAL INDIRECT INTEREST IN STRATEGIC ENERGY

Effective May 6, 2004, Great Plains Energy, through IEC, completed its purchase of an additional 11.45% indirect interest in Strategic Energy bringing Great Plains Energy's indirect ownership interest in Strategic Energy to just under 100%. The Company paid cash of $90.2 million, including $1.4 million of transaction costs. In accordance with the purchase terms, the Company also recorded a $0.9 million liability for 2004 fractional dividends to the previous owner for its share of 2004 budgeted Strategic Energy dividends. The transaction costs and the liability for fractional dividends are preliminary and subject to adjustment throughout the remainder of the year. See Notes 11 and 13 for additional discussion of the acquisition.

The purchase price allocation for the net assets acquired is as follows:

Strategic Energy Acquisition	2004
	(millions)
Other non-utility property and investments	$ 10.7
Goodwill	60.8
Other deferred charges	46.1
Total assets	117.6
Accounts payable	0.9
Other deferred credits and liabilities	26.5
Net assets acquired	$ 90.2

A third party valuation firm was utilized in the determination of the purchase price allocation. Based on the valuation, the acquired share of identifiable intangible assets and liabilities were recorded by IEC at fair value as part of the purchase price allocation. The acquired share of the fair value of the identifiable intangibles was a net asset of $19.6 million. The fair value of acquired supply (intangible asset) and retail (intangible liability) contracts is being amortized over approximately 28 months. Other intangible assets recorded that have finite lives and are subject to amortization include customer relationships and asset information systems, which are being amortized over 72 and 44 months, respectively. Net amortization for the three months ended and year to date September 30, 2004, was $0.8 million and $1.4 million, respectively. A $0.7 million intangible asset for the Strategic Energy trade name was also recorded and deemed to have an infinite life, and as such, is not being amortized.

10. PENSION PLANS AND OTHER EMPLOYEE BENEFITS

The Company maintains defined benefit pension plans for substantially all employees of KCP&L, Services and Wolf Creek Nuclear Operating Company (WCNOC), including officers. Benefits under these plans reflect the employees' compensation, years of service and age at retirement.

In addition to providing pension benefits, the Company provides certain postretirement health care and life insurance benefits for substantially all retired employees of KCP&L, Services and WCNOC. The cost of postretirement health care and life insurance benefits are accrued during an employee's years of service and recovered through rates.

On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Medicare Act) was signed into law. The Medicare Act, among other things, provides a federal subsidy beginning in 2006 to sponsors of retiree health care benefit plans. In the third quarter of 2004, the Company adopted Financial Accounting Standards Board (FASB) Staff Position No. FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." The Company has determined the effects of the Medicare Act will not have a material impact on its estimated health care costs or participation rates. Because the Medicare Act is not deemed a "significant event," the effects of the Act will be incorporated in the next measurement of plan assets and obligations as required by SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions."

The following table provides the net periodic benefit costs by component. These costs reflect total plan benefit costs prior to the effects of capitalization and sharing with joint owners of power plants.

	Pension Benefits		Other Benefits	
Three Months Ended September 30	**2004**	**2003**	**2004**	**2003**
Components of net periodic benefit cost	(thousands)			
Service cost	$ 4,174	$ 3,742	$ 237	$ 213
Interest cost	7,535	7,473	773	802
Expected return on plan assets	(7,926)	(6,925)	(167)	(143)
Amortization of prior service cost	1,072	1,071	60	54
Recognized net actuarial loss	1,980	344	184	143
Transition obligation	14	15	293	294
Amendment	-	-	-	28
Net settlements	466	-	-	-
Net periodic benefit cost	$ 7,315	$ 5,720	$ 1,380	$ 1,391

	Pension Benefits		Other Benefits	
Year to Date September 30	**2004**	**2003**	**2004**	**2003**
Components of net periodic benefit cost	(thousands)			
Service cost	$ 12,447	$ 11,227	$ 714	$ 638
Interest cost	22,510	22,419	2,317	2,407
Expected return on plan assets	(23,703)	(20,776)	(502)	(429)
Amortization of prior service cost	3,213	3,214	178	162
Recognized net actuarial loss	5,830	1,027	552	433
Transition obligation	40	43	881	881
Amendment	-	-	-	83
Net settlements	1,332	-	-	-
Net periodic benefit cost	$ 21,669	$ 17,154	$ 4,140	$ 4,175

11. RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

In May 2004, Great Plains Energy, through IEC, completed its purchase from SE Holdings, L.L.C. (SE Holdings) of an additional 11.45% indirect interest in Strategic Energy for $88.8 million, excluding transaction costs. The purchase increased Great Plains Energy's indirect ownership of Strategic Energy to just under 100%. See Note 9 for additional information regarding the purchase transaction. Richard Zomnir, Chief Executive Officer of Strategic Energy whose successor was announced in October 2004, and certain other current and former employees of Strategic Energy held direct or indirect interests in SE Holdings. Mr. Zomnir has disclosed that he held an approximate 25% interest in SE Holdings. In connection with the transaction, Mr. Zomnir and other direct and indirect owners of SE Holdings entered into an agreement with IEC and Strategic Energy, providing for certain indemnification rights related to the litigation described in Note 13.

SE Holdings continues to be a member of Custom Energy Holdings, L.L.C. (Custom Energy Holdings) and is represented on the Management Committees of Custom Energy Holdings and Strategic Energy. Custom Energy Holdings' business and affairs are controlled and managed by a three member Management Committee composed of one representative designated by KLT Energy Services Inc. (KLT Energy Services), one representative designated by IEC, and one representative designated by SE Holdings. Certain actions (including amendment of Custom Energy Holdings' operating agreement, approval of actions in contravention of the operating agreement, approval of a dissolution of Custom Energy Holdings, additional capital contributions and assumption of recourse indebtedness) require the unanimous consent of all the members of Custom Energy Holdings.

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

12. COMMITMENTS AND CONTINGENCIES

Nuclear Liability and Insurance

Liability Insurance
The Price-Anderson Act currently limits the combined public liability of nuclear reactor owners to $10.8 billion for claims that could arise from a single nuclear incident. The owners of Wolf Creek, a nuclear generating station, (Owners) carry the maximum available commercial insurance of $0.3 billion. Secondary Financial Protection, an assessment plan mandated by the Nuclear Regulatory Commission (NRC), provides insurance for the $10.5 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 $95.8 million plus up to an additional 5% surcharge for a total of $100.6 million ($47.3 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 2004, is subject to an inflation adjustment based on the Consumer Price Index and renewal of the Price-Anderson Act by Congress.

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

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

Low-Level Waste
The Low-Level Radioactive Waste Policy Amendments Act of 1985 mandated that the various states, individually or through interstate compacts, develop alternative low-level radioactive waste disposal facilities. The states of Kansas, Nebraska, Arkansas, Louisiana and Oklahoma formed the Central Interstate Low-Level Radioactive Waste Compact (Compact) and selected a site in northern Nebraska to locate a disposal facility. WCNOC and the owners of the other five nuclear units in the Compact

provided most of the pre-construction financing for this project. KCP&L's net investment in the Compact was $7.4 million at September 30, 2004, and December 31, 2003.

Nebraska officials and residents in the area of the proposed facility raised significant opposition to the project and made attempts 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. After the license denial, WCNOC, the Compact Commission (Commission) and others filed a lawsuit in federal court contending Nebraska officials acted in bad faith while handling the license application. In September 2002, the U.S. District Court Judge presiding over the Commission's federal "bad faith" lawsuit against the State of Nebraska issued his decision in the case finding clear evidence that the State of Nebraska acted in bad faith in processing the license application for a low-level radioactive waste disposal site in Nebraska and rendered a judgment on behalf of the Commission in the amount of $151.4 million against the state. The state appealed this decision to the U.S. Court of Appeals for the Eighth Circuit. On February 18, 2004, a three-judge panel of the appellate court unanimously affirmed the trial court's decision in its entirety. On March 2, 2004, Nebraska filed a Petition for Rehearing En Banc with the U.S. Court of Appeals for the Eighth Circuit. The court denied Nebraska's petition on April 21, 2004. Nebraska subsequently sought U.S. Supreme Court review of that decision. However, on August 9, 2004, Nebraska and the Commission settled the case by Nebraska agreeing to pay the Commission either a one-time amount of $140.5 million or four annual installments of $38.5 million each beginning on August 1, 2005. All related litigation and appeals have been or will be dismissed. Upon final payment, Nebraska will be relieved of its responsibility to host a disposal facility. The Commission now will begin seeking long-term waste disposal capability in another compact region. WCNOC intends to pursue with the Commission the possibility of recovering from the settlement proceeds some of WCNOC's contributions to the Nebraska facility's pre-licensing effort. Based on the contribution of the respective utilities in relation to the total settlement amount, management believes the settlement proceeds would be sufficient to recover KCP&L's $7.4 million net investment in the Compact.

Nebraska is no longer a member of the Compact by virtue of both the Commission's revocation of Nebraska's membership, effective July 17, 2004, and Nebraska's withdrawal from the Compact, effective in late August 2004. As part of the settlement of the "bad faith" litigation mentioned above, Nebraska dismissed its challenge to the Commission's revocation of Nebraska's Compact membership.

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

Environmental Matters

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

KCP&L operates in an environmentally responsible manner and seeks to use current technology to avoid and treat contamination. KCP&L regularly conducts environmental audits designed to ensure

compliance with governmental regulations and to detect contamination. Governmental bodies, however, may impose additional or more restrictive environmental regulations that could require substantial changes to operations or facilities at a significant cost. At September 30, 2004, and December 31, 2003, KCP&L had $0.3 million and $1.8 million, respectively, accrued for environmental remediation expenses. The remaining accrual covers water monitoring at one site. The amounts accrued were established on an undiscounted basis and KCP&L does not currently have an estimated time frame over which the accrued amounts may be paid out.

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

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

Clean Air Legislation

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

EPA Phase II NO_x SIP Call

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

NO_x and SO_2 Regulations-Proposed Clean Air Interstate Rule

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

If coal-fired plants in Missouri and Kansas are required to implement reductions under the proposed CAIR, KCP&L would need to incur significant capital costs, purchase power or purchase emission allowances. Preliminary analysis of the proposed regulation indicates that selective catalytic reduction

technology for NO_x control and scrubbers for SO_2 control may be required for some of the KCP&L units. Currently, KCP&L estimates that additional capital expenditures could range from $360 million to $520 million. The timing of the installation of such control equipment is uncertain pending the final regulation being issued. The final regulation is expected to contain specific compliance dates and compliance levels, final determination of whether Kansas and/or Missouri are included (as they are in the proposed rules), as well as the applicability of accumulated SO_2 allowances for future compliance. KCP&L is currently allocated between 39,000 and 52,000 tons of SO_2 allowances per year to support its emissions of approximately 50,000 tons per year. KCP&L has accumulated over 190,000 tons of allocated SO_2 allowances; however, the disposition of such credits is subject to regulatory approvals from both Kansas and Missouri. KCP&L continues to refine these preliminary estimates and explore alternatives. The ultimate cost of these regulations, if any, could be significantly different from the amounts estimated above. The CAIR is scheduled to be finalized in December 2004. As discussed below, certain of the control technology for SO_2 and NO_x will also aid in the control of mercury. If mercury controls, as discussed below, are required to be implemented prior to the CAIR, the above estimates could be reduced by $110 million.

In the May 5, 2004, Federal Register, the EPA published proposed regulations on best available retrofit technology (BART) that would amend its July 1999 regional haze regulations regarding emission controls for industrial facilities emitting air pollutants that reduce visibility. The BART requirement would direct state air quality agencies to identify whether emissions from sources subject to BART are below limits set by the state, or whether retrofit measures are needed to reduce the emissions below those limits. If the proposed BART regulations are adopted, they will apply to KCP&L units Montrose No. 3, LaCygne No. 1, LaCygne No. 2 and Iatan. Based on the results of the state air quality studies, KCP&L could be required to achieve compliance by making capital expenditures that would be similar to those required for the proposed CAIR. The EPA is scheduled to adopt final regulations by April 15, 2005; however, if the proposed CAIR is adopted, management believes the EPA will reevaluate the need for the proposed BART regulation.

Mercury Emissions
In July 2000, the National Research Council published its findings of a study under the Clean Air Act, which stated that power plants that burn fossil fuels, particularly coal, generate the greatest amount of mercury emissions. As a result, in the January 30, 2004, and March 16, 2004, Federal Registers, the EPA published proposed regulations for controlling mercury emissions from coal-fired power plants that contained three options. Two of the options, the EPA's preferred approaches, call for regulating mercury via emission trading regimes under section 111 or section 112 of the Clean Air Act (cap and trade options), and the third option would require utilities to install controls known as maximum achievable control technology (MACT). The EPA is scheduled to issue final rules by March 2005.

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

Under the MACT option, KCP&L could incur capital expenses prior to the 2007-2008 timeframe when the regulation would be applicable. This option would require compliance on a facility basis and therefore the option of trading nationwide mercury allowances would not be available. The EPA stated in the preamble that there are no adequately demonstrated control technologies specifically designed to reduce mercury emissions from coal-fired plants. However, the EPA also stated it is confident such technologies will be commercially available by 2007. There is currently considerable debate at the EPA and within the utility industry whether the installation of pollution control equipment for the control of NO_x and SO_2 under the CAIR might simultaneously remove mercury to the specified MACT regulatory levels, which is referred to as the co-benefit approach. If this approach is correct, and if the CAIR became final and all of KCP&L's units were subject to the final regulation, KCP&L would not be required to install additional mercury control equipment to achieve compliance with this regulation. However, if the co-benefit approach is not correct, or if KCP&L units located in Missouri and/or Kansas were not included in the final CAIR regulation, KCP&L would be required to install mercury control equipment prior to 2007. If KCP&L were required to install mercury control equipment on all of its coal-fired plants, it is anticipated that activated carbon injection in conjunction with a baghouse would need to be installed at a projected cost to KCP&L of approximately $190 million.

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

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

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

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

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

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

In the near future, Power Partners plans to enter into a cooperative umbrella MOU with the DOE. This will contain supply and demand-side actions as well as offset projects that will be undertaken to reduce the power sector's CO_2 emissions per kWh generated over the next decade consistent with the EEI commitment. Once the MOU is completed, individual companies, including KCP&L, will enter into agreements with the DOE that set forth quantitative, concrete and specific activities to reduce, avoid or sequester greenhouse gases.

EPA New Source Review

The EPA is conducting an enforcement initiative under Section 114(a) of the Clean Air Act to determine whether modifications at selected coal-fired plants across the U.S. may have been subject to New Source Performance Standards (NSPS) or New Source Review (NSR) requirements. After an operator has received a Section 114 letter, the EPA requests data and reviews all expenditures at the plants to determine if they were routine maintenance or whether the expenditures were for substantial modifications or resulted in improved operations. If a plant, subject to a Section 114 letter, is determined to have been subject to NSPS or NSR, the plant could be required to install best available control technology or lowest achievable emission rate technology. KCP&L has not received a Section 114 letter to date.

Air Particulate Matter and Ozone

In July 1997, the EPA revised ozone and particulate matter air quality standards creating a new eight-hour ozone standard and establishing a new standard for particulate matter less than 2.5 microns (PM-2.5) in diameter. These standards were challenged in Federal court. However, the courts ultimately denied all state, industry and environmental groups petitions for review and thus upheld as valid the EPA's new eight-hour ozone and PM-2.5 National Ambient Air Quality Standards (NAAQS). In so doing, the court held that the EPA acted consistently with the Clean Air Act in setting the standards at the levels it chose and the EPA's actions were reasonable and not arbitrary and capricious, and cited the deference given the EPA's decision-making authority. The court stated that the extensive records established for each rule supported the EPA's actions in both rulemakings. This removed the last major hurdle to the EPA's implementation of stricter ambient air quality standards for ozone and fine particles. On April 15, 2004, the EPA designated the Kansas City area as unclassifiable with respect to the eight-hour ozone NAAQS based on 2003 ozone season data and in attainment with respect to the PM-2.5 NAAQS. However, the EPA could review the 2004 ozone season data and reclassify the Kansas City area with respect to the eight-hour ozone NAAQS as early as November 2004. On April 15, 2004, Kansas recommended that the EPA designate all of Kansas as in attainment/unclassifiable with respect to the PM-2.5 NAAQS.

Proposed Water Use Regulations

On February 16, 2004, the EPA finalized the Phase II rule implementing Section 316(b) of the Clean Water Act establishing standards for cooling water intake structures at existing facilities. The final rule was published in the July 9, 2004, Federal Register with an effective date of September 7, 2004. This final regulation is applicable to certain existing power producing facilities that employ cooling water intake structures that withdraw 50 million gallons or more per day and use 25% or more of that water for cooling purposes. KCP&L will be required to complete a Section 316(b) comprehensive demonstration study on each of its generating facilities' intake structures within the next three and one

half years. Depending on the outcome of the comprehensive demonstration study, facilities may be required to implement technological, operational or restoration measures to achieve compliance. Overall, compliance is scheduled to be achieved between 2011 and 2014. Costs of the required comprehensive demonstration study are expected to be $0.3 million to $0.5 million per facility and occur between 2004 and 2006. Until the Section 316(b) comprehensive demonstration studies are completed, the impact of this final rule cannot be quantified.

Southwest Power Pool Regional Transmission Organization

Under the Federal Energy Regulatory Commission (FERC) Order 2000, KCP&L, as an investor-owned utility, is strongly encouraged to join a FERC approved Regional Transmission Organization (RTO). RTOs combine transmission operations of utility businesses into regional organizations that schedule transmission services and monitor the energy market to ensure regional transmission reliability and non-discriminatory access. During February 2004, the Southwest Power Pool (SPP), of which KCP&L is a member, obtained conditional approval from FERC as an RTO. On October 1, 2004, FERC approved SPP as an RTO; however, the SPP RTO was ordered to take certain additional actions including filing additional revisions to their Membership Agreement and filing an executed Joint Operating Agreement between the SPP RTO and the Midwest Independent System Operator (ISO) by December 2004.

KCP&L intends on participating in the SPP RTO; however, state regulatory approvals are required. KCP&L anticipates making the necessary applications to the Missouri Public Service Commission (MPSC) and the State Corporation Commission of the State of Kansas (KCC), during the first quarter of 2005 upon completion of the regional cost/benefit analysis currently being conducted for the SPP RTO. This cost/benefit analysis is being conducted under the direction of the SPP Regional State Committee (composed of state commissions from the states where the SPP RTO operates) and is expected to be completed in February 2005.

13. LEGAL PROCEEDINGS

Strategic Energy

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

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

See Note 11 for further information regarding related party transactions.

KLT Gas
On July 28, 2004, KLT Gas received a Notice and Demand for Arbitration Pursuant to Joint Operating Agreement from SWEPI LP doing business as Shell Western E&P and formerly known as Shell Western E&P Inc. (Shell). Prior to an October 2004 sale (with a July 1, 2004, effective date) of KLT Gas' working interests in certain oil and gas leases in Duval County, Texas to Shell, KLT Gas had a 50% working interest in the leases. Shell held the other 50% working interest and was the operator of

the properties under a joint operating agreement, as amended (JOA). Three groups of current or past lessors filed suit against Shell in Duval County, Texas, alleging various claims against Shell. Additionally, Shell has been party to ongoing proceedings before the Texas Railroad Commission relating to a well drilled on acreage adjacent to the properties of Shell and KLT Gas mentioned above. Through arbitration, Shell is seeking recovery from KLT Gas of 50% of the fees and costs incurred in the three lawsuits and the Texas Railroad Commission proceedings and settlement proceeds paid with respect to the three lawsuits, which Shell asserts is a total amount of not less than $5.4 million for KLT Gas' share. Shell is also seeking a declaration that the fees and costs incurred and settlement proceeds paid, including any fees and costs incurred in the future, are reimbursable expenses under the JOA. Shell is seeking a ruling compelling KLT Gas to pay Shell immediately all sums deemed to be due pursuant to the arbitration. On August 17, 2004, KLT Gas submitted its notice of defense generally asserting that there is no contractual basis or implied duty for reimbursement or contribution regarding the settlements and there is no contractual basis for reimbursement or contribution regarding the Texas Railroad Commission proceedings. KLT Gas also asserted counterclaims based upon misrepresentations and promissory estoppel, gross negligence in imprudent operations, full accounting under the JOA and offset. KLT Gas and its counsel continue to evaluate KLT Gas' rights and obligations under the JOA as well as other possible counterclaims that KLT Gas may have against Shell; however, it is too early to predict the ultimate outcome of this demand for arbitration.

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

14. ASSET RETIREMENT OBLIGATIONS

As a result of the sale of the KLT Gas portfolio discussed in Note 7, ARO related to the KLT Gas portfolio of $1.7 million have been assumed by the new owners. The following table shows the effect on Great Plains Energy of the new owners assuming the related KLT Gas ARO. The $0.1 million ARO related to the remaining KLT Gas portfolio is still reflected in the table; however, it is included in discontinued operations on the consolidated balance sheet.

Year to date September 30	2004	2003
Consolidated KCP&L	(millions)	
Asset retirement obligation beginning of period	$ 106.7	$ 99.2
Accretion	5.2	4.8
Asset retirement obligation end of period	$ 111.9	$ 104.0
Great Plains Energy		
Asset retirement obligation beginning of period	$ 108.5	$ 100.4
Assumed by new owners of assets	(1.7)	-
Accretion	5.2	4.8
Asset retirement obligation end of period	$ 112.0	$ 105.2

15. SEGMENT AND RELATED INFORMATION

Great Plains Energy

Great Plains Energy has two reportable segments based on its method of internal reporting, which generally segregates the reportable segments based on products and services, management responsibility and regulation. In February 2004, the Company announced its plan to sell the KLT Gas portfolio and exit the gas business. As a result, KLT Gas' financial results are reported as discontinued operations and KLT Gas is no longer considered a reportable segment. The two reportable business segments are: (1) KCP&L, an integrated, regulated electric utility, which provides reliable, affordable electricity to customers; and (2) Strategic Energy, a competitive electricity supplier, which operates in several electricity markets offering retail choice. "Other" includes the operations of HSS, GPP, Services, all KLT Inc. operations other than Strategic Energy, unallocated corporate charges and intercompany eliminations, which are immaterial. 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.

Three Months Ended September 30, 2004	**KCP&L**	**Strategic Energy**	**Other**	**Great Plains Energy**
		(millions)		
Operating revenues	$ 323.3	$ 391.1	$ 0.4	$ 714.8
Depreciation	(36.3)	(1.4)	(0.3)	(38.0)
Interest charges	(15.2)	(0.3)	(2.5)	(18.0)
Income taxes	(32.6)	(3.9)	1.3	(35.2)
Loss from equity investments	-	-	(0.5)	(0.5)
Discontinued operations	-	-	8.0	8.0
Net income (loss)	64.2	13.4	(1.7)	75.9

Three Months Ended September 30, 2003	**KCP&L**	**Strategic Energy**	**Other**	**Great Plains Energy**
		(millions)		
Operating revenues	$ 350.1	$ 310.1	$ 0.6	$ 660.8
Depreciation	(34.7)	(0.5)	(0.2)	(35.4)
Interest charges	(17.3)	-	(1.5)	(18.8)
Income taxes	(51.8)	(8.5)	10.0	(50.3)
Loss from equity investments	-	-	(1.1)	(1.1)
Discontinued operations	-	-	(0.4)	(0.4)
Net income (loss)	78.9	10.8	(5.9)	83.8

Year to Date September 30, 2004	**KCP&L**	**Strategic Energy**	**Other**	**Great Plains Energy**
		(millions)		
Operating revenues	$ 844.5	$1,024.1	$ 1.2	$1,869.8
Depreciation	(108.1)	(3.2)	(0.8)	(112.1)
Interest charges	(49.3)	-	(6.0)	(55.3)
Income taxes	(64.5)	(18.2)	15.4	(67.3)
Loss from equity investments	-	-	(1.1)	(1.1)
Discontinued operations	-	-	6.0	6.0
Net income (loss)	118.4	32.0	(5.6)	144.8

Year to Date September 30, 2003	**KCP&L**	**Strategic Energy**	**Other**	**Great Plains Energy**
		(millions)		
Operating revenues	$ 831.8	$ 794.5	$ 1.7	$1,628.0
Depreciation	(104.0)	(1.2)	(0.9)	(106.1)
Interest charges	(52.7)	(0.3)	(4.7)	(57.7)
Income taxes	(76.2)	(23.7)	28.3	(71.6)
Loss from equity investments	-	-	(1.7)	(1.7)
Discontinued operations	-	-	(16.0)	(16.0)
Net income	114.6	30.2	4.4	149.2

	KCP&L	**Strategic Energy**	**Other**	**Great Plains Energy**

September 30, 2004		(millions)		
Assets	$ 3,316.6	$ 431.2	$ 86.7	$ 3,834.5
Capital and investment expenditures [a]	140.0	2.2	92.8	235.0
December 31, 2003				
Assets	$ 3,293.5	$ 283.0	$ 105.5	$ 3,682.0
Capital and investment expenditures [a] [b]	152.3	3.1	0.1	155.5

(a) Capital and investment expenditures reflect year to date amounts for the periods presented.
(b) At December 31, 2003, KLT Gas discontinued operations had $19.4 million in capital and investment expenditures not included in the table above.

Consolidated KCP&L

The following tables reflect summarized financial information concerning consolidated KCP&L's reportable segment. Other includes the operations of HSS and intercompany eliminations, which are immaterial.

Three Months Ended September 30, 2004	KCP&L	Other	Consolidated KCP&L
		(millions)	
Operating revenues	$ 323.3	$ 0.4	$ 323.7
Depreciation	(36.3)	(0.2)	(36.5)
Interest charges	(15.2)	(0.1)	(15.3)
Income taxes	(32.6)	-	(32.6)
Net income (loss)	64.2	(0.3)	63.9

Three Months Ended September 30, 2003	KCP&L	Other	Consolidated KCP&L
		(millions)	
Operating revenues	$ 350.1	$ 0.6	$ 350.7
Depreciation	(34.7)	(0.3)	(35.0)
Interest charges	(17.3)	(0.2)	(17.5)
Income taxes	(51.8)	0.2	(51.6)
Net income (loss)	78.9	(0.4)	78.5

Year to Date September 30, 2004	KCP&L	Other	Consolidated KCP&L
		(millions)	
Operating revenues	$ 844.5	$ 1.2	$ 845.7
Depreciation	(108.1)	(0.7)	(108.8)
Interest charges	(49.3)	(0.4)	(49.7)
Income taxes	(64.5)	0.5	(64.0)
Net income (loss)	118.4	(1.0)	117.4

Year to Date September 30, 2003	KCP&L	Other	Consolidated KCP&L
		(millions)	
Operating revenues	$ 831.8	$ 1.7	$ 833.5
Depreciation	(104.0)	(0.9)	(104.9)
Interest charges	(52.7)	(0.2)	(52.9)
Income taxes	(76.2)	0.6	(75.6)
Discontinued operations	-	(8.7)	(8.7)
Net income (loss)	114.6	(9.7)	104.9

	KCP&L	Other	Consolidated KCP&L
September 30, 2004		(millions)	
Assets	$ 3,316.6	$ 7.0	$ 3,323.6
Capital and investment expenditures [a]	140.0	-	140.0

December 31, 2003			
Assets	$ 3,293.5	$ 9.1	$ 3,302.6
Capital and investment expenditures [(a)]	152.3	-	152.3

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

16. DERIVATIVE FINANCIAL INSTRUMENTS

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

Interest Rate Risk Management
In 2002, KCP&L remarketed its 1998 Series A, B, and D EIRR bonds totaling $146.5 million to a 5-year fixed interest rate of 4.75% ending October 1, 2007. Simultaneously with the remarketing, KCP&L entered into an interest rate swap for the $146.5 million based on the London Interbank Offered Rate (LIBOR) to effectively create a floating interest rate obligation. The transaction is a fair value hedge with no ineffectiveness. Changes in the fair market value of the swap are recorded on the balance sheet as an asset or liability with an offsetting entry to the respective debt balances with no net impact on earnings. The fair value of the swap was an asset of $2.1 million and $3.3 million at September 30, 2004, and December 31, 2003, respectively.

Commodity Risk Management
KCP&L's risk management policy is to use derivative hedge instruments to mitigate its exposure to market price fluctuations on a portion of its projected gas purchases to meet generation requirements for retail and firm wholesale sales. These hedging instruments are designated as cash flow hedges. The fair market values of these instruments are recorded as current assets or current liabilities with an offsetting entry to other comprehensive income (OCI) for the effective portion of the hedge. To the extent the hedges are not effective, the ineffective portion of the change in fair market value is recorded currently in fuel expense. When the gas is purchased, the amounts in OCI are reclassified to the consolidated income statement.

Strategic Energy maintains a commodity-price risk management strategy that uses forward physical energy purchases and derivative instruments to reduce the effects of fluctuations on purchased power expense caused by commodity-price volatility. Strategic Energy seeks to match customers' projected demand with fixed price purchases to serve retail customers. Derivative instruments are used to limit the unfavorable effect that price increases will have on electricity purchases, effectively fixing the future purchase price of electricity for the applicable forecasted usage and protecting Strategic Energy from significant price volatility. Certain forward fixed price purchases and swap agreements are designated as cash flow hedges resulting in changes in the hedge value being recorded as OCI. To the extent that the hedges are not effective, the ineffective portion of the changes in fair market value is recorded currently in purchased power. Purchased power for the three months ended and year to date September 30, 2004, includes a $5.1 million gain due to ineffectiveness of the cash flow hedges. Strategic Energy also enters into economic hedges that do not qualify as accounting hedges. The changes in the fair value of these derivative instruments recorded into earnings as a component of purchased power were a $0.7 million loss and a $1.1 million gain for the three months ended September 30, 2004 and 2003, respectively, and a $1.2 million loss and a $1.1 million gain year to date September 30, 2004 and 2003, respectively.

The amounts recorded in accumulated other comprehensive income (AOCI) related to the cash flow hedges are summarized in the following tables:

Activity for the three months ended September 30, 2004

	June 30 2004	Increase (Decrease) in AOCI	Reclassified to earnings	September 30 2004
Great Plains Energy		(millions)		
Current assets	$ 12.0	$ (6.7)	$ 1.0	$ 6.3
Other deferred charges	3.6	(2.7)	-	0.9
Other current liabilities	0.1	(0.1)	-	-
Deferred income taxes	(6.6)	4.3	(0.4)	(2.7)
Other deferred credits	(0.7)	(0.2)	(0.1)	(1.0)
Total	$ 8.4	$ (5.4)	$ 0.5	$ 3.5
Consolidated KCP&L				
Other current assets	$ 0.5	$ 0.2	$ (0.7)	$ -
Deferred income taxes	(0.2)	(0.1)	0.3	-

Total	$ 0.3	$ 0.1	$ (0.4)	$ -

Activity for the three months ended September 30, 2003

	June 30 2003	Increase (Decrease) in AOCI	Reclassified to earnings	September 30 2003
Great Plains Energy		(millions)		
Other current assets	$ 8.4	$ (2.0)	$ (3.7)	$ 2.7
Other deferred charges	0.2	(0.3)	-	(0.1)
Other current liabilities	(5.5)	0.6	-	(4.9)
Deferred income taxes	(0.7)	0.6	1.5	1.4
Other deferred credits	(1.4)	0.2	0.3	(0.9)
Total	$ 1.0	$ (0.9)	$ (1.9)	$ (1.8)
Consolidated KCP&L				
Other current assets	$ 1.5	$ (0.7)	$ (0.8)	$ -
Deferred income taxes	(0.6)	0.3	0.3	-
Total	$ 0.9	$ (0.4)	$ (0.5)	$ -

Activity for the year to date September 30, 2004

	December 31 2003	Increase (Decrease) in AOCI	Reclassified to earnings	September 30 2004
Great Plains Energy		(millions)		
Current assets	$ 2.7	$ 4.3	$ (0.7)	$ 6.3
Other deferred charges	0.8	0.1	-	0.9
Other current liabilities	(2.6)	3.5	(0.9)	-
Deferred income taxes	(0.2)	(3.1)	0.6	(2.7)
Other deferred credits	(0.4)	(0.8)	0.2	(1.0)
Total	$ 0.3	$ 4.0	$ (0.8)	$ 3.5
Consolidated KCP&L				
Other current assets	$ 0.1	$ 0.6	$ (0.7)	$ -
Deferred income taxes	-	(0.3)	0.3	-
Total	$ 0.1	$ 0.3	$ (0.4)	$ -

Activity for the year to date September 30, 2003

	December 31 2002	Increase (Decrease) in AOCI	Reclassified to earnings	September 30 2003
Great Plains Energy		(millions)		
Other current assets	$ 3.0	$ 10.2	$ (10.5)	$ 2.7
Other deferred charges	-	(0.1)	-	(0.1)
Other current liabilities	(1.6)	(1.5)	(1.8)	(4.9)
Deferred income taxes	(0.7)	(2.7)	4.8	1.4
Other deferred credits	0.2	(2.4)	1.3	(0.9)
Total	$ 0.9	$ 3.5	$ (6.2)	$ (1.8)
Consolidated KCP&L				
Other current assets	$ 0.3	$ 0.5	$ (0.8)	$ -
Deferred income taxes	(0.1)	(0.2)	0.3	-
Total	$ 0.2	$ 0.3	$ (0.5)	$ -

Reclassified to earnings for the three months ended September 30

	Great Plains Energy 2004	Great Plains Energy 2003	Consolidated KCP&L 2004	Consolidated KCP&L 2003
	(millions)			
Fuel expense	$ (0.7)	$ (0.8)	$ (0.7)	$ (0.8)
Purchased power expense	1.7	(2.9)	-	-
Minority interest	(0.1)	0.3	-	-
Income taxes	(0.4)	1.5	0.3	0.3
OCI	$ 0.5	$ (1.9)	$ (0.4)	$ (0.5)

Reclassified to earnings for the year to date September 30

	Great Plains Energy 2004	Great Plains Energy 2003	Consolidated KCP&L 2004	Consolidated KCP&L 2003
	(millions)			
Fuel expense	$ (0.7)	$ (0.8)	$ (0.7)	$ (0.8)
Purchased power expense	(0.9)	(11.5)	-	-
Minority interest	0.2	1.3	-	-
Income taxes	0.6	4.8	0.3	0.3
OCI	$ (0.8)	$ (6.2)	$ (0.4)	$ (0.5)

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 consolidated KCP&L, both registrants under this filing. The discussion and analysis by management focuses on those factors that had a material effect on the financial condition and results of operations of the registrants during the periods presented. It should be read in conjunction with the accompanying consolidated financial statements and related notes and with the management's discussion and analysis included in the companies' 2003 Form 10-K.

Losses in the prior period related to the operations of KLT Gas have been reclassified and are presented as discontinued operations due to the February 2004 decision to sell the KLT Gas portfolio and exit the gas business. Losses in the prior year to date period related to the operations of RSAE are presented as discontinued operations due to the June 2003 disposition of RSAE.

Great Plains Energy

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

Great Plains Energy Business Overview

As a diversified energy company, Great Plains Energy's reportable business segments include:

- KCP&L, an integrated, regulated electric utility, which provides reliable, affordable electricity to customers in the states of Missouri and Kansas and

- Strategic Energy, which provides competitive electricity supply services by entering into contracts with its customers to supply electricity, operates in several electricity markets offering retail choice, including California, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania and Texas.

Strategic Planning and Intent

Over the first six months of 2004, the Company engaged in a comprehensive strategic planning process to map its view of the future of the electric industry, and ultimately the Company, over the next five to ten years. This inclusive process drew on the creativity and skills of employees, outside experts and community leaders.

The strategic planning process sought to enhance the disciplined growth of the Company and build upon the strong foundation of KCP&L and Strategic Energy. This platform for growth provides a balanced mix of regulated earnings from the utility operations of KCP&L and the potential continued growth of Strategic Energy as it expands its presence in competitive retail markets.

In July 2004, Great Plains Energy unveiled six key elements to its long-range strategic intent.

- KCP&L will expand and diversify its regulated supply portfolio to include new coal and wind generation.

- KCP&L will accelerate its investments in improving the environmental performance of its fleet, helping to protect its community's quality of life and preparing for an uncertain future of potentially more stringent regulations.

- KCP&L will adopt new delivery technology to enhance the reliability and efficiency of its delivery system. This technology will allow KCP&L to transform the delivery grid from a one-way to a two-way system. Customers will serve as both consumers and virtual suppliers of electricity through distributed generation and various demand response programs.

- Great Plains Energy will continue to profitably grow its competitive supply business, expanding into new markets, and creating new offerings when economical, and further cementing its reputation as the premium energy retailer from the standpoint of customer focus and value added.

- Great Plains Energy will collaborate even more closely with customers, communities, and regulators to take a broader view in anticipating and meeting their energy needs.

- Great Plains Energy will continue to manage its business to achieve disciplined growth, and strong operating performance, and deliver strong returns to its shareholders.

In initiating the Company's strategic intent, KCP&L held a series of public forums during June and July 2004 in Missouri and Kansas to discuss how to meet the area's growing need for electricity and cleaner air. After receiving input through the public forums, KCP&L is currently discussing with Kansas and Missouri state regulators a proposed plan including:

- accelerated environmental investments of $300 million to $350 million for selected existing plants,

- investment in up to 200 megawatts of wind generation,

- building and owning up to 500 megawatts of an 800 to 900 megawatt regulated coal fired plant at the Iatan site in Missouri and

- development of technologies and pilot programs to help customers conserve energy.

The proposal has the potential to add approximately $1.3 billion in rate-based investment for KCP&L over the next 10 years.

Critical Accounting Policies
The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect reported amounts and related disclosures. Management considers an accounting estimate to be critical if it requires assumptions to be made when the ultimate outcome was highly uncertain at the time the estimate was made and changes in the estimate or different reasonable estimates could have a material impact on the results of operations and financial condition. The discussion below is intended to update the discussion of critical accounting policies included in the companies' 2003 Form 10-K.

SFAS No. 144 — Write Down of KLT Gas Portfolio
Long-lived assets are periodically reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable as prescribed under SFAS No. 144.

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

the KLT Gas portfolio to its estimated net realizable value in the first quarter of 2004. The $1.9 million write down reduced earnings by $1.2 million year to date September 30, 2004, and is included in Gain (Loss) from discontinued operations, net of income taxes in Great Plains Energy's consolidated statement of income.

Related Party Transactions
In May 2004, Great Plains Energy, through IEC, completed the purchase from SE Holdings of an additional 11.45% indirect interest in Strategic Energy for $88.8 million, excluding transaction costs. The purchase increased Great Plains Energy's indirect ownership of Strategic Energy to just under 100%. Richard Zomnir, Chief Executive Officer of Strategic Energy whose successor was announced in October 2004, and certain other current and former employees of Strategic Energy held direct or indirect interests in SE Holdings. Mr. Zomnir has disclosed that he held an approximate 25% interest in SE Holdings. In connection with the transaction, Mr. Zomnir and other direct and indirect owners of SE Holdings entered into an agreement with IEC and Strategic Energy, providing for certain indemnification rights related to the litigation described in Note 13. SE Holdings continues to be a member of Custom Energy Holdings and be represented on the Management Committees of Custom Energy Holdings and Strategic Energy.

Great Plains Energy Results of Operations

	Three Months Ended September 30		Year to Date September 30	
	2004	**2003**	**2004**	**2003**
	(millions)			
Operating revenues	$ 714.8	$ 660.8	$ 1,869.8	$ 1,628.0
Fuel	(52.2)	(51.4)	(135.1)	(125.9)

Purchased power - KCP&L	(14.0)	(10.3)	(43.8)	(42.2)
Purchased power - Strategic Energy	(358.9)	(276.9)	(930.7)	(702.9)
Other operating expenses	(126.8)	(121.5)	(378.5)	(356.6)
Depreciation	(38.0)	(35.4)	(112.1)	(106.1)
Gain on property	0.6	1.6	0.8	22.2
Operating income	125.5	166.9	270.4	316.5
Loss from equity investments	(0.5)	(1.1)	(1.1)	(1.7)
Non-operating income (expenses)	(3.9)	(12.5)	(7.9)	(20.3)
Interest charges	(18.0)	(18.8)	(55.3)	(57.7)
Income taxes	(35.2)	(50.3)	(67.3)	(71.6)
Discontinued operations	8.0	(0.4)	6.0	(16.0)
Net income	75.9	83.8	144.8	149.2
Preferred dividends	(0.4)	(0.4)	(1.2)	(1.2)
Earnings available for common stock	$ 75.5	$ 83.4	$ 143.6	$ 148.0

Three months ended September 30, 2004, compared to September 30, 2003

Great Plains Energy's earnings for the three months ended September 30, 2004, detailed in the table below, decreased to $75.5 million, or $1.02 per share, from $83.4 million, or $1.20 per share, compared to the same period of 2003. The issuance of 5.0 million shares in June 2004 diluted the three months ended 2004 EPS.

	Earnings (loss)		**Earnings (loss) per Great Plains Energy Share**	
Three Months Ended September 30	**2004**	**2003**	**2004**	**2003**
	(millions)			
KCP&L	$ 64.2	$ 78.9	$ 0.86	$ 1.14
Subsidiary operations	(0.3)	(0.4)	-	(0.01)
Consolidated KCP&L	63.9	78.5	0.86	1.13
Strategic Energy	13.4	10.8	0.18	0.16
Other non-regulated operations	(9.8)	(5.5)	(0.13)	(0.08)
Discontinued operations (KLT Gas)	8.0	(0.4)	0.11	(0.01)
Total	$ 75.5	$ 83.4	$ 1.02	$ 1.20

KCP&L's earnings decreased $14.7 million for the three months ended September 30, 2004, compared to the same period of 2003. KCP&L's operating revenues decreased $26.8 million primarily due to an 8% decrease in retail MWh sales mostly due to cooler summer weather. This decrease was partially offset by decreased income tax expense due to a $4.5 million allocation of tax benefits from holding company losses pursuant to the Company's intercompany tax allocation agreement. Additionally, 2003 earnings were positively affected by the Hawthorn No. 5 litigation settlements. See Consolidated KCP&L Results of Operations for additional information.

Strategic Energy's earnings increased $2.6 million for the three months ended September 30, 2004, compared to the same period of 2003. A $2.3 million allocation of tax benefits from holding company losses pursuant to the Company's intercompany tax allocation agreement was partially offset by a decrease in gross margin and increased operating expenses. Gross margin per MWh (revenues less purchased power divided by MWhs delivered) declined to approximately $5.60 compared to $7.30 in the same period last year and operating expenses, driven mainly by higher staffing levels, increased 22%. See Strategic Energy Results of Operations for additional information.

Other non-regulated operations loss for the three months ended September 30, 2004, includes a $6.8 million impact related to the allocation of tax benefits from holding company losses pursuant to the Company's intercompany tax allocation agreement. KLT Investments Inc. (KLT Investments), included in other non-regulated operations, had earnings of $1.1 million compared to a loss of $2.1 million in 2003 (including after tax reductions of $2.9 million and $5.2 million, respectively, in its affordable housing investment).

Discontinued operations (KLT Gas) for the three months ended September 30, 2004, includes an $8.6 million gain on the sale of the majority of the KLT Gas portfolio. The three months ended September 30, 2003, loss of $0.4 million has been reclassified and presented as discontinued operations.

Year to date September 30, 2004, compared to September 30, 2003

Great Plains Energy's earnings year to date September 30, 2004, detailed in the table below, decreased to $143.6 million, or $2.02 per share, from $148.0 million, or $2.14 per share, compared to the same period of 2003. The issuance of 5.0 million shares in June 2004 diluted year to date 2004 EPS.

	Earnings (loss)		Earnings (loss) per Great Plains Energy Share	
Year to Date September 30	**2004**	**2003**	**2004**	**2003**
	(millions)			
KCP&L	$ 118.4	$ 114.6	$ 1.66	$ 1.66
Subsidiary operations	(1.0)	(1.0)	(0.01)	(0.01)
Discontinued operations (RSAE)	-	(8.7)	-	(0.13)
Consolidated KCP&L	117.4	104.9	1.65	1.52
Strategic Energy	32.0	30.2	0.45	0.44
Other non-regulated operations	(11.8)	20.2	(0.17)	0.28
Discontinued operations (KLT Gas)	6.0	(7.3)	0.09	(0.10)
Total	$ 143.6	$ 148.0	$ 2.02	$ 2.14

KCP&L's earnings increased $3.8 million year to date September 30, 2004, compared to the same period of 2003. KCP&L's operating revenues increased $12.7 million due to a 13% increase in wholesale MWh sales partially offset by a 1% decrease in retail MWh sales. A decrease in income tax expense due to a $4.5 million allocation of tax benefits from holding company losses pursuant to the Company's intercompany tax allocation agreement also contributed to the earnings increase. In 2003, earnings were positively affected by the Hawthorn No. 5 litigation settlements.

Strategic Energy's earnings increased $1.8 million year to date September 30, 2004, compared to the same period of 2003. MWhs delivered increased 25%, but the effect on earnings was mostly offset by the gross margin per MWh (revenues less purchased power divided by MWhs delivered) decreasing 18% to $6.15 year to date September 30, 2004. A decrease in income tax expense due to a $2.3 million allocation of tax benefits from holding company losses pursuant to the Company's intercompany tax allocation agreement also contributed to the increase in earnings. Operating expenses, driven mainly by higher staffing levels, increased 26% partially offsetting the increase in earnings.

Other non-regulated operations loss year to date September 30, 2004, includes a $6.8 million impact related to the allocation of tax benefits from holding company losses pursuant to the Company's intercompany tax allocation agreement. KLT Investments, included in other non-regulated operations, had earnings of $7.5 million compared to earnings of $4.1 million in 2003 (including after tax reductions of $4.6 million and $6.8 million, respectively, in its affordable housing investment). Other non-regulated operations earnings year to date September 30, 2003, included $25.9 million for the effects of the June 2003 confirmation of the restructuring plan of DTI Holdings, Inc., Digital Teleport, Inc., and Digital Teleport of Virginia, Inc. and sale of substantially all of the assets of Digital Teleport, Inc. to a subsidiary of CenturyTel, Inc.

Discontinued operations (KLT Gas) year to date September 30, 2004, includes an $8.6 million gain on the sale of the majority of the KLT Gas portfolio during the third quarter of 2004. This gain was partially offset by year to date losses of $1.4 million from the wind down operations and the first quarter 2004 write down of the KLT Gas portfolio to its estimated net realizable value, which reduced earnings by $1.2 million. The year to date September 30, 2003, loss of $7.3 million includes a loss of $5.5 million related to an impairment on a Rocky Mountain project, which has been reclassified and presented as discontinued operations.

Consolidated KCP&L

The following discussion of consolidated KCP&L's results of operations include 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.

Consolidated KCP&L Business Overview

As an integrated, regulated electric utility, KCP&L engages in the generation, transmission, distribution and sale of electricity. KCP&L has over 4,000 MWs of generating capacity and has transmission and distribution facilities that served over 490,000 customers as of September 30, 2004. KCP&L has continued to experience modest load growth annually through increased customer usage and additional customers. Rates charged for electricity are below the national average.

Under the FERC Order 2000, KCP&L, as an investor-owned utility, is strongly encouraged to join a FERC approved RTO. RTOs combine transmission operations of utility businesses into regional organizations that schedule transmission services and monitor the energy market to ensure regional transmission reliability and non-discriminatory access. During February 2004, the SPP, of which KCP&L is a member, obtained conditional approval from FERC as an RTO. On October 1, 2004, FERC approved SPP as an RTO; however, the SPP RTO was ordered to take certain additional actions including filing additional revisions to their Membership Agreement and filing an executed Joint Operating Agreement between the SPP RTO and the Midwest ISO by December 2004.

KCP&L intends on participating in the SPP RTO; however, state regulatory approvals are required. KCP&L anticipates making the necessary applications to the MPSC and the KCC, during the first quarter of 2005 upon completion of the regional cost/benefit analysis currently being conducted for the SPP RTO. This cost/benefit analysis is being conducted under the direction of the SPP Regional State Committee (composed of state commissions from the states where the SPP RTO operates) and is expected to be completed in February 2005.

KCP&L has a wholly-owned subsidiary, HSS, which holds a residential services investment, Worry Free. Worry Free is no longer actively pursuing new customers and management does not anticipate any significant additional capital investments in Worry Free.

Consolidated KCP&L Results of Operations
The following table summarizes consolidated KCP&L's comparative results of operations, which includes KCP&L, an integrated electric utility, and HSS.

	Three Months Ended September 30 2004	2003	Year to Date September 30 2004	2003
	(millions)			
Operating revenues	$ 323.7	$ 350.7	$ 845.7	$ 833.5
Fuel	(52.2)	(51.4)	(135.1)	(125.9)
Purchased power	(14.0)	(10.3)	(43.8)	(42.2)
Other operating expenses	(110.3)	(107.1)	(329.5)	(316.8)
Depreciation	(36.5)	(35.0)	(108.8)	(104.9)
Gain on property	0.6	1.6	0.8	1.5
Operating income	111.3	148.5	229.3	245.2
Non-operating income (expenses)	0.5	(0.9)	1.8	(3.1)
Interest charges	(15.3)	(17.5)	(49.7)	(52.9)
Income taxes	(32.6)	(51.6)	(64.0)	(75.6)
Discontinued operations	-	-	-	(8.7)
Net income	$ 63.9	$ 78.5	$ 117.4	$ 104.9

Consolidated KCP&L's income from continuing operations for the three months ended September 30, 2004, compared to the same period of 2003, decreased $14.6 million. Consolidated KCP&L's operating revenues decreased $27.0 million for the three months ended September 30, 2004, compared to the same period of 2003, primarily due to an 8% decrease in KCP&L's retail MWh sales mostly due to cooler summer weather.

Consolidated KCP&L's income from continuing operations increased $3.8 million year to date September 30, 2004, compared to the same period of 2003. Consolidated KCP&L's operating revenues increased $12.2 million year to date September 30, 2004, compared to the same period of 2003, primarily due to a 13% increase in KCP&L's wholesale MWh sales and a 7% increase in the average wholesale market price. The increase was partially offset by a decrease in retail MWh sales and increased operating expenses including pensions and outside services.

Income tax expense decreased for the three months ended and year to date September 30, 2004, compared to the same period of 2003, primarily due to lower taxable income and a $4.5 million allocation of tax benefits from holding company losses pursuant to the Company's intercompany tax allocation agreement. For the three months ended and year to date September 30, 2003, KCP&L earnings were positively affected by the Hawthorn No. 5 litigation settlements discussed below.

As described in the 2003 Form 10-K, KCP&L filed suit against multiple defendants who are alleged to have responsibility for the 1999 Hawthorn No. 5-boiler explosion. KCP&L and its primary insurance company have entered into a subrogation allocation agreement under which recoveries in this suit are generally allocated 55% to the primary insurance company and 45% to KCP&L. Various defendants have settled with KCP&L in this litigation, resulting in KCP&L recording $2.4 million and $34.1 million year to date September 30, 2004, and 2003, respectively, under the terms of the subrogation allocation agreement. A portion of the settlement, $1.2 million and $16.4 million year to date September 30, 2004, and 2003, respectively, was recorded as a recovery of capital expenditures.

The following table summarizes the income statement impact of the Hawthorn No. 5 litigation.

	Three Months Ended September 30 2004	2003	Year to Date September 30 2004	2003
	(millions)			
Wholesale revenues	$ 0.1	$ 2.6	$ 0.2	$ 2.6
Fuel	-	3.9	0.2	3.9
Purchased power	0.2	11.2	0.8	11.2
Operating income	0.3	17.7	1.2	17.7
Income taxes	(0.2)	(6.9)	(0.5)	(6.9)
Net income	$ 0.1	$10.8	$ 0.7	$10.8

Discontinued operations reflect an $8.7 million loss year to date September 30, 2003, as a result of the June 2003 disposition of HSS' interest in RSAE.

Consolidated KCP&L Sales Revenues and MWh Sales

	Three Months Ended September 30 2004	2003	% Change	Year to Date September 30 2004	2003	% Change
Retail revenues	(millions)			(millions)		
Residential	$ 114.4	$ 139.7	(18)	$ 276.2	$ 293.5	(6)
Commercial	133.0	135.7	(2)	330.7	329.0	1
Industrial	28.4	27.1	5	74.7	72.4	3
Other retail revenues	2.2	2.2	(2)	6.3	6.4	(3)
Total retail	278.0	304.7	(9)	687.9	701.3	(2)
Wholesale revenues	40.4	40.8	(1)	144.0	119.5	21
Other revenues	4.9	4.6	3	12.6	11.0	13
KCP&L electric revenues	323.3	350.1	(8)	844.5	831.8	2
Subsidiary revenues	0.4	0.6	(39)	1.2	1.7	(28)
Consolidated KCP&L revenues	$ 323.7	$ 350.7	(8)	$ 845.7	$ 833.5	1

	Three Months Ended September 30 2004	2003	% Change	Year to Date September 30 2004	2003	% Change
Retail MWh sales	(thousands)			(thousands)		
Residential	1,440	1,763	(18)	3,799	3,987	(5)
Commercial	1,977	2,027	(2)	5,354	5,309	1
Industrial	564	539	5	1,571	1,521	3
Other retail MWh sales	20	20	(5)	59	62	(6)
Total retail	4,001	4,349	(8)	10,783	10,879	(1)
Wholesale MWh sales	1,457	1,402	4	4,801	4,233	13
KCP&L electric MWh sales	5,458	5,751	(5)	15,584	15,112	3

Retail revenues decreased by $26.7 million for the three months ended and $13.4 million year to date September 30, 2004, compared to the same periods of 2003, primarily due to the cooler summer weather in 2004. Weather most significantly affects residential customers' usage patterns. Residential usage per customer decreased 19% and 6%, respectively, for the three months ended and year to date September 30, 2004, compared to the same periods of 2003. Less than 1% of revenues include an automatic fuel adjustment provision.

Bulk power sales, the major component of wholesale sales, vary with system requirements, generating unit and purchased power availability, fuel costs and requirements of other electric systems. KCP&L's MWhs generated are utilized to serve its retail customer demand with any remaining MWhs available to sell into the wholesale market. The wholesale sales are generally on an hourly or day ahead basis and subject to the effects of fluctuations caused by energy price volatility.

Wholesale revenues were relatively unchanged for the three months ended September 30, 2004, compared to the same period of 2003 and increased $24.5 million year to date. KCP&L's coal fleet equivalent availability factor increased to 84% year to date September 30, 2004, compared to 80% for the same period of 2003, contributing to an increased volume of MWh available to sell. Wholesale MWh sales increased 4% and 13%, respectively, for the three months ended and year to date September 30, 2004, compared to the same periods of 2003. Average market prices per MWh increased 7% year to date September 30, 2004, compared to the same period of 2003, primarily due to the packaging of generation and transmission service to provide a delivered product and expanded marketing efforts. The MWh increase for the three months ended September 30, 2004, was partially offset by a 4% decrease in the average market prices per MWh for the same period, primarily due to the cooler summer weather. Additionally, as discussed above, wholesale revenues were affected by the partial settlements of the Hawthorn No. 5 litigation.

KCP&L Fuel and Purchased Power

The fuel cost per MWh generated and the purchased power cost per MWh have a significant impact on the results of operations for KCP&L. Generation fuel mix can change the fuel cost per MWh generated substantially. Nuclear fuel costs per MWh generated remain substantially less than the cost of coal per MWh generated. Coal has a significantly lower cost per MWh generated than natural gas and oil. KCP&L expects to utilize its natural gas-fired peaking generating capacity more often to serve expected growth in retail customer demand, which will increase natural gas consumption. High natural gas and fuel oil costs are also influencing the price of coal and coal transportation costs, which are also expected to increase. The anticipated increase in delivered coal prices is expected to affect most utilities; therefore, the increase is not expected to materially erode KCP&L's position as a low cost regional electricity generator. Fossil plants averaged over 75% of total generation and the nuclear plant the remainder over the last three years. Replacement power costs for planned Wolf Creek outages are accrued evenly over the unit's operating cycle. KCP&L expects its cost of nuclear fuel to remain relatively stable through the year 2009. The cost per MWh for purchased power is still significantly higher than the fuel cost per MWh of coal and nuclear generation. KCP&L continually evaluates its system requirements, the availability of generating units, availability and cost of fuel supply, availability and cost of purchased power and the requirements of other electric systems to provide reliable power economically.

Fuel expense increased $0.8 million for the three months ended September 30, 2004, compared to the same period of 2003, primarily due to the $3.9 million in Hawthorn No. 5 litigation recoveries that reduced fuel expense for the three months ended September 30, 2003. MWhs generated decreased 3% due to the cooler summer weather, which decreased MWh usage for retail customers. Fuel expense increased $9.2 million year to date September 30, 2004, compared to the same period of 2003 primarily due to a 5% increase in MWhs generated in 2004 and higher coal and natural gas costs. The increase was partially offset by a decrease in retail customer demand in the third quarter of 2004 primarily due to cooler summer weather and the net effect of the Hawthorn No. 5 partial litigation settlements discussed above.

Purchased power expense increased $3.7 million for the three months ended and $1.6 million year to date September 30, 2004, compared to the same periods of 2003, primarily due to the $11.2 million in Hawthorn No. 5 litigation recoveries that reduced purchased power expense in 2003. MWhs purchased decreased 45% and 25%, respectively, for the three months ended and year to date September 30,

2004, compared to the same periods of 2003, primarily due to lower retail customer demand in the three months ended and higher coal fleet equivalent availability factors year to date 2004. KCP&L's coal fleet equivalent availability factor increased to 84% year to date September 30, 2004, compared to 80% for the same period of 2003, contributing to decreased MWhs purchased. The decrease in MWhs purchased was partially offset by purchased power price increasing 6% year to date September 30, 2004, compared to the same periods of 2003, primarily due to higher natural gas market prices and increased demand in the market area earlier in 2004.

Consolidated KCP&L Other Operating Expenses (*including operating, maintenance and general taxes*)
Consolidated KCP&L's other operating expenses increased $3.2 million for the three months ended September 30, 2004, compared to the same period of 2003 primarily due to the following:

- increased pension expense of $1.0 million primarily due to lower discount rates, the amortization of investment losses from prior years and plan settlement losses,
- increased outside services of $3.2 million including costs associated with Sarbanes-Oxley compliance,
- increased transmission expenses including $0.7 million primarily related to increased SPP administration, and
- partially offsetting the increases were lower distribution expenses of $0.5 million primarily due to improved supply chain management.

Consolidated KCP&L's other operating expenses increased $12.7 million year to date September 30, 2004, compared to the same period of 2003 primarily due to the following:

- increased pension expense of $2.9 million primarily due to lower discount rates, the amortization of investment losses from prior years and plan settlement losses,
- increased property taxes of $2.5 million primarily due to increases in assessed property valuations and mill levies,
- increased outside services of $4.4 million including costs associated with Sarbanes-Oxley compliance,
- increased transmission and distribution expenses including $1.8 million primarily due to additional transmission services provided to wholesale customers, which resulted in increased wholesale MWh sales, $2.3 million related to SPP administration and $0.6 million in storm related expenses,
- increased employee benefits including $1.3 million in higher medical costs, and
- partially offsetting the increases were lower production maintenance expense of $2.3 million primarily due to differences in timing and scope of outages and $0.8 million in lower gross receipts taxes as a result of lower retail revenues.

Consolidated KCP&L Depreciation
Consolidated KCP&L's depreciation expense increased $1.5 million for the three months ended and $3.9 million year to date September 30, 2004, compared to the same periods of 2003. The increases are primarily due to the consolidation of the Lease Trust, as described in the 2003 Form 10-K, which began in the fourth quarter of 2003.

Consolidated KCP&L Income Taxes
Consolidated KCP&L's income taxes decreased $19.0 million for the three months ended and $11.6 million year to date September 30, 2004, compared to the

same periods of 2003. The decrease in income tax expense for both periods reflects lower taxable income and a $4.5 million allocation of tax benefits from holding company losses pursuant to the Company's intercompany tax allocation agreement.

On October 22, 2004, the American Jobs Creation Act of 2004 (AJCA) became law. Most significantly, the AJCA contains a provision that allows for a tax deduction of 9% (3% for 2005-2006; 6% for 2007-2009; 9% thereafter) of qualified production activities income. Income from electric generation activities is included in the definition of qualified production activities. Because of its electric generation activities, KCP&L expects to be impacted by the AJCA; however, KCP&L is not able to quantify the impact of the new legislation until detailed IRS and regulatory guidance has been provided.

Wolf Creek

Wolf Creek, a nuclear unit, is 20% of KCP&L's base load generating capacity and 14% of KCP&L's total generating capacity. Wolf Creek's operating performance has remained strong over the last three years, contributing an average of approximately 25% of KCP&L's annual MWh generation while operating at an average capacity of 92%. Wolf Creek has the lowest fuel cost per MWh generated 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. The next outage is scheduled for the spring of 2005 and is estimated to be a 32-day outage.

On August 9, 2004, Nebraska and the Compact Commission entered into a settlement ending all related litigation in regards to development of a low-level radioactive waste disposal facility in Nebraska. See Note 12 to the consolidated financial statements for additional information. KCP&L and the other owners of Wolf Creek now will begin seeking long-term waste disposal capability in another compact region.

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. These risks are more fully discussed in the related sections of Note 12 to the consolidated financial statements.

Strategic Energy

Strategic Energy Business Overview

Strategic Energy provides competitive electricity supply services by entering into contracts with its customers to supply electricity. In return, Strategic Energy receives an ongoing management fee, which is included in the contracted sales price for the electricity. Of the states that offer retail choice, Strategic Energy operates in California, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania and Texas. Strategic Energy is operationally ready to enter into the Connecticut market, but does not anticipate doing so before the end of 2004 due to high wholesale power costs. Strategic Energy also provides strategic planning and consulting services in the natural gas and electricity markets.

Great Plains Energy owns just under 100% of the indirect interest in Strategic Energy after IEC's May 6, 2004, purchase of an additional 11.45% indirect interest. The Company paid cash of $90.2 million, including $1.4 million of transaction costs. See Note 9 for additional information about the acquisition.

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

At September 30, 2004, Strategic Energy provided competitive electricity supply to over 54,000 commercial, institutional and small manufacturing accounts. Strategic Energy's customer base is very diverse serving over 8,200 customers at September 30, 2004, including numerous Fortune 500 companies, smaller companies and governmental entities. Based solely on current signed contracts and expected usage, Strategic Energy has forecasted future MWh commitments (backlog) of 4.9 million for the remainder of 2004, 13.7 million for 2005 and 4.1 million for 2006. Strategic Energy expects to deliver additional MWhs in these years through growth in existing markets, retention of existing customers and expansion into new markets. Strategic Energy made modest progress on building backlog in the three months ended September 30, 2004, due primarily to the difficult current environment in the competitive supply business. Higher wholesale energy prices have reduced savings available to customers in some markets compared to prevailing utility rates, which have created more customer price sensitivity and reduced average contract lengths and the rate of backlog growth. At September 30, 2004, the combination of MWhs delivered and backlog for 2004 was approximately 20.1 million MWhs, compared to 19.3 million MWhs at June 30, 2004. At September 30, 2004, backlog for 2005 was approximately 13.7 million MWhs compared to 12.8 million MWhs at June 30, 2004.

Strategic Energy maintains a commodity-price risk management strategy that uses forward physical energy purchases and derivative instruments to reduce the effects of fluctuations on purchased power expense 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. Strategic Energy uses derivative instruments to limit the unfavorable effect that price increases will have on electricity purchases. These instruments effectively fix the future purchase price of electricity, protecting Strategic Energy from price volatility.

On October 28, 2004, the Company announced the appointment of Shahid Malik as President and Chief Executive Officer of Strategic Energy effective November 10, 2004. Mr. Malik succeeds Rick Zomnir who, as previously announced, will resign.

Strategic Energy Supplier Concentration and Credit Risk

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

Based on guidelines set by its Exposure Management Committee, Strategic Energy monitors its counterparty credit risk by evaluating the credit quality and performance of its suppliers on a routine basis. Among other things, Strategic Energy monitors counterparty credit ratings, liquidity and results of operations. As a result of these evaluations, Strategic Energy may, among other things, establish counterparty credit limits and adjust the amount of collateral required from its suppliers.

Strategic Energy enters into forward contracts with multiple suppliers. At September 30, 2004, Strategic Energy's five largest suppliers under forward supply contracts represented 68% of the total future committed purchases. Strategic Energy's five largest suppliers, or their guarantors, are rated

investment grade. In the event of supplier non-delivery or default, Strategic Energy's results of operations could be affected to the extent the cost of replacement power exceeded the combination of the contracted price with the supplier and the amount of collateral held by Strategic Energy to mitigate its credit risk with the supplier. Strategic Energy's results of operations could also be affected, in a given period, if it was required to make a payment upon termination of a supplier contract to the extent that the contracted price with the supplier exceeded the market value of the contract at the time of termination.

The following table provides information on Strategic Energy's credit exposure, net of collateral, as of September 30, 2004. It further delineates the exposure by the credit rating of counterparties and provides guidance on the concentration of credit risk and an indication of the maturity of the credit risk by credit rating of the counterparties.

Rating	Exposure Before Credit Collateral	Credit Collateral	Net Exposure	Number Of Counterparties Greater Than 10% Of Net Exposure	Net Exposure Of Counterparties Greater Than 10% Of Net Exposure
External rating		(millions)			(millions)
Investment Grade	$ 102.4	$ -	$ 102.4	2	$ 65.9
Non-Investment Grade	25.8	18.6	7.2	-	-
Internal rating					
Investment Grade	4.2	-	4.2	-	-
Non-Investment Grade	12.4	11.4	1.0	-	-
Total	$ 144.8	$ 30.0	$ 114.8	2	$ 65.9

Maturity Of Credit Risk Exposure Before Credit Collateral				
Rating	Less Than 2 Years	2 - 5 Years	Exposure Greater Than 5 Years	Total Exposure
External rating		(millions)		
Investment Grade	$ 92.3	$ 10.1	$ -	$ 102.4
Non-Investment Grade	18.9	5.7	1.2	25.8
Internal rating				
Investment Grade	4.0	0.2	-	4.2
Non-Investment Grade	10.2	1.9	0.3	12.4
Total	$ 125.4	$ 17.9	$ 1.5	$ 144.8

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

Strategic Energy's total exposure before credit collateral at September 30, 2004, increased $99.4 million from December 31, 2003, primarily due to the increase in wholesale electricity prices. At September 30, 2004, Strategic Energy had exposure before collateral to non-investment grade counterparties totaling $38.2 million, of which 76% is scheduled to mature in less than two years. In addition, Strategic Energy held collateral totaling $30.0 million limiting its exposure to these non-investment grade counterparties to $8.2 million.

Strategic Energy is continuing to pursue a strategy of contracting with national and regional counterparties that have direct supplies and assets in the region of demand. Strategic Energy is also continuing to manage its counterparty portfolio through strict margining, collateral requirements and contract based netting of credit exposures against payable balances.

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

	Three Months Ended September 30 2004	2003	Year to Date September 30 2004	2003
	(millions)			
Operating revenues	$ 391.1	$ 310.1	$ 1,024.1	$ 794.5
Purchased power	(358.9)	(276.9)	(930.7)	(702.9)
Other operating expenses	(13.5)	(11.1)	(37.7)	(30.0)
Depreciation	(1.4)	(0.5)	(3.2)	(1.2)
Operating income	17.3	21.6	52.5	60.4
Non-operating income (expenses)	0.3	(2.3)	(2.3)	(6.2)
Interest charges	(0.3)	-	-	(0.3)
Income taxes	(3.9)	(8.5)	(18.2)	(23.7)
Net income	$ 13.4	$ 10.8	$ 32.0	$ 30.2

Strategic Energy's net income increased $2.6 million for the three months ended and $1.8 million year to date September 30, 2004, compared to the same periods of 2003. Retail MWhs delivered increased 27% and 25%, respectively, for the three months ended and year to date September 30, 2004, compared to the same periods of 2003. Additionally, income tax expense was reduced for the three months ended and year to date September 30, 2004, due to a $2.3 million allocation of tax benefits from the holding company losses pursuant to the Company's intercompany tax allocation agreement. The effect of these increases was mostly offset in both periods by overall declines in gross margin per MWh (revenues less purchased power divided by MWhs delivered) of 24% to $5.60 for the three months ended and 18% to $6.15 year to date. The decline in gross margin is primarily due to the roll-off of older, higher margin contracts, price discounts driven by a more competitive market and persistently higher commodity prices, and increased tax reserves, partially offset by the change in fair value of derivatives. A continuing environment of higher and less volatile energy prices and flat to higher forward electricity prices continue to impact the average gross margins. In this environment, average margins for new customers are expected to be in the $3.00-$5.00 range. The projected average gross margin for the year at the lower end of the $6.20 - $6.50 range is achievable.

Strategic Energy Operating Revenues
Operating revenues from Strategic Energy increased $81.0 million for the three months ended and $229.6 million year to date September 30, 2004, compared to the same periods in 2003, as shown in the following table.

	Three Months Ended September 30 2004	2003	% Change	Year to Date September 30 2004	2003	% Change
	(millions)			(millions)		
Electric - Retail	$ 387.2	$ 302.1	28	$1,011.0	$ 772.8	31
Electric - Wholesale	3.6	7.6	(53)	11.9	20.7	(43)
Other	0.3	0.4	-	1.2	1.0	23
Total Operating Revenues	$ 391.1	$ 310.1	26	$1,024.1	$ 794.5	29

At September 30, 2004, Strategic Energy's customer accounts totaled over 54,000, a 24% increase from September 30, 2003. Strategic Energy may provide periodic billing credits to its customers resulting from its competitive electricity supply efforts. The amounts credited back to the customer are treated as a reduction of retail electric revenues when determined to be payable.

Retail electric revenues increased $85.1 million for the three months ended and $238.2 million year to date September 30, 2004, compared to the same periods of 2003, primarily due to increased retail MWhs delivered. MWhs delivered increased 27% to 5.7 million for the three months ended and 25% to 15.2 million year to date, compared to same periods of 2003. The increased MWhs delivered resulted primarily from strong sales efforts in customer retention as well as signing new customers primarily in Michigan and Texas where Strategic Energy continued to experience favorable conditions for growth. Several factors can contribute to changes in the average retail price per MWh, including the underlying electricity price, the nature and type of products offered and the mix of sales by geographic market. Average retail revenues per MWh increased by 1% for the three months ended and 5% year to date, compared to the same periods of 2003, primarily due to a higher underlying electricity price that was driven by higher natural gas prices and partially offset by price discounts driven by a more competitive market and persistently higher commodity prices.

Strategic Energy Purchased Power
Strategic Energy primarily purchases power under long term forward physical delivery contracts to supply electricity to its retail energy customers based on

projected usage. Strategic Energy sells any excess retail supply of electricity back into the wholesale market. The proceeds from the sale of excess supply of electricity are recorded as a reduction of purchased power. The amount of excess retail supply sales that reduced purchased power was $63.5 million for the three months ended and $187.9 million year to date September 30, 2004, compared to $46.9 million and $117.6 million, respectively, for the same periods of 2003.

Strategic Energy utilizes derivatives including forward physical delivery contracts in the procurement of electricity. Changes in the fair value of derivative instruments that do not qualify for hedge accounting and ineffectiveness experienced on cash flow hedges, reduced purchased power expense by $4.4 million and $3.9 million, respectively, for the three months ended and year to date September 30, 2004, compared to $1.1 million for the three months ended and year to date September 30, 2003.

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

Purchased power expense increased $82.0 million for the three months ended and $227.8 million year to date September 30, 2004, compared to the same periods of 2003, primarily due to increases in MWhs delivered as discussed above. Additionally, average prices per retail MWh purchased increased 4% for the three months ended and 8% year to date, primarily due to the effect of the persistent environment of relatively high natural gas prices, increased competition, increased seasonal supply costs on certain contracts and increased tax reserves, partially offset by the change in fair value of derivative instruments.

Strategic Energy Other Operating Expenses

Strategic Energy's other operating expenses increased $2.4 million for the three months ended and $7.7 million year to date September 30, 2004, compared to the same periods of 2003. Strategic Energy experienced increased operating expenses driven mainly by higher staffing levels, compared to the same periods of 2003. Higher consulting, bad debt and general tax expenses also contributed to the year to date increase.

Strategic Energy Income Taxes

Strategic Energy's income taxes decreased $4.6 million for the three months ended and $5.5 million year to date September 30, 2004, compared to the same periods of 2003. The decrease in income tax expense for both periods reflects lower taxable income and a $2.3 million allocation of tax benefits from holding company losses pursuant to the Company's intercompany tax allocation agreement.

Other Non Regulated Activities

Investment in Affordable Housing Limited Partnerships — KLT Investments

KLT Investments' earnings for the three months ended September 30, 2004, totaled $1.1 million compared to a loss of $2.1 million for the three months ended September 30, 2003 (including after tax reductions of $2.9 million and $5.2 million, respectively, in its affordable housing investment). KLT Investments accrued tax credits of $4.6 million and $4.8 million for the three months ended September 30, 2004 and 2003, respectively. Earnings year to date September 30, 2004, totaled $7.5 million compared to earnings of $4.1 million year to date September 30, 2003 (including after tax reductions of $4.6 million and $6.8 million, respectively, in its affordable housing investment). KLT Investments' earnings include accrued tax credits of $13.7 million and $14.3 million year to date September 30, 2004 and 2003, respectively.

At September 30, 2004, KLT Investments had $42.5 million in affordable housing limited partnerships. Approximately 63% 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. KLT Investments' tax credits are estimated to be $16 million, $10 million and $6 million for 2005 through 2007, respectively, and continue to decline through 2009. A change in accounting principle relating to investments made after May 19, 1995, requires the use of the equity method when a company owns more than 5% in a limited partnership investment. Of the investments recorded at cost, $26.0 million exceed this 5% level but were made before May 19, 1995. KLT Investments' management does not anticipate making additional investments in affordable housing limited partnerships at this time.

On a quarterly basis, KLT Investments compares the cost of 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 $4.7 million and $7.4 million for the three months ended and year to date September

30, 2004, respectively, compared to $8.5 million and $11.0 million for the three months ended and year to date September 30, 2003, respectively. Pretax reductions in affordable housing investments are estimated to be $0.1 million, $10 million and $3 million for the remainder of 2004, 2005 and 2006, respectively. These projections are based on the latest information available but the ultimate amount and timing of actual reductions could be significantly different from the above estimates. The properties underlying the partnership investment are subject to certain risks inherent in real estate ownership and management. Even after these estimated reductions, earnings from the investments in affordable housing are expected to be positive for the years 2004 through 2006.

DTI Bankruptcy

On December 31, 2001, a subsidiary of KLT Telecom, DTI Holdings, Inc. and its subsidiaries, Digital Teleport, Inc. and Digital Teleport of Virginia, Inc., filed separate voluntary petitions in the Bankruptcy Court for the Eastern District of Missouri for reorganization under Chapter 11 of the U.S. Bankruptcy Code, which cases have been procedurally consolidated. DTI Holdings and its two subsidiaries are collectively called "DTI".

In December 2002, Digital Teleport entered into an agreement to sell substantially all of its assets (Asset Sale) to CenturyTel Fiber Company II, LLC, a nominee of CenturyTel, Inc. The Asset Sale was approved by the Bankruptcy Court on February 13, 2003, and closed on June 6, 2003.

The Company recorded a net gain of $25.9 million or $0.37 per share during the second quarter of 2003 related to the DTI bankruptcy. The impact on year to date September 30, 2003, net income was primarily due to the net effect of the Chapter 11 plan confirmation and the resulting distribution, the reversal of a $15.8 million tax valuation allowance, and the reversal of $5 million debtor in possession financing previously reserved.

Note 9 to the consolidated financial statements in the companies' 2003 Form 10-K should be read for further discussion of the DTI bankruptcy.

KLT Gas Discontinued Operations

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

In the third quarter of 2004, KLT Gas completed the sale of the majority of the KLT Gas portfolio for $19.6 million cash, net of $1.2 million transaction costs. The gain on the third quarter sales totaled $8.6 million, or $0.12 per share. In October 2004, KLT Gas completed the sale of the remaining significant KLT Gas portfolio at a sales price of $4 million for an after tax gain of approximately $2 million, or $0.02 per share.

The impact of the gain from the third quarter 2004 KLT Gas portfolio asset sales was partially offset by the loss from the wind down operations of $0.6 million and $1.4 million for the three months ended and year to date September 30, 2004, respectively. Additionally, the first quarter 2004 write down of the KLT Gas portfolio to its estimated net realizable value reduced year to date September 30, 2004, earnings by $1.2 million. Year to date 2003 reflects a loss from discontinued operations of $7.3 million, or $0.10 per share, and includes a loss of $5.5 million, or $0.08 per share, related to an impairment on

a Rocky Mountain project. Management estimates the remaining impact of the wind down will not be material to the Company's 2004 earnings.

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

Great Plains Energy and Consolidated KCP&L

Significant Balance Sheet Changes
September 30, 2004 compared to December 31, 2003

- Great Plains Energy's restricted cash and supplier collateral decreased $9.3 million due to a reduction in the collateral provided from suppliers to cover portions of credit exposure as a result of lower market exposure with counterparties posting cash and one counterparty is now posting a letter of credit rather than cash.

- Great Plains Energy's receivables increased $32.2 million due to a $46.0 million increase in Strategic Energy's receivables primarily due to the combination of seasonal increases in customer usage and an increase in the price per MWh sold partially offset by a $17.2 million decrease in consolidated KCP&L's receivables. Consolidated KCP&L's receivables decreased primarily due to KCP&L's receipt of $30.8 million for the Hawthorn No. 5 insurance recovery offset by seasonal increases due to summer rates and higher customer usage.

- Great Plains Energy's assets of discontinued operations decreased $11.1 million due to the sale of the majority of the KLT Gas portfolio in the third quarter of 2004.

- Great Plains Energy's other current assets increased $9.4 million primarily due to the increase in the fair value of Strategic Energy's derivatives as a result of market prices for power.

- Great Plains Energy's affordable housing limited partnerships decreased $10.2 million primarily due to a reduction in the valuation of the properties held by KLT Investments, Inc.

- Great Plains Energy’s goodwill increased by $60.8 million due to the purchase of the additional indirect interest in Strategic Energy in May 2004.

- Great Plains Energy’s other deferred charges increased $34.6 million primarily due to $39.8 million in intangible assets, net of amortization, recorded as a result of the purchase of the additional indirect interest in Strategic Energy in May 2004.

- Great Plains Energy’s notes payable decreased $87.0 million due to the net repayments of short-term borrowings.

- Great Plains Energy’s and consolidated KCP&L’s current maturities of long-term debt decreased $56.1 million and $54.5 million, respectively, primarily due to retirement of consolidated KCP&L’s medium term notes.

- Great Plains Energy’s and consolidated KCP&L’s EIRR bonds classified as current decreased $43.4 million due to scheduled remarketings of EIRR bonds. The new terms changed the classification of certain EIRR bonds to long-term debt.

- Great Plains Energy’s accounts payable increased $4.9 million primarily due to a $18.0 million increase in Strategic Energy’s accounts payable due to increased power purchases for the summer season and increased market prices for power offset by a $12.5 million decrease in consolidated KCP&L’s accounts payable (excluding intercompany payables) primarily due to the timing of cash payments.

- Great Plains Energy’s accrued taxes increased $82.0 million primarily due to a $49.0 million net increase as a result of the accrual of 2004 income taxes and refunds received in 2004 offset by the payment of 2003 income taxes accrued at December 31, 2003. Consolidated KCP&L’s accrued taxes increased $63.4 million primarily due to a property tax accrual increase of $26.2 million and a $25.9 million net increase as a result of the accrual of 2004 income taxes offset by the payment of 2003 income taxes accrued at December 31, 2003.

- Great Plains Energy’s accrued payroll and vacations decreased $8.1 million primarily due to the 2004 payout of employee related expenses accrued at December 31, 2003.

- Great Plains Energy’s other deferred credits and liabilities increased $16.7 million primarily due to a $21.7 million intangible liability, net of amortization, partially offset by a $9.0 million reduction in minority interest recorded as a result of the purchase of the additional indirect interest in Strategic Energy in May 2004. An additional increase of $8.2 million was due to the recording of the FELINE PRIDES long-term forward contract fee, partially offset by a $3.9 million decrease in consolidated KCP&L’s other deferred credits and liabilities. Consolidated KCP&L’s decrease was primarily due to a $3.3 million decrease in minority interest, which was the result of losses at KCP&L’s Lease Trust.

- Great Plains Energy’s common stock increased $151.9 million due to the issuance of five million shares of common stock in June 2004 and the issuance of shares for purchases under the Dividend Reinvestment and Direct Stock Purchase Plan plans. Consolidated KCP&L’s common stock increased $150.0 million due to an equity contribution from Great Plains Energy.

- Great Plains Energy’s capital stock premium and expense increased $25.2 million primarily due to recording $19.6 million of FELINE PRIDES purchase contract adjustment fair value, allocated fees and expenses. Additionally, the June 2004 common stock issuance costs totaled $5.6 million.

- Great Plains Energy’s long-term debt increased $50.2 million primarily due to Great Plains Energy’s issuance of $163.6 million of FELINE PRIDES senior notes mostly offset by a $110.9 million decrease in consolidated KCP&L’s long-term debt. Consolidated KCP&L’s long-term debt decreased primarily due to the July 2004 redemption of KCP&L’s $154.6 million 8.3% Junior Subordinated Deferred Interest Bonds partially offset by the change in classification of $43.4 million in EIRR bonds due to scheduled remarketings.

Capital Requirements and Liquidity

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

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

Great Plains Energy’s liquid resources at September 30, 2004, included cash flows from operations of subsidiaries, $138.9 million of cash and cash equivalents on hand and $488.4 million of unused bank lines of credit. The unused lines consisted of $150.0 million from KCP&L’s short-term bank lines of credit, $56.4 million from Strategic Energy’s revolving credit facility, and $282.0 million from Great Plains Energy’s revolving credit facilities. See the Debt Agreements section below for more information on these agreements.

Cash Flows From Operations
Great Plains Energy and consolidated KCP&L generated positive cash flows from operating activities for the periods presented. The decrease in cash flows from operating activities for Great Plains Energy year to date September 30, 2004, compared to the same period in 2003 was primarily due to a $26.4 million decrease in income from continuing operations primarily due to a $25.9 million net gain related to the DTI bankruptcy recorded during 2003. Consolidated KCP&L's cash flows from operations increased year to date September 30, 2004, compared to the same period in 2003 partially due to a $3.9 million increase in consolidated KCP&L's income from continuing operations and the changes in working capital detailed in Note 4 to the consolidated financial statements. Also, the timing of the Wolf Creek outage affects the refueling outage accrual, deferred income taxes and amortization of nuclear fuel.

Investing Activities
Great Plains Energy's and consolidated KCP&L's cash used for investing activities varies with the timing of utility capital expenditures and purchases of investments and nonutility property. Investing activities are offset by the proceeds from the sale of properties and insurance recoveries. Great Plains Energy's and consolidated KCP&L's utility capital expenditures increased $28.1 million year to date September 30, 2004, compared to the same period in 2003 primarily due to the buyout of KCP&L's operating lease for vehicles and heavy equipment in the first quarter of 2004 for $28.4 million. This increase was offset by an additional $28.0 million in insurance recoveries and litigation settlements related to Hawthorn No. 5. Additionally, Great Plains Energy paid $90.2 million to acquire an additional indirect interest in Strategic Energy during 2004.

Financing Activities
The change in Great Plains Energy's cash flows from financing activities year to date September 30, 2004, compared to the same period in 2003 reflects Great Plains Energy's June 2004 gross proceeds of $150.0 million from the issuance of five million shares of common stock at $30 per share and $163.6

million from the issuance of FELINE PRIDES. Fees related to these issuances were $10.2 million. Great Plains Energy used the proceeds to repay short-term borrowings and to make a $150.0 million equity contribution to KCP&L. Additionally, year to date September 30, 2004, Great Plains Energy issued $1.9 million of common stock under its Dividend Reinvestment and Direct Stock Purchase Plan. In July 2004, KCP&L redeemed $154.6 million of 8.3% Junior Subordinated Deferred Interest Bonds from KCPL Financing I. KCPL Financing I used those proceeds to redeem the $4.6 million common securities held by KCP&L and the $150.0 million of 8.3% Trust Preferred Securities. See Note 6 for additional information. KCP&L also retired $54.5 million of its medium-term notes at maturity during the third quarter of 2004.

Consolidated KCP&L's cash flows from financing activities year to date September 30, 2003, reflects the first quarter 2003 equity infusion of $100.0 million from Great Plains Energy to KCP&L and KCP&L's subsequent redemption of $104.0 million of medium-term notes. Great Plains Energy essentially funded the infusion with proceeds from its $151.8 million common stock offering in late 2002; however, prior to the infusion, Great Plains Energy used the offering proceeds to repay short-term borrowings in late 2002 and then re-borrowed in early 2003 to make the equity infusion into KCP&L at the time of redemption. An additional $20.0 million of KCP&L's medium-term notes were retired during the second quarter of 2003.

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

Strategic Energy expects to meet day-to-day operating requirements including interest payments, credit support fees, capital expenditures and dividends to its indirect interest holders with internally generated funds. However, it might not be able to meet these requirements with internally generated funds because of the effect of inflation on operating expenses, the level of MWh sales, commodity-price volatility and the effects of counterparty non-performance.

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

As a registered public utility holding company, Great Plains Energy must receive authorization from the SEC under the 35 Act to issue securities. Great Plains Energy was authorized to issue up to $1.2 billion of debt and equity through December 31, 2005. Great Plains Energy has utilized $979.8 million of this amount through September 30, 2004, which is a $479.1 million increase from the amount of $500.7 million detailed in the 2003 Form 10-K due to the $150.0 million common stock issuance and the $163.6 million of FELINE PRIDES (with a $163.6 million stock purchase contract component) in

June 2004. Additionally, Great Plains Energy issued $1.9 million of common stock under its Dividend Reinvestment and Direct Stock Purchase Plan during the third quarter of 2004.

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

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

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

KCP&L has 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, which in turn sells most of the receivables to outside investors. KCP&L expects to renew the agreement when it expires in January 2005. See Note 5 to the consolidated financial statements.

Debt Agreements

During the first quarter of 2004, Great Plains Energy syndicated a $150.0 million 364-day revolving credit facility and a $150.0 million three-year revolving credit facility with a group of banks. These facilities replaced a $225.0 million revolving credit facility with a group of banks. The existing facilities contain a Material Adverse Change (MAC) clause that requires Great Plains Energy to represent, prior to receiving funding, that no MAC has occurred. The clause does, however, permit the Company to access the facility even in the event of a MAC in order to repay maturing commercial paper. Available liquidity under this facility is not impacted by a decline in credit ratings unless the downgrade occurs in the context of a merger, consolidation or sale. A default by Great Plains Energy or any of its significant subsidiaries of other indebtedness totaling more than $25.0 million is a default under these bank lines. Under the terms of these agreements, Great Plains Energy is required to maintain a consolidated indebtedness to consolidated capitalization ratio not greater than 0.65 to 1.0 at all times and an interest coverage ratio greater than 2.25 to 1.0, as those ratios are defined in the agreement. At September 30, 2004, the Company was in compliance with these covenants. At September 30, 2004, Great Plains Energy had no outstanding borrowings under these lines and had issued letters of credit totaling $18.0 million under the three-year revolving credit facility as credit support for Strategic Energy. During the fourth quarter of 2004 Great Plains Energy plans to syndicate a five-year $450.0 million revolving credit facility with a group of banks to replace the existing credit facilities.

During the third quarter of 2004, Strategic Energy syndicated a $125.0 million three-year revolving credit facility with a group of banks. Great Plains Energy has guaranteed $25.0 million of this facility. This facility replaced a $95.0 million revolving credit facility with a group of banks. The existing facility contains a MAC clause that requires Strategic Energy to represent, prior to receiving funding, that no MAC has occurred. A default by Strategic Energy of other indebtedness, as defined in the facility, totaling more than $7.5 million is a default under the facility. Under the terms of this agreement, Strategic Energy is required to maintain a minimum net worth of $62.5 million, a maximum funded indebtedness to EBITDA ratio of 2.25 to 1.00, a minimum fixed charge coverage ratio of at least 1.05 to 1.00 and a minimum debt service coverage ratio of at least 4.00 to 1.00 as those are defined in the agreement. In the event of a breach of one or more of these four covenants, so long as no other default has occurred, Great Plains Energy may cure the breach through a cash infusion, a guarantee increase or a combination of the two. At September 30, 2004, Strategic Energy was in compliance with these covenants. At September 30, 2004, $68.6 million in letters of credit had been issued and there were no borrowings under the agreement, leaving $56.4 million of capacity available for loans and additional letters of credit.

KCP&L's primary sources of liquidity are cash flows from operations and bilateral credit lines totaling $150.0 million with seven banks as of September 30, 2004. KCP&L uses these lines to provide support for its issuance of commercial paper. These bank facilities are each for a 364-day term and mature at various times throughout the year. The facilities can be extended for one year under their term out provisions. Including the October 2004 increase, KCP&L has MAC clauses in three agreements covering $85.0 million of available bilateral credit lines. These three facilities require KCP&L to represent, prior to receiving funding, that no MAC has occurred. Under these agreements, KCP&L is able to access the facilities even in the event of a MAC in order to redeem maturing commercial paper. 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. A default by KCP&L on other indebtedness is a default under these bank line agreements. Under the terms of certain bank line agreements, KCP&L is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the agreements, not greater than 0.65 to 1.0 at all times. At September 30, 2004, KCP&L was in compliance with these covenants and KCP&L had no outstanding borrowings under these lines. During the fourth quarter of 2004 KCP&L plans to syndicate a five-year $250.0 million revolving credit facility with a group of banks to replace the existing bilateral credit lines.

Great Plains Energy has agreements with KLT Investments associated with notes KLT Investments issued to acquire its affordable housing investments. Great Plains Energy has agreed not to take certain actions including, but not limited to, merging, dissolving or causing the dissolution of KLT Investments, or withdrawing amounts from KLT Investments if the withdrawals would result in KLT Investments not being in compliance with minimum net worth and cash balance requirements. The agreements also give KLT Investments' lenders the right to have KLT Investments repurchase the notes if Great Plains Energy's senior debt rating falls below investment grade or if Great Plains Energy ceases to own at least 80% of KCP&L's stock. At September 30, 2004, KLT Investments had $6.4 million in outstanding notes, including current maturities.

Under stipulations with the MPSC and the KCC, Great Plains Energy and KCP&L maintain common equity at not less than 30% and 35%, respectively, of total capitalization. Pursuant to an SEC order, Great Plains Energy's and KCP&L's authorization to issue securities is conditioned on maintaining a consolidated common equity capitalization of at least 30% and complying with other conditions described above.

Pensions

The Company maintains defined benefit plans for substantially all of its employees of KCP&L, Services and WCNOC and incurs significant costs in providing the plans, with the majority incurred by KCP&L.

At a minimum, plans are funded on an actuarial basis to provide assets sufficient to meet benefits to be paid to plan participants consistent with the funding requirements of the Employee Retirement Income Security Act of 1974 (ERISA) and further contributions may be made when deemed financially advantageous.

The Company expects to contribute $39.1 million to the plans in 2004, of which $4.1 million is required to meet the minimum funding requirements of ERISA. During 2004, the Company has contributed $38.4 million including $31.9 million contributed by KCP&L. KCP&L is required to fund the remaining $0.7 million before year-end.

Participants in the plans may request a lump-sum cash payment upon termination of their employment. A change in payment assumptions could result in increased cash requirements from pension plan assets with the Company being required to accelerate future funding.

Under the terms of the pension plans, the Company reserves the right to amend or terminate the plans, and from time to time benefits have changed.

Supplemental Capital Requirements and Liquidity Information
KCP&L's long-term debt at September 30, 2004, compared to December 31, 2003, decreased due to the July 2004 early redemption of $154.6 million 8.3% Junior Subordinated Deferred Interest Debentures and the retirement of $54.5 million of medium-term notes at maturity. Great Plains Energy's long-term debt at September 30, 2004, compared to December 31, 2003, decreased due to the decrease in KCP&L's long-term debt partially offset by a $163.6 million increase due to the issuance of FELINE PRIDES. Additionally, Great Plains Energy has a contractual obligation of $14.5 million for the present value of the contract adjustment payments related to the FELINE PRIDES. Consolidated KCP&L's contractual obligations were relatively unchanged at September 30, 2004, compared to December 31, 2003.

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

As a registered public utility holding company system, Great Plains Energy must receive authorization from the SEC, under the 35 Act, to issue guarantees on behalf of its subsidiaries. Under its current SEC authorization, guarantees cannot be issued unless (i) all of its outstanding securities that are rated (except for its preferred stock) are rated investment grade and (ii) it has maintained common equity as a percentage of consolidated capitalization (as reflected on its consolidated balance sheets as of the end of each quarter) of at least 30%. Great Plains Energy was in compliance with these conditions as of September 30, 2004. Great Plains Energy is currently authorized to issue up to $600 million for guarantees on behalf of its subsidiaries and the nonutility subsidiaries have $300 million of authorization for guarantees they can issue on behalf of other nonutility subsidiaries. The nonutility subsidiaries cannot issue guarantees unless Great Plains Energy is in compliance with its conditions to issue guarantees. Great Plains Energy's guarantees provided on behalf of Strategic Energy for its power purchases and regulatory requirements decreased $34.1 million to $125.7 million at September 30, 2004, compared to $159.8 million at December 31, 2003. Consolidated KCP&L's guarantees were relatively unchanged at September 30, 2004, compared to December 31, 2003.

KCPL Financing I, a trust, had issued $150.0 million of preferred securities. In connection with the issuance of the preferred securities, KCP&L issued a preferred securities guarantee, which guaranteed the payment of any accrued and unpaid distributions, the redemption price and payments upon dissolution, winding-up or termination of the trust, all to the extent that the trust had funds available therefore. KCPL Financing I redeemed the $150.0 million of preferred securities in July 2004. There were no accrued and unpaid distributions at that time.

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

KCP&L operates in an environmentally responsible manner and seeks to use current technology to avoid and treat contamination. KCP&L regularly conducts environmental audits designed to ensure compliance with governmental regulations and to detect contamination. Governmental bodies; however, may impose additional or more restrictive environmental regulations that could require substantial changes to operations or facilities at a significant cost. See Note 12 to the consolidated financial statements.

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, these interim period disclosures should be read in connection with Item 7A. Quantitative and Qualitative Disclosures About Market Risk, included in our 2003 Form 10-K, incorporated herein by reference. Even after considering generally higher commodity prices in the year to date 2004 compared to 2003, Great Plains Energy and consolidated KCP&L's risk management strategies have been effective resulting in no material changes in Great Plains Energy's or consolidated KCP&L's market risk since December 31, 2003.

ITEM 4. CONTROLS AND PROCEDURES

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

Based upon these evaluations, the chief executive officer and chief financial officer of Great Plains Energy and KCP&L, respectively, have concluded as of the end of the period covered by this report that the disclosure controls and procedures of Great Plains Energy and KCP&L are functioning effectively to

provide reasonable assurance that the information required to be disclosed by the respective companies in the reports that they file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

There has been no change in Great Plains Energy's or KCP&L's internal control over financial reporting that occurred during the quarterly period ended September 30, 2004, that has materially affected, or is reasonably likely to materially affect, those companies' internal control over financial reporting.

Part II – Other Information

ITEM 1. LEGAL PROCEEDINGS

Hawthorn No. 5 Litigation

KCP&L filed suit against National Union Fire Insurance Company of Pittsburgh, Pennsylvania (National Union) and Travelers Indemnity Company of Illinois (Travelers) in Missouri state court on June 14, 2002, which was removed to the U.S. District Court for the Western District of Missouri. In 1999, there was a boiler explosion at KCP&L Hawthorn No. 5 generating unit, which was subsequently reconstructed and returned to service. National Union and Reliance National Insurance Company (Reliance), primary carriers, had issued a $200 million primary insurance policy and Travelers had issued a $100 million secondary insurance policy covering Hawthorn No. 5. A dispute arose between KCP&L and these two insurance companies regarding the amount payable under these insurance policies for the reconstruction of Hawthorn No. 5 and replacement power expenses, and KCP&L filed suit against the carriers. Prior to the second quarter, National Union and Reliance had collectively paid approximately $169 million under their primary insurance policy. In the second quarter, KCP&L received an additional $30.8 million from National Union, representing the remaining amount of the primary insurance policy less the deductible. National Union and Reliance have subrogation rights in the litigation described in the next paragraph. In the continuing case against Travelers, the trial judge ruled that the question of whether the cost of the replacement boiler was of like kind and quality compared to the destroyed boiler, and thus covered by the Travelers' policy, was a factual question for the jury to decide. The trial judge also ruled that the cost of replacement air quality control equipment is not recoverable under the insurance policy with Travelers, but that the cost was similarly a factual question for the jury. Finally, the judge ruled that the amounts received by KCP&L from the subrogation litigation could not be used to offset Travelers' liability under its insurance policy with KCP&L. KCP&L cannot predict the jury's verdict on these and other issues in the lawsuit, or their effect on the remaining $85 million of KCP&L's current proof of loss of approximately $285 million. Trial of this case is scheduled to begin in January 2005.

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

Hawthorn No. 5 Notice of Violation

On April 15, 2004, the EPA issued to KCP&L a notice of violation of Hawthorn No. 5 permit limits on SO_2 emissions. SO_2 emissions from Hawthorn No. 5 exceeded the applicable thirty-day rolling average emission limit on certain days in the third and fourth quarters of 2003 and also exceeded the applicable 24-hour emission limit on one day in the fourth quarter of 2003. These exceedances occurred while the unit was operating in compliance with an exception protocol that had been accepted by the issuer of the air permit. Equipment issues that caused these violations have been addressed by KCP&L.

KCP&L and the EPA have entered into a Consent Agreement and Final Order (Agreement) that resolves the notice of violation. Without admitting or denying the factual allegations and legal conclusions in the Agreement, KCP&L agreed to pay a civil penalty of $0.1 million and to make grants totaling $0.3 million for certain supplemental environmental projects in the Kansas City metropolitan area.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

Purchases of Great Plains Energy common stock were made during the quarter by or for the Great Plains Energy Incorporated Long-Term Incentive Plan, which is an equity compensation plan approved by the shareholders providing for grants by the Compensation Committee of the Board of Directors of stock options, restricted stock, performance shares and other stock-based awards.

The following table provides information regarding these purchases of Great Plains Energy common stock during the quarter.

Issuer Purchases of Equity Securities				
Month	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (1)
July 1 – 31	5,000	$ 29.72	5,000	2,236,362
August 1 – 31	10,000	29.42	10,000	2,236,362
September 1 – 30	15,000	29.78	15,000	2,236,362
Total	30,000	$ 29.65	30,000	

(1) The Great Plains Energy Long-Term Incentive Plan became effective on May 5, 1992. The aggregate number of shares of common stock available for awards under this plan is not more than three million. Awards may be granted under this plan until May 5, 2012. The shares in this column represent the aggregate number of securities remaining available for future issuance under the Great Plains Energy Long-Term Incentive Plan.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

There are no matters reportable under this Item 3 for the quarter.

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

There are no matters reportable under this Item 4 for the quarter.

ITEM 5. OTHER INFORMATION.

There are no matters reportable under this Item 5 for the quarter.

ITEM 6. EXHIBITS

EXHIBITS

Great Plains Energy Documents

Exhibit Number		Description of Document
10.1.a	*	Amended and Restated Credit Agreement, dated as of July 2, 2004, by and among Strategic Energy, L.L.C., LaSalle Bank National Association, PNC Bank, National Association, Citizens Bank of Pennsylvania, Provident Bank, Fifth Third Bank and Sky Bank (Exhibit 10.2 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).
10.1.b	*	Amended and Restated Limited Guaranty dated as of July 2, 2004, by Great Plains Energy Incorporated in favor of the lenders under the Amended and Restated Credit Agreement dated as of July 2,2004 among Strategic Energy, L.L.C. and the financial institutions from time to time parties thereto (Exhibit 10.3 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).
10.1.c		Fifth Amendment to Guaranty dated as of August 30, 2004 between Great Plains Energy Incorporated and Coral Power, L.L.C.
12.1		Ratio of Earnings to Fixed Charges
31.1.a		Rule 13a-14(a)/15d-14(a) Certifications of Michael J. Chesser.
31.1.b		Rule 13a-14(a)/15d-14(a) Certifications of Andrea F. Bielsker.
32.1		Section 1350 Certifications.

* Filed as exhibits to a prior Quarterly Report on Form 10-Q and incorporated by reference and made a part hereof. The exhibit number and report reference of the documents so filed, and incorporated herein by reference, are stated in parentheses in the description of such exhibit.

Copies of any of the exhibits filed with the Securities and Exchange Commission in connection with this document may be obtained from Great Plains Energy upon written request.

KCP&L Documents

Exhibit Number	Description of Document
10.2	Insurance Agreement dated as of August 1, 2004, between Kansas City Power & Light Company and XL Capital Assurance Inc.
12.2	Ratio of Earnings to Fixed Charges
31.2.a	Rule 13a-14(a)/15d-14(a) Certifications of William H. Downey.
31.2.b	Rule 13a-14(a)/15d-14(a) Certifications of Andrea F. Bielsker.
32.2	Section 1350 Certifications.

Copies of any of the exhibits filed with the Securities and Exchange Commission in connection with this document may be obtained from KCP&L upon written request.

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: November 5, 2004

By: /s/Michael J. Chesser
(Michael J. Chesser)
(Chief Executive Officer)

Dated: November 5, 2004

By: /s/Lori A. Wright
(Lori A. Wright)
(Principal Accounting Officer)

KANSAS CITY POWER & LIGHT COMPANY

Dated: November 5, 2004

By: /s/William H. Downey
(William H. Downey)
(Chief Executive Officer)

Dated: November 5, 2004

By: /s/Lori A. Wright
(Lori A. Wright)
(Principal Accounting Officer)

Exhibit 10.1.c

Fifth Amendment to Guaranty

This Fifth Amendment to Guaranty (the "Fifth Amendment") is made and entered into as of August 30, 2003, by and between Great Plains Energy Incorporated (the "Guarantor") and Coral Power, L.L.C. (the "Creditor"), and, each a "Party" and collectively the "Parties".

Witnesseth:

Whereas, Guarantor issued a certain guaranty dated as of September 12, 2002 in favor of Creditor relating to certain agreements or contracts between Strategic Energy, L.L.C. ("Strategic") and the Creditor, which guaranty was amended by that certain First Amendment to Guaranty, Second Amendment to Guaranty, Third Amendment to Guarantee, Forth Amendment to Guaranty and Guaranty Extension dated as of March 7, 2003, May 9, 2003, May 30, 2003, August 29, 2003 and September 11, 2003, respectively (as so amended, the "Guaranty"), and

Whereas, Guarantor and Creditor wish to further amend the Guaranty as set forth below.

Therefore, in consideration of the premises and of the mutual agreements herein contained, the receipt and sufficiency of which is acknowledged by Guarantor and Creditor, the Parties agree as follows:

1. Guarantee Extension. The second sentence of Section 9 of the Guarantee hereby is amended and restated in its entirety to read as follows:

> This Guaranty shall terminate on the first to occur of (a) ten (10) days after Creditor receives written notice from Guarantor of such termination, (b) the full payment of all Obligations, and (c) September 10, 2005 (the "Termination Date").

2. Reduction of Aggregate Liability. Section 11(b) of the Guaranty is hereby amended and restated in its entirety to read as follows:

> "(b) Guarantor's aggregate liability to Creditor under this Guaranty is limited to and shall not exceed Ten Million Dollars ($10,000,000)."

3. Effectiveness of Amendment. This Fifth Amendment shall be effective as of the date first above written. Except as specifically amended herein, the Guaranty shall remain in full force and effect in accordance with its terms, and the Guaranty, as amended hereby, is hereby ratified and confirmed.

[signature page follows]

In witness whereof, the Parties have signed this Fifth Amendment as of the date first written above.

Great Plains Energy Incorporated
/s/Andrea F. Bielsker
Andrea F. Bielsker
Senior Vice President - Finance, Chief
Financial Officer and Treasurer

Coral Power, L.L.C.
By: /s/Robert E. Long
Name: Robert E. Long
Title: Vice President-Corporate Finance & Treasurer

GREAT PLAINS ENERGY

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Year to date September 30 2004	2003	2002	2001	2000	1999
	(thousands)					
Income (loss) from continuing operations before cumulative effect of changes in accounting principles	$138,810	$189,702	$136,702	$ (28,428)	$ 53,014	$ 82,485
Add:						
Equity investment (income) loss	1,074	2,018	1,173	(23,641)	22,994	22,328
Minority interests in subsidiaries	(848)	(1,263)	-	(897)	-	-
Income subtotal	139,036	190,457	137,875	(52,966)	76,008	104,813
Add:						
Taxes on income	67,273	78,565	51,348	(34,672)	7,926	4,707
Kansas City earnings tax	592	418	635	583	421	602
Total taxes on income	67,865	78,983	51,983	(34,089)	8,347	5,309
Interest on value of leased property	4,744	5,944	7,093	10,679	11,806	8,577
Interest on long-term debt	50,425	58,847	65,837	83,549	57,896	51,327
Interest on short-term debt	3,541	5,442	6,312	9,915	11,050	3,178
Mandatorily redeemable Preferred Securities	-	9,338	12,450	12,450	12,450	12,450
Other interest expense and amortization	2,487	3,912	3,760	5,188	2,927	3,573
Total fixed charges	61,197	83,483	95,452	121,781	96,129	79,105
Earnings before taxes on income and fixed charges	$268,098	$352,923	$285,310	$ 34,726	$180,484	$189,227
Ratio of earnings to fixed charges	4.38	4.23	2.99	(a)	1.88	2.39

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

CERTIFICATIONS

I, Michael J. Chesser, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Great Plains Energy Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report:

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2004

/s/Michael J. Chesser

Michael J. Chesser
Chairman of the Board and Chief Executive Officer

Exhibit 31.1.b

CERTIFICATIONS

I, Andrea F. Bielsker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Great Plains Energy Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report:

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2004

/s/Andrea F. Bielsker

Andrea F. Bielsker
Senior Vice President - Finance, Chief Financial Officer and Treasurer

Exhibit 32.1

Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Great Plains Energy Incorporated (the "Company") for the quarterly period ended September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Michael J. Chesser, as Chairman of the Board and Chief Executive Officer of the Company, and Andrea F. Bielsker, as Senior Vice President - Finance, Chief Financial Officer and Treasurer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his or her knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Michael J. Chesser

[redacted]

Name: Michael J. Chesser
Title: Chairman of the Board and Chief Executive Officer

Date: November 5, 2004

/s/Andrea F. Bielsker

[redacted]

Name: Andrea F. Bielsker
Title: Senior Vice President - Finance, Chief Financial Officer and Treasurer

Date: November 5, 2004

This certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 except to the extent this Exhibit 32.1 is expressly and specifically incorporated by reference in any such filing.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Great Plains Energy Incorporated and will be retained by Great Plains Energy Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 10.2

[Execution Copy]

INSURANCE AGREEMENT

THIS INSURANCE AGREEMENT, dated as of August 1, 2004, is entered into by and between XL CAPITAL ASSURANCE INC., a New York stock insurance company ("***XLCA***"), KANSAS CITY POWER & LIGHT COMPANY, a corporation duly organized under the laws of the State of Missouri (the "***Company***"), and J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION (the "***Trustee***").

WHEREAS, pursuant to and in accordance with the provisions of that certain Indenture of Trust, dated as of September 1, 1992 (the ***"Original Indenture"***, and as amended and restated by an Amended and Restated Indenture of Trust, dated as of August 1, 2004, the ***"Indenture"***), between State Environmental Improvement and Energy Resources Authority of the State of Missouri (the "***Issuer***") and the Trustee, on September 15, 1992 the Issuer issued its Environmental Improvement Revenue Refunding Bonds (Kansas City Power & Light Company Project) Series 1992 in the aggregate principal amount of $31,000,000 (the ***"Bonds")*** ; and

WHEREAS, pursuant to a Loan Agreement, dated as of September 1, 1992 (the "***Loan Agreement***"), between the Issuer and the Company, the Issuer loaned the proceeds of the Bonds to the Company and the Company agreed to repay the loan by making payments in amounts and at times sufficient to pay when due the principal and purchase price of and interest and any premium on the Bonds; and

WHEREAS, the Bonds have been secured by an assignment and pledge by the Issuer of its right, title and interest in the trust estate, including, without limitation, the right of the Issuer to receive a First Mortgage Bond (as defined herein) and payments thereunder; and

WHEREAS, the Company has requested XLCA to issue a municipal bond insurance policy with respect to the Bonds (the "***Policy***") which insures the payment of principal of and interest on the Bonds from the date hereof on the terms specified therein; and

WHEREAS, as a condition to the issuance of the Policy, XLCA requires that certain notices and other information be delivered from time to time by the Trustee and the Company and that certain rights be available to it in addition to those under the Indenture; and

WHEREAS, the Company and the Trustee understand that XLCA expressly requires the delivery of this Agreement as part of the consideration for the delivery by XLCA of the Policy;

NOW, THEREFORE, in consideration of the premises and of the agreements herein contained and of the execution and delivery of the Policy, the Company, the Trustee and XLCA agree as follows:

ARTICLE I
DEFINITIONS; PREMIUM AND EXPENSES

SECTION 1.01. Definitions. Except as otherwise expressly provided herein or unless the context otherwise requires, the terms which are capitalized herein shall have the meanings specified in Annex A hereto.

Premium. In consideration of XLCA agreeing to issue the Policy, the Company hereby agrees to pay to XLCA a premium as follows: (a) on the date of issuance of the Policy, an amount equal to 160 basis points (1.60%), flat, of the total debt service to accrue on the Bonds through the final maturity date of the Bonds calculated on the assumption that interest will accrue on the Bonds on each day at a fixed rate equal to the Bond Buyer Revenue Bond Index as in effect on the date of issuance of the Policy *plus* (b) in the event that on any Payment Date (as defined below) the rating of the Company's senior long-term secured indebtedness by Moody's Investors Service, Inc. ("***Moody's***") or Standard & Poor's ("***S&P***") is withdrawn (for credit reasons) or is below "Baa3" by Moody's or "BBB-" by S&P, on each such Payment Date an amount (the "***Supplemental Premium***") equal to 25 basis points (0.25%) of the principal amount of the Bonds then outstanding; *provided, however*, that if the final maturity date of the Bonds occurs less than one year after a particular Payment Date, the amount payable by the Company on such Payment Date pursuant to this clause (b) shall be prorated based on the actual number of days occurring in the period from such Payment Date to such maturity date and a year of 365 or 366 days, as the case may be. As used herein, the term Payment Date means (a) the date on which the foregoing rating action occurs with respect to the

Bonds and (b) each anniversary of such date (or, if such day is not a Business Day, on the next succeeding Business Day) occurring prior to the final maturity date of the Bonds. Notwithstanding the foregoing, in the case of the initial payment of the Supplemental Premium due upon any such rating action, the Company may make such payment on any day that is within the 30-day period following such rating action. In the event that the ra tings of the Company's senior long-term secured indebtedness become at least "Baa3" and "BBB-" before an anniversary date, the Company shall be entitled to a Pro Rata Refund of the most recently paid Supplemental Premium. The Pro Rata Refund shall be paid within 30 days of the ratings of the Company's senior long-term secured indebtedness becoming at least "Baa3" and "BBB-". The Pro Rata Refund shall be calculated as follows:

Pro Rata Refund = Supplemental Premium multiplied by ("A"-"B")/ "A" where:

"A" is equal to the total number of days in the current annual period; and

"B" is equal to the total number of days in the current annual period where the ratings of the Company's senior long-term secured indebtedness were not at least "Baa3" and "BBB-".

SECTION 1.02. Certain Other Expenses. The Company will pay all reasonable fees and disbursements of XLCA's and the Trustee's counsel related to any modification of this Agreement requested by the Company.

ARTICLE II
REIMBURSEMENT OBLIGATION; COVENANTS OF THE COMPANY

SECTION 2.01. Reimbursement Obligation.

(a) The Company agrees to reimburse XLCA, from any available funds, immediately and unconditionally upon demand for all amounts advanced by XLCA under the Policy. To the extent that any such payment due hereunder is not paid when due, interest shall accrue on such unpaid amounts at a rate equal to the Effective Interest Rate.

(b) The Company also agrees to reimburse XLCA immediately and unconditionally upon demand for all reasonable expenses incurred by XLCA in connection with the enforcement by XLCA of the Company's obligations under this Agreement, together with interest accruing at the Effective Interest Rate on any unpaid expenses from and including the date which is 30 days from the date a statement for such expenses is received by the Company to the date of payment. It is understood and agreed that the fees and expenses of any nationally recognized law firm shall be deemed reasonable for purposes of this paragraph.

SECTION 2.02. Covenants.

(a) ***Covenants in the Bond Documents.*** The Company agrees to comply with its covenants set forth in the Bond Documents and such covenants are hereby incorporated by reference herein.

(b) ***Indebtedness Assurance.*** The Company hereby agrees that, in the event of any Reorganization, unless otherwise consented to by XLCA, the obligations of the Company under, and in respect of, this Agreement, the Bonds, the Loan Agreement, the Company Indenture and the First Mortgage Bonds shall be assumed by, and shall become direct and primary obligations of, a Regulated Utility Company.

(c) ***Indebtedness to Total Capitalization***. The Company shall at all times cause the ratio of (i) Indebtedness of the Company and its Consolidated Subsidiaries to (ii) Total Capitalization to be less than or equal to 0.68 to 1.0.

(d) ***Issuance Test Covenant.*** The Company will not issue any additional First Mortgage Bonds without the consent of XLCA if at the time of the calculation after giving effect to such issuance:

(i) The long term rating for such First Mortgage Bonds by S&P or Moody's will be at or below A- (negative outlook) or (negative credit watch) or A3 (negative outlook) or (negative credit watch), respectively, and the proposed issuance would cause the proportion of First Mortgage Bonds to Total Indebtedness to exceed 50%.

(ii) The long term rating for such First Mortgage Bonds by S&P or

Moody's will be at or above A- (stable outlook) or A3 (stable outlook), respectively, and the proposed issuance would cause the proportion of First Mortgage Bonds to Total Indebtedness to exceed 75%.

Notwithstanding the foregoing, should the Company issue First Mortgage Bonds in excess of 50% of Total Indebtedness (such excess, ***"Excess First Mortgage Bonds"***) and should the long term rating assigned to First Mortgage Bonds subsequently be reduced by S&P or Moody's to or below A- (negative outlook) or (negative credit watch) or A3 (negative outlook) or (negative credit watch), respectively, the Company shall be under no obligation to replace its Excess First Mortgage Bonds with unsecured debt, but the consent of XLCA shall be required prior to the issuance of any additional First Mortgage Bonds.

SECTION 2.03. Unconditional Obligation. The obligations of the Company hereunder are absolute and unconditional and will be paid or performed strictly in accordance with this Agreement, irrespective of:

(a) any lack of validity or enforceability of, or any amendment or other modification of, or waiver with respect to the Bonds or any of the Bond Documents;

(b) any exchange, release or nonperfection of any security interest in property securing the Bonds or this Agreement or any obligations hereunder;

(c) any circumstances which might otherwise constitute a defense available to, or discharge of, the Company or the Issuer under the Bond Documents or otherwise with respect to the Bonds; and

(d) whether or not the Company's obligations under the Bond Documents, or the obligations represented by the Bonds, are contingent or matured, disputed or undisputed, liquidated or unliquidated.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

SECTION 3.01. Representations and Warranties. The Company hereby represents and warrants to XLCA that:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Missouri, has full power to enter into, and by proper corporate action has been duly authorized to execute and deliver, this Agreement, the Loan Agreement, the Company Indenture and the First Mortgage Bonds issued pursuant thereto.

(b) The execution and delivery of this Agreement, the Loan Agreement, the Company Indenture and the First Mortgage Bonds issued pursuant thereto, and the consummation of the transactions herein and therein contemplated will not conflict with or constitute a breach of or default under the Company's Articles of Incorporation or any bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which the Company is a party, and is not prohibited by any law, regulatory order, rule or regulation of any governmental or public agency or any judgment of any court.

(c) This Agreement, the Loan Agreement, the Company Indenture and the First Mortgage Bonds have been duly authorized, executed and delivered by the Company and constitute legal, valid and binding obligation of the Company enforceable against the Company in accordance with their respective terms, except to the extent that such enforcement may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles of general application affecting the rights and remedies of creditors and secured parties.

(d) There is no pending, or to the knowledge of the Company, threatened litigation against the Company that could, if adversely concluded, materially adversely affect the validity of this Agreement, the Loan Agreement, the Company Indenture or the First Mortgage Bonds issued pursuant thereto, or the ability of the Company to comply with its obligations under any of such documents.

(e) No default under the Loan Agreement has occurred and is continuing and no condition exists which, with the giving of notice or the lapse of time, or both, would constitute an event of default or a default under any agreement or instrument to which the Company is a party or by which the Company is or may be bound or to which any of the property or assets of the Company is or may be subject which would impair in any material respect its ability to carry out its obligations under this Agreement, the Loan Agreement, the Company Indenture, the First Mortgage Bonds or the transactions contemplated hereby or thereby.

(f) No default under the Company Indenture has occurred and is continuing.

ARTICLE IV
EVENTS OF DEFAULT; REMEDIES

SECTION 4.01. Events of Default. The following events shall constitute Events of Default hereunder:

(a) The Company shall fail to pay to XLCA any amount payable under Sections 1.02 and 2.01 hereof and such failure shall have continued for a period in excess of ten days (in the case of amounts payable under Sections 1.02 or 2.01(a) hereof) after receipt by the Company of written notice thereof or 60 days from the date a statement for such expenses is received by the Company (in the case of amounts payable under Section 2.01(b) hereof);

(b) The Company shall fail to observe the covenants identified in Section 2.02 hereof; *provided, however,* that no Event of Default shall be declared with respect to a failure to observe the covenant identified in Section 2.02(c) until the Company shall have had 30 days to correct said default or caused said default to be corrected within such period.

(c) Any material representation or warranty made by the Company hereunder or any material statement in the application for the Policy or any material report, certificate, financial statement or other instrument provided in connection with the Policy or herewith shall have been materially false at the time when made;

(d) Except as otherwise provided in this Section 3.01, the Company shall fail to perform any of its other obligations hereunder, provided that such failure continues for more than thirty (30) days after receipt by the Company of written notice of such failure to perform;

(e) The Company shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, paying agent, custodian, sequestrator or similar official for the Company or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take action for the purpose of effecting any of the foregoing; or

(f) An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Company, or of a substantial part of its property, under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law or (ii) the appointment of a receiver, paying agent, custodian, sequestrator or similar official for the Company or for a substantial part of its property; and such proceeding or petition shall continue undismissed for ninety (90) days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for ninety (90) days.

SECTION 4.02. Remedies. If an Event of Default shall occur and be continuing, then XLCA may take whatever action at law or in equity may appear necessary or desirable, including, without limitation, legal action for the specific performance of any covenant made by the Company to collect the amounts then due and thereafter to become due under this Agreement, or to enforce performance and observance of any obligation, agreement or covenant of the Company under this Agreement. All rights and remedies of XLCA under this Section 4.02 are cumulative and the exercise of any one remedy does not preclude the exercise of one or more other remedies available under this Agreement or now or hereafter existing at law or in equity.

ARTICLE V
MISCELLANEOUS

SECTION 5.01. Certain Rights of XLCA. While the Policy is in effect:

(a) the Company shall furnish to XLCA (to the attention of the Surveillance Department) as soon as practicable after the filing thereof, a copy of the 10-Ks and 10-Qs of the Company and a copy of any audited financial statements and annual reports of the Company; *provided* that the statements and reports (other than annual reports) required to be furnished by the Company pursuant to this clause shall be deemed furnished for such purpose upon becoming publicly available on the SEC's EDGAR web page;

(b) the Company will permit XLCA to discuss the affairs, finances and accounts of the Company with appropriate officers of the Company;

(c) the Trustee or the Company, as appropriate, shall furnish to XLCA (to the attention of the Surveillance Department) a copy of any notice to be given to the registered owners of the Bonds, including, without limitation, notice of any redemption of or defeasance of Bonds, and any certificate rendered pursuant to the Bond Documents relating to the security for the Bonds;

(d) the Trustee or the Company, as appropriate, shall notify XLCA (to the attention of the General Counsel Office) of any failure of the Company to provide relevant notices, certificates or other documents or information as required under the Bond Documents;

(e) at the written request of XLCA due to any material breach by the Trustee of the trust and responsibilities set forth in the Indenture, which breach is not cured by the Trustee within ten (10) Business Days of written notice of such breach from XLCA to the Trustee, the Trustee (subject to subsection (g) below) shall resign from its responsibilities under the Indenture; and

(f) XLCA shall receive prior written notice of any Trustee resignation and, notwithstanding any provision of the Indenture, no removal, resignation or termination of the Trustee, or any part of its responsibilities under the Indenture, shall take effect until a successor, acceptable to XLCA, shall be appointed and such successor shall have executed a document satisfactory to XLCA assenting to the obligations of the Trustee set forth herein. In the event that a successor Trustee cannot be identified within 60 days from the date the Trustee notifies the XLCA and the Company of its resignation, the Trustee will have the right to petition a court of competent jurisdiction for the appointment of a successor Trustee.

SECTION 5.02. Indemnification.

(a) The Company shall indemnify and hold XLCA harmless against any loss, fees, costs, liability or expense incurred without gross negligence or willful misconduct on the part of XLCA arising out of or in connection with the delivery of the Policy and its performance thereunder, including the costs and expenses of defense against any such claim of liability. The indemnification set forth herein shall survive the cancellation or expiration of the Policy and/or removal of XLCA.

(b) The Company shall indemnify and hold the Trustee harmless against any loss, fees, costs, liability or expense incurred without gross negligence or willful misconduct on the part of the Trustee arising out of or in connection with this Agreement, including the costs and expenses of defense against any such claim of liability. The indemnification set forth herein shall survive the cancellation or expiration of the Policy, the termination of this Agreement or the resignation or removal of the Trustee under the Indenture.

SECTION 5.03. Parties Interested Herein. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Company, the Trustee and XLCA, any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Agreement contained by and on behalf of the Company and XLCA shall be for the sole and exclusive benefit of the Company, the Trustee and XLCA.

SECTION 5.04. Amendment and Waiver. Any provision of this Agreement may be amended, waived, supplemented, discharged or terminated only with the prior written consent of the Company, the Trustee and XLCA. The Company hereby agrees that upon the written request of the Company, XLCA may make or consent to issue any substitute for the Policy to cure any ambiguity or formal defect or omission in the Policy which does not materially change the terms of the Policy nor adversely affect the rights of the owners of the Bonds, and this Agreement shall apply to such substituted Policy. XLCA shall deliver the original of such substituted Policy to the Trustee and agrees to deliver to the Company and to the company or companies, if any, rating the Bonds, a copy of such substituted Policy.

SECTION 5.05. Successors and Assigns; Descriptive Headings.

(a) This Agreement shall bind, and the benefits thereof shall inure to, the Company, the Trustee and XLCA and their respective successors and assigns; provided, that neither party hereto may transfer or assign any or all of its rights and obligations hereunder without the prior written consent of the other party hereto, which shall not be refused unreasonably. Notwithstanding the foregoing provisions of this Section 5.05(a), XLCA shall have the right the reinsure any portion of its exposure under the Policy to third party reinsurers.

(b) The descriptive headings of the various provisions of this Agreement are inserted for convenience of reference only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

SECTION 5.06. Counterparts. This Agreement may be executed in any number of copies and by the different parties hereto on the same or separate counterparts, each of which fully-executed counterparts shall be deemed to be an original instrument, and all of which shall constitute but one and the same instrument. Complete counterparts of this Agreement shall be lodged with the Company, the Trustee and XLCA.

SECTION 5.07. Term. This Agreement shall expire upon the earlier of (i) the expiration, or cancellation by the Company, of the Policy in accordance with the terms thereof, or (ii) the repayment in full to XLCA and the Trustee of any amounts due and owing to them by the Company under this Agreement or the Policy. The Company may cancel the Policy at any time *provided* that the Premium shall not be refundable for any reason.

SECTION 5.08. Exercise of Rights. No failure or delay on the part of XLCA to exercise any right, power or privilege under this Agreement and no course of dealing between XLCA and the Company or any other party shall operate as a waiver of any such right, power or privilege, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which XLCA would otherwise have pursuant to law or equity. No notice to or demand on any party in any case shall entitle such party to any other or further notice or demand in similar or other circumstances, or constitute a waiver of the right of the other party to any other or further action in any circumstances without notice or demand.

SECTION 5.09. Waiver. The Company waives any defense that this Agreement was executed subsequent to the date of the Commitment, admitting and covenanting that such Commitment was delivered pursuant to the Company's request and in reliance on the Company's promise to execute this Agreement.

SECTION 5.10. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any and all prior agreements and understandings of the parties hereto with respect to the subject matter hereof, including but not limited to the Commitment.

SECTION 5.11. Notices. All written notices to or upon the respective parties hereto shall be deemed to have been given or made when actually received, or in the case of telecopier machine owned or operated by a party hereto, when sent and confirmed in writing by such machine as having been received, addressed as specified below or at such other address as any of the parties hereto may from time to time specify in writing to the other:

If to the Company:

Kansas City Power & Light Company
1201 Walnut
Kansas City, Missouri 64106
Attention: Assistant Treasurer
Facsimile: (816) 556-2992

If to the Trustee:

J.P. Morgan Trust Company, National Association
Institutional Trust Services
227 West Monroe
26th Floor

Chicago, Illinois 60606
Attention: Corporate Trust Administration
Facsimile: (402) 496-2014

If to XLCA:

XL Capital Assurance Inc.
1221 Avenue of the Americas, 31st Floor
New York, New York 10020
Attention: Richard Heberton, Surveillance Department
Facsimile: 212-478-3587
and
Attention: Frederick B. Hnat, Esq., General Counsel
Facsimile: 212-478-3446

SECTION 5.12. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York.

SECTION 5.13. Concerning the Trustee.

(a) All of the rights, privileges, protections and immunities afforded to the Trustee under the Bond Documents are hereby incorporated herein as if set forth herein in full.

(b) The recitals contained herein shall be taken as the statements of the Company and XLCA, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Agreement or the Policy.

[signature page follows]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

KANSAS CITY POWER & LIGHT COMPANY

By: /s/Andrea F. Bielsker
Name: Andrea F. Bielsker
Title: Senior Vice President-Finance,
Chief Financial Officer and Treasurer

J.P. MORGAN TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee

By: /s/Sharon McGrath
Name: Sharon McGrath
Title: Asst Vice President

XL CAPITAL ASSURANCE INC.

By: /s/Alistair Buchan
Name: Alistair Buchan
Title: Managing Director

Exhibit 12.2

KANSAS CITY POWER & LIGHT COMPANY

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Year to date September 30 2004	2003	2002	2001	2000	1999
			(thousands)			
Income from continuing operations before cumulative effect of changes in accounting principle	$117,425	$125,845	$102,666	$116,065	$ 53,014	$ 82,485
Add:						
Equity investment (income) loss	-	-	-	(23,516)	22,994	22,328
Minority interests in subsidiaries	(3,804)	(1,263)	-	(897)	-	-
Income subtotal	113,621	124,582	102,666	91,652	76,008	104,813
Add:						
Taxes on income	63,946	83,572	62,857	31,935	7,926	4,707
Kansas City earnings tax	592	418	635	583	421	602
Total taxes on income	64,538	83,990	63,492	32,518	8,347	5,309
Interest on value of leased property	4,744	5,944	7,093	10,679	11,806	8,577
Interest on long-term debt	47,612	57,697	63,845	78,915	57,896	51,327
Interest on short-term debt	381	560	1,218	8,883	11,050	3,178
Mandatorily redeemable Preferred Securities	-	9,338	12,450	12,450	12,450	12,450
Other interest expense and amortization	2,883	4,067	3,772	5,188	2,927	3,573
Total fixed charges	55,620	77,606	88,378	116,115	96,129	79,105
Earnings before taxes on income and fixed charges	$233,779	$286,178	$254,536	$240,285	$180,484	$189,227
Ratio of earnings to fixed charges	4.20	3.69	2.88	2.07	1.88	2.39

CERTIFICATIONS

I, William H. Downey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kansas City Power & Light Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report:

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2004
[redacted]

/s/William H. Downey
[redacted]
William H. Downey
President and Chief Executive Officer

Exhibit 31.2.b

CERTIFICATIONS

I, Andrea F. Bielsker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kansas City Power & Light Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report:

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2004
[redacted]

/s/Andrea F. Bielsker
[redacted]

Andrea F. Bielsker
Senior Vice President - Finance, Chief Financial Officer and Treasurer

Exhibit 32.2

Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Kansas City Power & Light Company (the "Company") for the quarterly period ended June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), William H. Downey, as President and Chief Executive Officer of the Company, and Andrea F. Bielsker, as Senior Vice President - Finance, Chief Financial Officer and Treasurer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his or her knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/William H. Downey

[redacted]

Name: William H. Downey
Title: President and Chief Executive Officer

Date: November 5, 2004

/s/Andrea F. Bielsker

[redacted]

Name: Andrea F. Bielsker
Title: Senior Vice President - Finance, Chief Financial Officer and Treasurer

Date: November 5, 2004

This certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 except to the extent this Exhibit 32.2 is expressly and specifically incorporated by reference in any such filing.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Kansas City Power & Light Company and will be retained by Kansas City Power & Light Company and furnished to the Securities and Exchange Commission or its staff upon request.