SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-9

Solicitation/Recommendation Statement Pursuant to
Section 14(d)(4) of the Securities Exchange Act of 1934

KANSAS CITY POWER & LIGHT COMPANY
(Name of Subject Company)

KANSAS CITY POWER & LIGHT COMPANY
(Name of Person Filing Statement)

COMMON STOCK, NO PAR VALUE
(Title of Class of Securities)

485134100
(CUSIP Number of Class of Securities)

JEANIE SELL LATZ, ESQ.
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(Name, address and telephone number of person authorized
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ITEM 1. SECURITY AND SUBJECT COMPANY

The name of the subject company is Kansas City Power & Light Company, a Missouri corporation ("KCPL"), and the principal executive offices of KCPL are located at 1201 Walnut, Kansas City, Missouri 64106-2124. The title of the class of equity securities to which this Statement relates is the common stock, no par value, of KCPL ("KCPL Common Stock").

ITEM 2. TENDER OFFER OF THE BIDDER

This Statement relates to an exchange offer disclosed in a Registration Statement on Form S-4 initially filed with the Securities and Exchange Commission on April 22, 1996 and amended on June 19, 1996 and July 3, 1996 (as amended, the "Western Resources Form S-4") by Western Resources, Inc., a Kansas corporation ("Western Resources"), to exchange Western Resources common stock, par value $5.00 per share ("Western Resources Common Stock"), for all of the outstanding shares of KCPL Common Stock. According to a prospectus included in the Western Resources Form S-4 (the "Western Resources Prospectus"), Western Resources is offering, upon the terms and subject to the conditions set forth in the Western Resources Prospectus and in a related Letter of Transmittal (together, the "Western Resources Offer"), to exchange shares of Western Resources Common Stock for each outstanding share of KCPL Common Stock validly tendered on or prior to the Expiration Date (as defined in the Western Resources Prospectus) of the Western Resources Offer and not properly withdrawn. Each such share of KCPL Common Stock would be entitled to receive shares of Western Resources Common Stock equal to the Exchange Ratio, defined as the quotient (rounded to the nearest 1/100,000) determined by dividing $31.00 by the average of the high and low sales prices of the Western Resources Common Stock (as reported on the New York Stock Exchange Composite Transactions reporting system as published in THE WALL STREET JOURNAL or, if not published therein, in another authoritative source) on each of the twenty consecutive trading days ending with the third trading day immediately preceding the Expiration Date. The Exchange Ratio is fixed at a minimum value of 0.933 shares and a maximum value of 1.1 shares.

According to the Western Resources Prospectus, Western Resources intends, as soon as practicable after consummation of the Western Resources Offer, to seek to merge KCPL with and into itself pursuant to applicable law (the "Proposed Western Resources Merger").

According to the Western Resources Prospectus, the principal executive offices of Western Resources are located at 818 Kansas Avenue, Topeka, Kansas 66612.

ITEM 3. IDENTITY AND BACKGROUND

(a) The name and business address of KCPL, which is the person filing this Statement, are set forth in Item 1 above.

(b) Certain contracts, agreements, arrangements and understandings between KCPL or its affiliates and certain of KCPL's directors and executive officers ("Compensation Arrangements") are described under the headings "THE MERGERS -- Conflicts of Interest," "-- Certain Arrangements Regarding the Directors and Management of Maxim," "-- Employment Agreements," "-- Employee Plans and Severance Arrangements," "-- Maxim Plans," "-- Dividend Reinvestment Plan," "THE MERGER AGREEMENT -- Certain Covenants," "-- Maxim Board of Directors," "-- Directors' and Officers' Indemnification," "-- Benefit Plans," "-- Certain Employment Agreements and Workforce Matters," "APPROVAL OF MAXIM PLANS" and "MAXIM FOLLOWING THE MERGERS -- Board of Directors of Maxim" and "-- Management of Maxim" at pages 73-78, 85-90, 102-109 and 120 in the Joint Proxy Statement/Prospectus of KCPL, dated June 26, 1996, sent by KCPL to its shareholders in connection with KCPL's special meeting of shareholders scheduled to be held on August 7, 1996 (the "Joint Proxy Statement/Prospectus"). A copy of such portions of the Joint Proxy Statement/Prospectus is filed as Exhibit 1 hereto and is incorporated herein by reference. Certain other Compensation Arrangements are described under the headings "COMPENSATION OF EXECUTIVE OFFICERS," "OPTIONS AND STOCK APPRECIATION RIGHTS," "BENEFIT PLANS" and "COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION" at pages 112-117 in the joint proxy statement/prospectus of KCPL, dated April 4, 1996, sent by KCPL to its shareholders in

connection with the annual meeting of KCPL shareholders held on May 22, 1996 (the "Original Joint Proxy Statement/Prospectus"). A copy of such portions of the Original Joint Proxy Statement/ Prospectus is filed as Exhibit 2 hereto and is incorporated herein by reference.

KCPL and Western Resources are involved in various ventures and agreements on an arm's-length basis, including (i) the ownership and operation of the Wolf Creek Generating Station (a nuclear powered generating station) ("Wolf Creek"); (ii) the ownership and operation of the LaCygne Station (a coal-fired station consisting of two generating units); (iii) the lease by KCPL from a subsidiary of Western Resources of a 345 kv transmission line from Wolf Creek to LaCygne Station; (iv) the MOKAN Power Pool, pursuant to which KCPL and Western Resources, along with Utilicorp United Inc. ("UCU"), operate a Wichita-Topeka-Kansas City-Sibley interconnection; and (v) the Southwest Power Pool pursuant to which KCPL and Western Resources engage in joint transmission planning.

In the normal course of business, KCPL and Western Resources buy and sell electric power from and to each other in arm's-length transactions pursuant to filed rate schedules.

ITEM 4. THE SOLICITATION OR RECOMMENDATION

(A) AND (B) AS MORE FULLY DESCRIBED BELOW, THE KCPL BOARD HAS RECOMMENDED THAT KCPL SHAREHOLDERS REJECT THE WESTERN RESOURCES OFFER AND NOT TENDER THEIR SHARES OF KCPL COMMON STOCK PURSUANT TO THE WESTERN RESOURCES OFFER. THE KCPL BOARD HAS ALSO REAFFIRMED ITS DETERMINATION THAT THE TERMS OF THE MERGER AGREEMENT BETWEEN KCPL AND UCU ARE FAIR TO, AND IN THE BEST INTERESTS OF, KCPL AND ITS SHAREHOLDERS.

BACKGROUND. KCPL, UCU and KC United Corp. ("KCU") entered into an Agreement and Plan of Merger (the "Original Merger Agreement") dated as of January 19, 1996. In accordance with the terms and conditions of the Original Merger Agreement, KCPL and UCU would have been merged into KCU (the "Original Merger"), with each outstanding share of KCPL Common Stock being converted into one share of KCU common stock, and each outstanding share of UCU common stock being converted into 1.096 shares of KCU common stock.

On April 14, 1996, Mr. A. Drue Jennings, Chairman of the Board, President and Chief Executive Officer of KCPL, received a telephone call from Mr. John E. Hayes, Jr., Chairman of the Board and Chief Executive Officer of Western Resources, in which Mr. Hayes informed Mr. Jennings that he was delivering to Mr. Jennings an unsolicited proposal to the board of directors of KCPL (the "KCPL Board") pursuant to which Western Resources would acquire all of the outstanding KCPL Common Stock in exchange for shares of Western Resources Common Stock valued at $28.00 per share of KCPL Common Stock, subject to a "collar" limiting the amount of Western Resources Common Stock that holders of KCPL Common Stock would receive to no more than 0.985 shares, and no less than 0.833 shares, of Western Resources Common Stock for each share of KCPL Common Stock. Following such telephone conversation, on April 14, 1996, Mr. Jennings received from Western Resources a letter (the "April 14 Letter") setting forth further details of Western Resources' unsolicited merger proposal.

A meeting of the KCPL Board was held on April 19, 1996 and April 21, 1996 to consider Western Resources' proposal. At this meeting, the KCPL Board received presentations from KCPL's management and its financial and legal advisors. On April 21, the KCPL Board, based upon the presentations given, the advice received, and the considerations discussed at such meeting of the KCPL Board, determined that further exploration of the Western Resources proposal was not in the best interests of KCPL, its shareholders, customers, employees and other constituencies. Also on such date, the KCPL Board reaffirmed its approval of the Original Merger with UCU.

On April 22, 1996, Western Resources announced that it intended to commence an unsolicited exchange offer for all outstanding shares of KCPL Common Stock.

On May 6, 1996, KCPL and UCU announced that they would recommend an annual dividend of $1.85 per common share for KCU. Also on May 6, 1996, Western Resources announced that it had increased the lower limit of the "collar" in the Western Resources Offer. According to Western Resources, the minimum number of shares of Western Resources Common Stock that KCPL shareholders would receive for each share of KCPL Common Stock if the Western Resources Offer was consummated would be changed from 0.833 to 0.91. The maximum number was not changed.

On May 9, 1996 the KCPL Board met in order to review the status of the Original Merger and the proposed Western Resources exchange offer. During the period beginning on May 10, 1996 and ending on May 19, 1996, various meetings were held between executives of KCPL and UCU to discuss a possible change in the exchange ratios in the Original Merger, certain changes in the structure of the Original Merger and other possible changes to the terms of the Original Merger. On May 20, 1996, KCPL, KC Merger Sub, Inc. ("Sub"), KCU and UCU entered into the Amended and Restated Agreement and Plan of Merger, dated as of January 19, 1996, as amended and restated as of May 20, 1996 (as amended and restated, the "Merger Agreement"). Pursuant to the Merger Agreement, (i) Sub will merge with and into UCU, with UCU surviving (the "UCU Merger"), and (ii) immediately thereafter, the surviving corporation in the UCU Merger will merge with and into KCPL, with KCPL surviving (together with the UCU Merger, the "Mergers"). As part of the Mergers, KCPL will be renamed Maxim Energies, Inc. ("Maxim"). Pursuant to the Merger Agreement, shareholders of UCU will receive one share of KCPL common stock for each share of common stock, par value $1.00 per share, of UCU ("UCU Common Stock"), and KCPL shareholders will retain their existing shares. The Merger Agreement is filed as Exhibit 3 hereto and is incorporated herein by reference. Also on May 20, 1996, KCPL announced that it was cancelling the vote on the Original Merger scheduled to be held at the annual meeting of KCPL shareholders on May 22, 1996.

On May 22, 1996, the Citizens' Utility Ratepayers Board (the "CURB"), an organization created by Kansas statute whose purpose is to represent the interests of residential and small commercial ratepayers in public utility matters, and the staff of the Kansas State Corporation Commission (the "Kansas Commission") filed testimony and exhibits with the Kansas Commission recommending that rate reductions be imposed on Western Resources. The CURB recommended an $87 million annual reduction, and the Kansas Commission staff recommended a $105 million annual reduction.

On June 17, 1996, Western Resources commenced a solicitation of proxies from KCPL shareholders in opposition to the issuance of KCPL Common Stock in connection with the Mergers and announced (the "June 17 Announcement") that it was increasing the price in its offer to merge with KCPL to $31 of Western Resources Common Stock for each share of KCPL Common Stock, subject to a "collar" pursuant to which each share of KCPL Common Stock would be exchanged for no more than 1.1 and no less than 0.933 shares of Western Resources Common Stock. On June 19, 1996, Western Resources amended the terms of its proposed exchange offer to reflect the terms of the June 17 Announcement. On June 24, 1996, the KCPL Board met and determined that further exploration of the proposal of Western Resources contained in the June 17 Announcement was not in the best interests of KCPL, its shareholders, customers, employees and other constituencies. The KCPL Board also reaffirmed its approval of the Mergers and the Merger Agreement.

On July 8, 1996, Western Resources filed a tender offer statement on Schedule 14D-1 with the Securities and Exchange Commission. At a meeting held on July 9, 1996, the KCPL Board reviewed and deliberated the terms of the Western Resources Offer with its legal and financial advisors. At its meeting held on July 9, 1996, the KCPL Board determined by a unanimous vote of those directors present that the Western Resources Offer is not in the best interests of KCPL and its shareholders, customers, employees and other constituencies. Accordingly, the KCPL Board recommended that KCPL shareholders reject the Western Resources Offer and not tender their shares. KCPL's press release and letter to shareholders with respect to the KCPL Board's recommendation are attached hereto as Exhibits 4 and 5, respectively, and are incorporated herein by reference.

THE RECOMMENDATION. The KCPL Board resolved to recommend against the Western Resources Offer because the KCPL Board did not find the Western Resources Offer to be in the best interests of KCPL and its shareholders, customers, employees and other constituencies. In making this determination, the KCPL Board considered the following factors, among others:

- WESTERN RESOURCES FACES SIGNIFICANT RATE REDUCTIONS.

In connection with Western Resources' acquisition of Kansas Gas and Electric Company ("KGE") in 1991, the Kansas Commission ordered that all merger savings (over and above an acquisition adjustment that is inapplicable here) should be shared equally between ratepayers and shareholders. However, Western Resources has not yet adjusted its rate levels to reflect the savings achieved in the KGE merger. As a result, Western Resources is currently embroiled in rate reduction proceedings before the Kansas Commission.

The KCPL Board believes that the Kansas Commission will impose rate reductions on Western Resources far in excess of the $8.7 million per year over seven years that Western Resources has proposed. Western Resources has implicitly admitted that it can afford to reduce its earnings by at least an additional $50 million per year by requesting the Kansas Commission's permission to accelerate depreciation on the Wolf Creek plant by that annual amount. Indeed, the staff of the Kansas Commission has recommended an immediate annual rate reduction of $105 million, an amount twelve times greater than Western Resources' proposal in the first year of reduction. The KCPL Board believes that the Kansas Commission will address Western Resources' overearnings by ordering significant rate reductions and will not permit Western Resources to keep such overearnings.

- ANTICIPATED RATE REDUCTIONS COULD IMPERIL WESTERN RESOURCES' ABILITY TO DELIVER PROMISED DIVIDENDS TO KCPL SHAREHOLDERS.

The implementation of the Kansas Commission staff's recommended $105 million annual rate reduction would have a significant negative impact on Western Resources' cash flow and earnings. If the $105 million annual rate reduction is implemented, then virtually all of Western Resources' projected earnings for 1998 would be required to pay the dividends promised to KCPL shareholders (based on (i) Western Resources' own projection of earnings for 1998 assuming a KCPL/Western Resources combination, as reported in the Western Resources Prospectus, and (ii) a reduction of such projections, calculated by KCPL, to reflect the full rate decrease recommended by the staff of the Kansas Commission). Even if the Kansas Commission orders a rate decrease of only $80 million annually, a figure amounting to approximately three-fourths of its staff's recommendation, over 90% of Western Resources' projected earnings for 1998 could be required to make the promised dividend payments. EVEN WITHOUT SUCH RATE REDUCTIONS, THE WESTERN RESOURCES PROSPECTUS ADMITS THAT WESTERN RESOURCES' PROJECTED DIVIDENDS DECLARED PER SHARE FOR 1998 EXCEED PROJECTED EARNING PER SHARE FOR 1998. In light of these facts, the KCPL Board questions the reliability of Western Resources' dividend promises.

- WESTERN RESOURCES' SYNERGIES CLAIMS ARE UNREALISTIC AND WESTERN RESOURCES WILL NOT BE ALLOWED TO RETAIN 70% OF THE SAVINGS RESULTING FROM A MERGER WITH KCPL.

The KCPL Board believes, based on a review of Western Resources' synergies analysis, that Western Resources has significantly overestimated the amount of savings that would result from a KCPL/Western Resources combination. Furthermore, Western Resources' assumption that it will be allowed to retain 70% of the savings resulting from a merger with KCPL is inconsistent with applicable precedent. The Kansas Commission, in its order authorizing the merger of KGE and Western Resources' predecessor, Kansas Power and Light Co. ("KPL"), required merger savings (over and above an acquisition adjustment that is inapplicable here) to be shared equally (50-50) between shareholders and customers. In addition, the staff of the Missouri Public Service Commission, in the pending Union Electric/CIPSCO merger, is recommending an equal (50-50) sharing of merger savings

between shareholders and customers. Western Resources will need the approval of both of these regulatory agencies for any merger with KCPL. In light of these precedents, it appears unrealistic to assume that Western Resources will be able to keep 70% of merger savings.

As a result of the KCPL Board's conclusion that Western Resources will not realize its forecasted amount of savings, and the KCPL Board's belief that Western Resources will not be able to retain its expected portion of whatever savings it does realize, the KCPL Board does not believe that Western Resources' financial forecasts, including future dividend forecasts, are credible.

- THE COMBINED EFFECT OF THE POTENTIAL $105 MILLION ANNUAL RATE REDUCTION AND OTHER FACTORS DISCUSSED ABOVE, AS WELL AS A MORE REALISTIC SYNERGIES SAVINGS ESTIMATE, WOULD HAVE A NEGATIVE IMPACT ON THE VALUE OF WESTERN RESOURCES' STOCK. IN THIS CONNECTION AND AS ILLUSTRATED BELOW, THE KCPL BOARD CONSIDERED AS ONE EXAMPLE OF THE FOREGOING THE IMPACT ON WESTERN RESOURCES' 1998 STOCK PRICE ASSUMING (I) THAT WESTERN RESOURCES' RATES WERE REDUCED BY $105 MILLION ANNUALLY IN ACCORDANCE WITH THE KANSAS COMMISSION'S STAFF'S RECOMMENDATIONS AND (II) WHAT THE KCPL BOARD BELIEVED TO BE A MORE REALISTIC SYNERGIES ESTIMATE.

If Western Resources' earnings are overstated by $0.33 as shown in the chart below, then multiplying such $0.33 overstatement by an assumed price/earnings ratio of 11.5 indicates that there could be a negative impact on the value of Western Resources' common stock in 1998 equalling approximately $3.80 per share.

Western Resources Forecast of 1998 Earnings Per Share for Western Resources/ KCPL Combination 1	$	2.52
Adjustment to Reflect $105 Million Rate Reduction Recommended by Kansas Corporation Commission Staff 2		(0.22)
Adjustment to Reflect Overstatement of Merger-Related Savings by Western Resources 3		(0.11)
Revised Estimate of Western Resources' 1998 Earnings per Share for Western Resources/KCPL Combination	$	2.19
Implied Reduction in Western Resources Common Stock value in 1998 based on assumed price/earnings ratio of 11.5 4	$	3.80

1 As reported in the Western Resources Prospectus and excluding costs to achieve savings and transaction costs. In the Western Resources Prospectus, Western Resources estimated earnings per share for 1998 based on Western Resources' closing stock price on July 2, 1996 resulting in an exchange ratio of 1.01224.

2 Assumes that Western Resources underestimated the rate reduction by $46.3 million, derived by subtracting from Kansas Commission staff's recommended $105 million annual rate reduction both (i) Western Resources' proposal for an $8.7 million rate reduction and (ii) Western Resources' proposal for $50 million accelerated depreciation of its investment in the Wolf Creek nuclear plant. The $46.3 million adjustment as reduced by 40% to reflect the effect of taxes results in an after-tax adjustment of $27.78 million, which results in a reduction to earnings per share of approximately $0.22 based upon 128,136,000 shares outstanding.

3 Assumes that $70.421 million in first year savings claimed by Western Resources in its prospectus dated July 3, 1996 are overstated by $23.474 million. KCPL's analysis of Western Resources' claimed merger-related savings indicated that Western Resources overestimated total purchasing savings by 62.7% and overestimated total administrative savings by 48.5%. Applying such percentages to the first year purchasing and administrative savings in Western's prospectus dated July 3, 1996 indicates that first year merger-related savings are overstated by slightly more than one-third. One-third of Western Resources' estimate of $70.421 million equals $23.474 million. The $23.474 million adjustment as reduced by 40% to reflect the effect of taxes results in an after-tax adjustment of $14.084 million, which results in a reduction to earnings per share of approximately $0.11 based upon 128,136,000 shares outstanding.

4 Utility industry estimated average for 1996 as calculated in Merrill Lynch report dated June 26, 1996.

The foregoing contains certain statements of opinion and belief of KCPL. The foregoing information is provided to facilitate an analysis of the potential value of the Western Resources Offer. The implied reduction, if any, in Western Resources' common stock value may be greater or less than indicated above.

- THE WESTERN RESOURCES OFFER IS SUBJECT TO CONDITIONS THAT THE KCPL BOARD BELIEVES CANNOT BE SATISFIED.

The Western Resources Offer is conditioned on the availability of the pooling of interests method of accounting. The KCPL Board does not believe that a pooling of interests will be permissible. KCPL has granted certain of its officers stock options in tandem with limited stock appreciation rights through a nonqualified stock option agreement in conjunction with the Long-Term Incentive Plan established on May 5, 1992. Under the terms of the Long-Term Incentive Plan, the limited stock appreciation rights will be automatically exercised one day after an event of change in control. The Western Resources Offer, if consummated, would be considered a change in control. The resulting exercise of the stock appreciation rights will cancel any related stock option and allow the holder to receive in cash an amount equal to the excess of the fair market value on the date of exercise of one share of common stock over the option price multiplied by the number of shares of common stock covered by the related stock option. Such cash payments for securities that are essentially the same as common stock would violate paragraph 47b of APB Opinion No. 16 of the Accounting Principles Board and prohibit the pooling of interests method of accounting.

- THE RATE DISPARITY BETWEEN KGE AND KPL CUSTOMERS AMOUNTS TO AT LEAST $171 MILLION ANNUALLY.

There is a significant disparity among the rates charged to Western Resources customers. The rates charged to KGE customers were to have been reduced in connection with the acquisition of KGE by KPL. However, testimony before the Kansas Commission indicates that if the rates charged to Western Resources' KGE customers were reduced to equal the rates charged to customers of Western Resources' KPL subsidiary, Western Resources would suffer a $171 million annual revenue reduction. Thus, even if the Kansas Commission follows the suggestion of its staff and the entire $105 million annual rate reduction is applied to KGE customers, Western Resources would still face a rate disparity of approximately $65 million per year. Given these facts, the KCPL Board questions Western Resources' commitment to sharing prospective merger savings with KCPL customers. In an increasingly deregulated utility environment, the KCPL Board believes that Western Resources will have to address the rate disparity issue because Western Resources' customers may otherwise choose to purchase cheaper power from Western Resources' competitors, and the KCPL Board does not believe that revenues from KCPL customers should be used to subsidize a rate reduction for KGE customers.

- RECENTLY, WESTERN RESOURCES BEGAN THE 40-YEAR AMORTIZATION OF THE ACQUISITION PREMIUM FOR KGE OF APPROXIMATELY $20 MILLION ANNUALLY.

As a result of the KGE acquisition, Western Resources must amortize an $801 million acquisition premium at the rate of approximately $20 million per year over a period of forty years, only a portion of which will be recovered in rates. This significant, ongoing and long-term burden is a liability that the KCPL Board does not believe KCPL shareholders and ratepayers should be forced to share.

- A COMBINATION OF KCPL AND WESTERN RESOURCES WOULD CONCENTRATE RISK.

A combined KCPL/Western Resources entity would own 94% of the Wolf Creek nuclear plant, concentrating a significant amount of capital and risk in a single asset. The KCPL Board believes that it would be preferable to avoid concentration of additional risk in Wolf Creek. In contrast, a KCPL/UCU entity would own only 47% of Wolf Creek. Moreover, a KCPL/Western Resources combined company would operate in relatively uniform climatic, geographic and regulatory markets, further concentrating risk while a KCPL/UCU entity would operate in eight geographically diverse states and six foreign countries.

- A COMBINED KCPL/UCU ENTITY WOULD BE BETTER POSITIONED TO COMPETE IN A DEREGULATED MARKET.

A merger with UCU provides KCPL with access to new markets in several states and foreign countries, diversifies KCPL's risks by providing entry into nonregulated energy related businesses, and provides KCPL with the competitive advantages of UCU's successful brand name, EnergyOne. A merger with Western Resources would provide KCPL with none of these immediate advantages. The KCPL Board believes that UCU is much better positioned than Western Resources to compete in a deregulated utility market.

- WESTERN RESOURCES' "NO LAYOFFS" PROMISE IS NOT CREDIBLE.

Western Resources has stated that no layoffs would result from its proposal. However, the synergy analysis filed by Western Resources with the Kansas Commission stated that 531 employee positions would be eliminated and assumed that all resulting savings would be available by January 1, 1998. In light of Western Resources' admission in its proxy materials that a hostile transaction could not be completed until the end of 1997, the KCPL Board does not believe that Western Resources could achieve those 531 "reductions" without laying off KCPL employees.

- THE KCPL BOARD QUESTIONS WESTERN RESOURCES' COMMITMENT TO KANSAS CITY.

Based on historical contributions of Western Resources, the KCPL Board doubts Western Resources' commitment to Kansas City charities and Kansas City community development efforts.

- THE WESTERN RESOURCES OFFER MAY BE TAXABLE TO KCPL SHAREHOLDERS.

In Western Resources' prospectus dated July 3, 1996, it is disclosed that Western Resources' tax counsel will render opinions that the effects of Western Resources' proposal will be tax-free to KCPL shareholders. It is also disclosed that such opinions will be based upon certain assumptions made with the consent of Western Resources. The KCPL Board cannot evaluate whether the Western Resources Offer will be tax-free to KCPL shareholders without knowing the nature of such assumptions. However, if these assumptions are identical to the assumptions set forth in the Western Resources preliminary prospectus dated April 22, 1996, the KCPL Board believes that many of the assumptions described as underlying such opinions are questionable, and if any of such assumptions prove invalid, the Western Resources Offer may constitute a taxable transaction. In a taxable transaction, the value received by KCPL shareholders would be significantly less than Western Resources' offer of $31 per KCPL share.

- A KCPL/UCU COMBINATION OFFERS SUPERIOR BENEFITS TO KCPL AND ITS SHAREHOLDERS.

At its meeting held on July 9, 1996, the KCPL Board also reaffirmed its determination that the terms of the Merger Agreement are fair to, and in the best interests of, KCPL and its shareholders, customers, employees and other constituencies. In making its recommendation in favor of the Mergers and against the Western Resources Offer, the KCPL Board considered Western Resources' proposal but determined to proceed with the UCU transaction because of the benefits of the UCU transaction. The KCPL Board believes that the electric utility industry will undergo tremendous upheaval in the wake of deregulation. As barriers to the mergers of utilities come down, the utility industry will come to more closely resemble other industries where competition is intense and only the strongest companies succeed. The KCPL Board is convinced that in order to succeed in such a market, KCPL must be a customer focused, low-cost energy supplier with diversified assets and the financial resources to leverage its strengths. The KCPL Board believes that the Mergers will allow KCPL to achieve these goals, and that this unique opportunity for KCPL and UCU to merge provides unusual opportunities for KCPL shareholders to participate in the growth of the combined company. This growth will derive from operating efficiencies obtained from economies of scale; the more efficient use of the current investments in generating and transmission capacity and advanced information systems; improved opportunities for cost reductions; revenue enhancements made possible by the combination of KCPL and UCU (SEE "THE MERGERS -- Enhancement of Financial Performance" at pages 55-58 of the Joint Proxy Statement/Prospectus, which pages are incorporated by reference

herein and attached hereto as part of Exhibit 6); domestic market diversification, due to UCU's presence in eight different states, leading to reduced risk; international market diversification, due to UCU's presence in five foreign countries, both reducing risk and affording unusual growth opportunities; the addition of natural gas to the products and services offered to customers and the potential for attracting new customers through the offering of such additional service; and the long-term financial capability of a larger company. In the judgment of the KCPL Board, these factors combine to offer shareholders improved opportunities for earnings and dividend growth and an enhanced ability to manage risk in an uncertain environment created by the changing utility market.

In reaching the conclusion to reaffirm the Merger Agreement and the transactions contemplated therein, the KCPL Board considered: (i) the prospective financial strength of each company individually and the benefits of combination discussed above, particularly in light of the KCPL Board's familiarity with and review of KCPL's business, operations, financial condition and earnings on both an historical and prospective basis, and the KCPL Board's belief that the strategic alliance with UCU will provide opportunities to achieve benefits for KCPL's shareholders and customers that would not be available if KCPL and UCU remained as separate enterprises; (ii) current industry, economic and market conditions which encourage consolidation to reduce risk and create new avenues for earnings growth as discussed under "THE MERGERS - -- Background of the Mergers" at pages 32-46 of the Joint Proxy Statement/Prospectus, which pages are incorporated by reference herein and attached hereto as Exhibit 7; (iii) KCPL's estimated cost savings resulting from the Mergers, which the KCPL Board believes to be credible and achievable, and the effect of such savings on the competitive position of Maxim; (iv) the enhanced access to capital that Maxim would enjoy due to the size of the combined company; (v) UCU's experience in energy related non-regulated businesses; (vi) the proposed structure of the transaction with UCU and the terms of the Merger Agreement and other documents to be executed in connection with the Mergers which provide for reciprocal representations and warranties, conditions to closing and rights to termination, and balanced rights and obligations; (vii) that the Mergers are expected to be treated as a tax-free reorganization and to be accounted for as a pooling of interests transaction (which avoids the reduction in earnings which would result from the creation and amortization of goodwill under purchase accounting); (viii) the expected benefits of the Mergers discussed below; (ix) the Exchange Ratio in the Mergers as compared to the exchange ratios in the Original Merger and the increase in value to KCPL shareholders in the Mergers as compared to the Original Merger, which increase in value is due to an increase in the percentage interest held in the combined company by KCPL shareholders from approximately 55% to approximately 57%; (x) that approval of the issuance of shares of KCPL Common Stock in connection with the Mergers requires the affirmative vote of the holders of a majority of the shares of KCPL Common Stock voting thereon as compared to the Original Merger which required the favorable vote of two-thirds of the outstanding shares of KCPL Common Stock, that this change increased the likelihood of consummation of the combination by eliminating the power of a minority of KCPL shareholders to effectively veto what the majority approve, and that Western Resources would likely commence litigation challenging this aspect of the Merger Agreement (which latter consideration led the KCPL Board to deem it advisable to commence litigation seeking declaratory judgments concerning the legality of the Merger Agreement and its adoption (SEE Item 8 hereto)); and (xi) the written opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") dated as of June 26, 1996 to the effect that the Exchange Ratio is fair to holders of KCPL Common Stock (other than UCU and its affiliates) from a financial point of view. The written opinion of Merrill Lynch dated as of June 26, 1996 is filed as Exhibit 8 hereto and is incorporated herein by reference. In that regard, management of KCPL has advised Merrill Lynch that it believes there are significant contingencies and uncertainties associated with the proposal of Western Resources to acquire the outstanding shares of KCPL Common Stock by means of an exchange offer and merger (as set forth in the Registration Statement on Form S-4 filed by Western Resources with the Securities and Exchange Commission on April 22, 1996, as amended to reflect the terms contained in the June 17 Announcement (the "Western Resources Proposal")) due to the speculative nature of certain assumptions made by Western Resources in the Western Resources Proposal relating to Western Resources' ability to achieve and retain certain estimated aggregate cost

savings, and the likelihood of substantially greater rate reductions affecting Western Resources in a pending rate proceeding than those assumed by Western Resources. Management of KCPL has also advised Merrill Lynch that it believes that the Western Resources Proposal is not consistent with the strategic objectives of KCPL. In view of the foregoing, Merrill Lynch was not asked by the KCPL Board to consider, and Merrill Lynch did not consider, the Western Resources Proposal in arriving at its opinion. In determining that the Mergers are fair to and in the best interests of its shareholders, the KCPL Board considered the above facts as a whole and did not assign specific or relative weights to them.

The KCPL Board believes that the benefits of the Mergers will include the following:

(i) DIVERSIFICATION. The Mergers will result in the increased ability of KCPL and UCU to diversify their existing operations through acquisitions of primarily energy related, non-regulated assets or entities, development and marketing of new products and use of new technology, thereby assisting Maxim in counteracting potential decreases in revenue caused by increased competition in the utility industry.

(ii) CUSTOMER SERVICE. Maxim will rapidly be able to develop and deploy innovative customer services, especially those using advanced information technology. These services will reach a wider customer base than would be possible with each company operating alone.

(iii) STRATEGIC ACQUISITIONS. The Mergers will provide a larger and more stable platform from which to acquire properties that mesh with the strategic intent of the combined enterprise.

(iv)COORDINATION OF DISPATCH. The coordination of the dispatch of Maxim's electric generating units and transmission facilities should permit more efficient utilization of Maxim's resources to meet the combined system's requirements and provide continued low-cost energy to Maxim's customers.

(v) INCREASED PURCHASING COORDINATION. The oordination of purchases of products including fuel, electric energy and natural gas should enable Maxim to lower costs of such items through economies of scale and increased bargaining strength and should contribute to more efficient inventory management.

(vi) MANAGEMENT OF PRICE INCREASES. The operating cost savings resulting from the Mergers will allow Maxim to hold future electric rate increases below what would otherwise be necessary for the individual utilities, thus maintaining the cost advantage currently enjoyed by customers of KCPL and UCU.

(viii) GENERATION PLANNING BENEFITS. Due to the greater size and diversity of electric generating units which will result from combining the KCPL and UCU systems, Maxim can achieve the same level of reliability for the combined system with a lower reserve margin than that currently employed by either KCPL or UCU. Future generation planning should benefit Maxim by improving the existing ability of KCPL and UCU to satisfy customer demand load by lowering reserve requirements, diversifying periods of peak customer demands and optimizing base-load plant usage. In addition, the Mergers will permit the two utilities to reduce the consequences of the loss of a major base-load power plant. Major extended outages can be very costly both to utilities and to their customers. Protection against such costs include backup capacity and provisions for alternative base-load sources. The risk to any one utility of having problems at any one facility may also be mitigated through coordinated system planning and scheduling of power plant maintenance in a large pool of base-load generating units.

(viii) PEAK DEMAND REDUCTION EFFORTS. As members of a coordinated system, KCPL and UCU will be able to share their expertise in demand-side management techniques. Demand-side management includes the reduction of peak loads of customers through pricing, energy efficiency programs and other load management programs.

(ix) DEFERRAL OF CAPITAL INVESTMENTS. It is anticipated that Maxim will be able to eliminate or defer certain capital investments that KCPL and UCU otherwise would have to make as separate entities. These include the deferral or elimination of planned peaking capacity additions and the deferral of planned base-load capacity additions in the early 2000s.

(x) OPERATIONS AND MAINTENANCE ACTIVITIES. The coordinated allocation of manpower, equipment, technology and other resources should result in benefits to customers of the two utilities. Sharing of stored inventory and other materials should be attainable and may result in reduced costs to both utilities.

(xi) EXPANDED MANAGEMENT RESOURCES. In combination, KCPL and UCU will be able to draw on a larger and more diverse mid- and senior-level management pool to lead the combined Maxim forward in an increasingly competitive environment for the delivery of energy.

(xii)INCREASED SIZE AND STABILITY. As a larger entity, Maxim will have a more diverse generating, transmission and customer base. In addition, Maxim will have a larger asset base than either KCPL or UCU, enhancing its access to capital markets.

(xiii) ECONOMIC DEVELOPMENT EFFORTS. A larger, more diverse service territory and competitive rates should broaden the range of opportunities KCPL and UCU can offer existing and potential customers, making the combined service area more attractive to business and helping to stimulate economic growth in the region.

(xiv) REDUCED ADMINISTRATIVE COSTS. It is anticipated that as a result of combining staff functions, within several years, Maxim will need approximately 200 fewer employees than KCPL and UCU would need without the Mergers. These work force reductions will be accomplished, as much as possible, through restrictions on hirings (which are currently in effect at both companies), attrition and voluntary early retirement. In addition, some savings in areas such as insurance, regulatory costs and auditing and consulting fees should be realizable.

(xv) COMMUNITY INVOLVEMENT. Maxim will be a stronger partner in the economic development efforts of the communities KCPL and UCU now serve. The philanthropic and volunteer programs currently maintained by the two companies will be continued with the enhanced resources of the combined entity. Moreover, Maxim's substantial customer base will give it a stronger voice in national policy debates on issues affecting the region.

Several of the benefits discussed above result from synergies associated with the merger of KCPL and UCU. KCPL and UCU retained Ernst & Young LLP ("Ernst & Young") to assist in identifying and quantifying the synergies that would result from the Mergers. Ernst & Young identified potential synergies of $636 million. Utilizing the methodologies developed by Ernst & Young's synergies study, KCPL and UCU identified additional operational benefits totalling $56.5 million (before taxes) over four years. The Palmer Bellevue practice of Coopers & Lybrand Consulting assisted KCPL and UCU in their development of additional information relating to Maxim's ability to enhance its financial performance; such financial enhancement is expected to equal $244 million (before taxes) over four years. The development of such figures was based on assumptions that KCPL believes to be reasonable, but there can be no assurances that such assumptions will approximate actual experience and, in such event, actual results could differ materially from such figures. Shareholders are urged to review the detailed analysis of such synergies, operational efficiencies and financial enhancements, and the assumptions underlying them, set forth under "THE MERGERS - -- Certain Forward Looking Information," "-- Synergies from the Mergers," "-- Additional Operational Benefits" and "-- Enhancement of Financial Performance" at pages 51-58 of the Joint Proxy Statement/Prospectus, which pages are attached hereto as Exhibit 6 and are incorporated herein by reference.

ITEM 5. PERSONS RETAINED, EMPLOYED OR TO BE COMPENSATED

KCPL has retained Merrill Lynch to render financial advisory services to KCPL in connection with the Mergers and the Western Resources Offer. Pursuant to the terms of an engagement letter

dated November 14, 1995, KCPL has agreed to pay Merrill Lynch (i) a $150,000 retainer fee and (ii) a transaction fee equal to $7,000,000 (the "Transaction Fee") against which the retainer fee will be credited. The Transaction Fee is payable in three installments: One-third upon the execution of the definitive agreement to effect the Original Merger, one-third upon shareholder approval of the Mergers, and any remaining unpaid portion upon closing of the Mergers. KCPL has also agreed to reimburse Merrill Lynch for its reasonable out-of-pocket expenses and to indemnify Merrill Lynch and certain related persons against certain liabilities in connection with its engagement, including certain liabilities under the federal securities laws.

Pursuant to the terms of an engagement letter dated March 4, 1995, KCPL has retained Merrill Lynch as its exclusive financial advisor with respect to certain events, including, among other things, (a) any acquisition by a person or group of persons of 5% or more of any class of KCPL's equity securities, (b) any solicitation of proxies or shareholder consents in opposition to, or without the support of the KCPL Board, (c) any oral or written proposal to KCPL or any of its shareholders relating to an acquisition of, or a business combination involving KCPL (by merger, tender offer or otherwise) or relating to the acquisition of any of its capital stock or all or a substantial portion of its revenues or income by way of a joint venture, negotiated purchase, lease, license, exchange or other means or (d) any other extraordinary transactions involving KCPL. Pursuant to such engagement letter, KCPL has agreed to retain Merrill Lynch on terms and conditions customarily established by major investment banking firms for similar services in similar circumstances at such time. KCPL has also agreed to reimburse Merrill Lynch for its reasonable out-of-pocket expenses and to indemnify Merrill Lynch and certain related persons against certain liabilities in connection with its engagement, including certain liabilities under the federal securities laws.

KCPL has retained D.F. King & Co., Inc. to assist KCPL in its solicitation of proxies in connection with the Mergers and to assist KCPL in connection with its communications with its shareholders with respect to, and to provide other services to KCPL in connection with, the Mergers and the Western Resources Offer. Such firm will receive reasonable and customary compensation for its services and will be reimbursed for its out-of-pocket expenses in connection therewith. KCPL has agreed to indemnify such firm against certain liabilities arising out of or in connection with its engagement.

KCPL has retained Abernathy MacGregor Scanlon and Burson-Marsteller as public relations advisors in connection with the Mergers and the Western Resources Offer. Such firms will receive reasonable and customary compensation for their services and will be reimbursed for their out-of-pocket expenses in connection therewith. KCPL has agreed to indemnify such firms against certain liabilities arising out of or in connection with their engagement.

Except as set forth above, neither KCPL nor any person acting on its behalf has employed, retained or compensated any person to make solicitations or recommendations to shareholders with respect to the Mergers or the Western Resources Offer.

ITEM 6. RECENT TRANSACTIONS AND INTENT WITH RESPECT TO SECURITIES

(a) Except as described below, there have been no transactions in shares of KCPL Common Stock which were effected during the past 60 days by KCPL, or, to the best knowledge of KCPL, any executive officer, director, affiliate or subsidiary of KCPL.

The following officers of KCPL have made purchases of KCPL Common Stock in the last 60 days pursuant to KCPL's employee savings plan in the amounts set forth beside their names: B. J. Beaudoin (74 shares); F. L. Branca (69 shares); S. W. Cattron (50 shares); C. R. Cole (108 shares); J. J. DeStefano (141 shares); M. Jackson (96 shares); A. D. Jennings (295 shares); J. S. Latz (52 shares); D. M. Morgan (126 shares); N. A. Roadman (70 shares); M. C. Sholander (47 shares); R. A. Spring (68 shares); B. M. Tate (80 shares); R. G. Wasson (74 shares) and J. T. White (111 shares).

The following directors of KCPL have made purchases of KCPL Common Stock in the last 60 days pursuant to KCPL's dividend reinvestment plan in the amounts set forth beside their names: D. L. Bodde (12 shares); W. H. Clark (4 shares); R. J. Dineen (4 shares); A. J. Doyle (4 shares); W. T. Grant (4 shares); G. E. Nettels (4 shares); L. H. Talbot (4 shares) and R. H. West (4 shares).

(b) To the best knowledge of KCPL, none of its executive officers, directors, affiliates or subsidiaries presently intends to tender shares of KCPL Common Stock to Western Resources pursuant to the Western Resources Offer or to sell any shares of KCPL Common Stock that are owned beneficially or held of record by such persons, in each case, subject to and consistent with any fiduciary obligations in the case of shares of KCPL Common Stock held by a fiduciary.

ITEM 7. CERTAIN NEGOTIATIONS AND TRANSACTIONS BY THE SUBJECT COMPANY

(a) and (b). As described under Item 3(b) above, KCPL, UCU and KCU entered into the Original Merger Agreement as of January 19, 1996, and on May 20, 1996, KCPL, Sub, KCU and UCU entered into the Merger Agreement. The terms of the Merger Agreement are more fully set forth in the Merger Agreement, which is incorporated herein by reference and filed as Exhibit 3, and in the Summary of the Joint Proxy Statement/Prospectus, which is incorporated herein by reference and is attached hereto as Exhibit 9. A description of the background of the Mergers is contained in Item 3(b) above and under the heading "THE MERGERS -- Background of the Mergers" at pages 32-46 of the Joint Proxy Statement/Prospectus. A copy of these pages is attached as Exhibit 7 hereto and is incorporated herein by reference.

Except as described in this Item 7, KCPL is not engaged in any negotiation in response to the Western Resources Offer which relates to or would result in (i) an extraordinary transaction, such as a merger or reorganization, involving KCPL or any of its subsidiaries, (ii) a purchase, sale or transfer of a material amount of assets of KCPL or any of its subsidiaries, (iii) a tender offer for or other acquisition of securities by or of KCPL or (iv) a material change in the present capitalization or dividend policy of KCPL.

ITEM 8. ADDITIONAL INFORMATION TO BE FURNISHED

On May 20, 1996, KCPL commenced litigation captioned KANSAS CITY POWER & LIGHT CO. V. WESTERN RESOURCES, INC., ET AL., C.A. No. 96-552-CV-W-5 in the United States District Court for the Western District of Missouri, Western Division, against Western Resources and Robert L. Rives. In this litigation, KCPL is seeking a declaratory judgment that the Merger Agreement and the transactions contemplated thereby were adopted and may be completed in accordance with Missouri law and are not void, voidable, subject to injunction or rescission based upon any claim that KCPL's directors, officers or agents acted illegally or inequitably in adopting the Merger Agreement. KCPL also seeks a declaratory judgment that Western Resources lacks standing to challenge the Merger Agreement, the transaction contemplated thereby, or the acts leading to its adoption.

On May 24, 1996, Jack R. Manson ("Manson"), a shareholder of KCPL, filed a motion to intervene in the above action as a representative of a class consisting of similarly situated KCPL shareholders. Manson also requested leave to file an answer to the complaint, in which he would assert counterclaims against KCPL and each of its directors, who would be joined as counterclaim defendants. The proposed counterclaims would allege that KCPL and its directors breached fiduciary duties of care, loyalty and disclosure in responding to Western Resources' acquisition overtures, including their adoption of the Merger Agreement; that their actions in adopting the Merger Agreement were illegal and ULTRA VIRES; that the adoption of the Merger Agreement illegally deprived KCPL shareholders of voting and appraisal rights under Missouri law; and that the adoption of the Merger Agreement was a disproportionate response to Western Resources' acquisition offer. On June 7, 1996, this motion to intervene was granted. KCPL believes that the proposed counterclaims are without merit and will vigorously defend.

On June 7, 1996, Western Resources and Rives answered the complaint in the above action and made two counterclaims against KCPL, alleging that the Merger Agreement is illegal under Missouri

law because it does not require approval of two-thirds of all outstanding KCPL shares and does not provide dissenters' rights to KCPL shareholders, and that the directors of KCPL breached their fiduciary duties by adopting the Merger Agreement. KCPL believes that these counterclaims are without merit and will vigorously defend.

During a June 13, 1996 telephone conference concerning scheduling the proceedings in the above litigation, the court indicated that the issues of the legality of the Merger Agreement and its adoption would be heard by the court on July 25, 1996.

On June 27, 1996, KCPL and its directors filed a reply to Mr. Manson's counterclaims and denied any liability on the counterclaims.

Also on June 27, 1996, KCPL filed a reply to the counterclaim of Western Resources and Mr. Rives and denied any liability on the their counterclaim. In the reply to the counterclaim of Western Resources and Mr. Rives, KCPL asserted a counterclaim against Western Resources (the "KCPL counterclaim"). The KCPL counterclaim alleges that Western has violated Section 14 of the Securities Exchange Act of 1934, as amended and Rule 14a-9 thereunder by conducting a campaign of intentionally misleading statements and omissions designed to induce KCPL shareholders to vote against the Original Merger Agreement and intended to disrupt the vote on the Merger Agreement.

In a July 3, 1996 telephone conference, the District Court ordered KCPL to produce the documents KCPL had listed on the privilege log it had served upon the opposing parties. The District Court ordered the documents claimed as privileged be produced to Mr. Manson, Mr. Rives and Counsel for Western Resources. On July 5, 1996, KCPL filed with the District Court a motion to stay the order to produce documents in anticipation of filing with the United States Court of Appeals for the Eighth Circuit a petition for writ of mandamus directing the District Court to vacate its order.

ITEM 9. MATERIAL TO BE FILED AS EXHIBITS

Exhibit 1: Pages 73-78, 85-90, 102-109 and 120 from the Joint Proxy Statement/Prospectus.

Exhibit 2: Pages 112-117 from the Original Joint Proxy Statement/Prospectus.

Exhibit 3: Agreement and Plan of Merger, dated as of January 19, 1996, amended and restated as of May 20, 1996, by and among KCPL, Sub, UCU and KCU (incorporated herein by reference to Annex A to the Joint Proxy Statement/Prospectus included in Amendment No.2 to KCPL's Registration Statement on Form S-4 (File No. 333-5637) dated June 25, 1996).

Exhibit 4: Press Release of KCPL issued on July 9, 1996.

Exhibit 5: Letter to KCPL Shareholders dated July 9, 1996.

Exhibit 6: Pages 51-58 of the Joint Proxy Statement/Prospectus.

Exhibit 7: Pages 32-46 of the Joint Proxy Statement/Prospectus.

Exhibit 8: Opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated, dated as of June 26, 1996 (incorporated herein by reference to Annex B to the Joint Proxy Statement/Prospectus).

Exhibit 9: Summary of the Joint Proxy Statement/Prospectus.

Exhibit 10: Press Release of KCPL dated April 15, 1996 (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on April 15, 1996).

Exhibit 11: Press Release of KCPL dated April 18, 1996 (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on April 18, 1996).

Exhibit 12: Letter to KCPL Shareholders dated April 21, 1996 (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on April 22, 1996).

Exhibit 13: Press Release of KCPL dated April 22, 1996 (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on April 23, 1996).

Exhibit 14: Press Release of KCPL dated April 24, 1996 (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on April 24, 1996).

Exhibit 15: Letter to KCPL shareholders dated April 29, 1996 (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on April 30, 1996).

Exhibit 16: Press Release of KCPL dated April 30, 1996 (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on April 30, 1996).

Exhibit 17: Press Release of KCPL dated May 6, 1996 (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on May 6, 1996).

Exhibit 18: Press Release of KCPL dated May 6, 1996 (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on May 6, 1996).

Exhibit 19: Letter to KCPL shareholders dated May 6, 1996 (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on May 6, 1996).

Exhibit 20: Article in May 6, 1996 Employee Newsletter (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on May 6, 1996).

Exhibit 21: Press Release of KCPL dated May 16, 1996 (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on May 16, 1996).

Exhibit 22: Press Release of KCPL dated May 17, 1996 (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on May 17, 1996).

Exhibit 23: Press Release of KCPL dated May 20, 1996 (incorporated herein by reference to KCPL's Form 8-K filed on May 22, 1996).

Exhibit 24: Letter to KCPL shareholders dated May 31, 1996 (incorporated herein by reference to KCPL's Soliciting Material Pursuant to Rule 240.14a-12 filed on May 30, 1996).

Exhibit 25: Letter to KCPL shareholders dated June 19, 1996 (incorporated herein by reference to KCPL's Soliciting Material Pursuant to Rule 240.14a-12 filed on June 20, 1996).

Exhibit 26: Press Release of KCPL dated June 25, 1996 (incorporated herein by reference to KCPL's Soliciting Material Pursuant to Rule 240.14a-12 filed on June 25, 1996).

Exhibit 27: Press Release of KCPL dated July 1, 1996 (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on July 1, 1996).

Exhibit 28: Letter to KCPL shareholders dated July 5, 1996 (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on July 5, 1996).

Exhibit 29: Press Release of KCPL dated July 8, 1996 (incorporated herein by reference to KCPL's Definitive Additional Materials on Schedule 14A filed on July 8, 1996).

Exhibit 30: Complaint of Kansas City Power & Light Company against Western Resources, Inc. and Robert L. Rives (dated May 20, 1996, C.A. No. 96-552-CV-W-5, U.S. District Court for the Western District of Missouri, Western Division).

Exhibit 31: Answer of Defendants Western Resources, Inc. and Robert L. Rives (dated June 7, 1996, C.A. No. 96-552-CV-W-5, U.S. District Court for the Western District of Missouri, Western Division).

Exhibit 32: Counterclaim of Western Resources, Inc. and Robert L. Rives against Kansas City Power & Light Company (dated June 7, 1996, C.A. No. 96-552-CV-W-5, U.S. District Court for the Western District of Missouri, Western Division).

Exhibit 33: Order Granting Jack R. Manson's Motion to Intervene (dated June 7, 1996, C.A. No. 96-552-CV-W-5, U.S. District Court for the Western District of Missouri, Western Division).

Exhibit 34: Answer and Counterclaim in Intervention by Jack Manson, individually and on behalf of all individual and/or entities similarly situated, as Intervenor Defendant and Counterclaim Plaintiff, the answer being to the Complaint (Exhibit 30) and the Counterclaim being against Kansas City Power & Light Co. and third party Counterclaim Defendants A. Drue Jennings, Dr. David L. Bodde, William H. Clark, Robert J. Dineen, Arthur J. Doyle, W. Thomas Grant, II, George E. Nettels, Jr., Linda Hood Talbott, Ph.D., and Robert H. West (order allowing intervention granted June 7, 1996, C.A. No. 96-552-CV-W-5, U.S. District Court for the Western District of Missouri, Western Division).

Exhibit 35 Plaintiff's Reply to the Counterclaim of Western Resources, Inc. and Robert L. Rives and Counterclaim of Kansas City Power and Light Company against Western Resources, Inc. (dated June 27, 1996, C.A. No. 96-552-CV-W-5, U.S. District Court for the Western District of Missouri, Western Division).

Exhibit 36: Plaintiff's and Counterclaim Defendants' Reply to Intervenor Mason's Counterclaim (dated June 27, 1996, C.A. No. 96-552-CV-W-5, U.S. District Court for the Western District of Missouri, Western Division).

Exhibit 37: Kansas City Power & Light Company's Motion for Stay Pending Disposition of a Petition for Writ of Mandamus (dated July 5, 1996, C.A. No. 96-552-CV-W-5, U.S. District Court for the Western District of Missouri, Western Division).

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

KANSAS CITY POWER & LIGHT COMPANY

By:
/s/ JEANIE SELL LATZ

Jeanie Sell Latz
SENIOR VICE PRESIDENT, CORPORATE
SECRETARY AND CHIEF LEGAL OFFICER

Dated: July 9, 1996

CONFLICTS OF INTEREST

In considering the recommendations of the KCPL Board and the UCU Board with respect to the Mergers, stockholders should be aware that certain members of KCPL's and UCU's management and Boards of Directors have certain interests in the Mergers that are in addition to the interests of stockholders of KCPL and UCU generally. The Boards of Directors of each of KCPL and UCU were aware of these interests and considered them, among other matters, in approving the Merger Agreement, the Mergers and the transactions contemplated thereby.

EMPLOYMENT AGREEMENTS. The Employment Agreements with each of Messrs. Jennings and Green will become effective upon the consummation of the Mergers. The term of each Employment Agreement shall last until the fifth anniversary of the Effective Time. Pursuant to Mr. Jennings' Employment Agreement, from the Effective Time until the date of the annual meeting of shareholders of Maxim that occurs in 2002, Mr. Jennings will serve as Chairman of Maxim, and thereafter until the expiration of his Employment Agreement will serve as Vice Chairman of Maxim. From the Effective Time until the earlier of the annual meeting of shareholders of Maxim that occurs in 2002 or the date Mr. Jennings ceases to serve as Chairman, Mr. Green will serve as Vice Chairman and Chief Executive Officer of Maxim, and thereafter until the expiration of his Employment Agreement will serve as Chairman and Chief Executive Officer. See "--Employment Agreements." The Employment Agreements with Messrs. Jennings and Green provide that each will receive an annual base salary, short-term and long-term incentive compensation and supplemental retirement benefits no less than they received before the Effective Time and no less than any other senior executive officer of Maxim. Such compensation continues to be set in the discretion of the KCPL Board and the UCU Board, respectively. Based upon current compensation levels, Messrs. Jennings and Green would each receive an annual base salary of $630,000 and be eligible for annual bonuses of between $0 and approximately $1,040,000, depending upon performance. Under the Employment Agreements, Mr. Jennings and Mr. Green may become entitled to certain severance benefits upon termination of their employment

under specified circumstances. The amount of such benefits is based on, among other things, the remaining term of the Employment Agreement and their compensation in effect at the time of such termination of employment. Based upon the salary levels currently in effect, if the employment of Mr. Jennings or Mr. Green is terminated immediately following the consummation of the Mergers under circumstances entitling them to receive severance benefits, they would each be entitled to a severance payment ranging from approximately $1.9 million to approximately $3.1 million, plus certain amounts in respect of bonuses and other benefits. Because the maximum severance would be payable only if the employment of Mr. Jennings or Mr. Green is terminated immediately following consummation of the Mergers, and because the KCPL Board and the UCU Board have determined that it is in the best interest of Maxim to continue to employ both Mr. Jennings and Mr. Green, the Boards believe that it is highly unlikely that the maximum severence will actually become payable.

EMPLOYEE PLANS AND SEVERANCE ARRANGEMENTS. Under certain severance arrangements entered into by KCPL and UCU, certain payments may become payable in connection with the Mergers. In addition, stock options outstanding under the UCU Plan and the UCU 1986 Plan vested upon execution of the Original Merger Agreement. Restricted stock outstanding under the UCU 1986 Plan will vest upon consummation of the Mergers. See "-- Employee Plans and Severance Arrangements."

Each of KCPL's five most highly compensated executive officers have entered into a KCPL Severance Agreement. Payments which could be made under certain circumstances to such individuals in the event of their termination of employment after the Mergers are as follows: Mr. A. Drue Jennings -- $2,275,384; Mr. Bernard J. Beaudoin -- $1,129,949; Mr. Marcus Jackson -- $861,161; Mr. Ronald G. Wasson -- $1,045,065; Mr. J. Turner White -- $780,736. In addition, each of these individuals, if they receive the severance payments described above, would also receive the following amounts in deferred compensation: Mr. Jennings -- $282,196; Mr. Beaudoin -- $54,025; Mr. Jackson -- $0; Mr. Wasson -- $113,493; and Mr. White -- $0.

Except for Mr. Charles Dempster, each of the five most highly compensated executive officers of UCU entered into a UCU Severance Agreement. Payments which could be made under certain circumstances to such individuals upon termination of their employment after the Mergers are as follows: Mr. Richard Green -- $1,890,000, Mr. Robert Green -- $1,440,000; Mr. Burgess -- $722,304; and Mr. Miller -- $841,548.

Stock options vested for the five most highly compensated executive officers of UCU are as follows: Mr. Richard Green -- 120,565 shares; Mr. Robert Green -- 74,194; Mr. Burgess -- 21,744; Mr. Dempster -- 41,582; and Mr. Miller -- 32,022. Restricted stock which will vest for such officers is as follows: Mr. Richard Green -- 44,536 shares; Mr. Robert Green -- 19,601; Mr. Burgess -- none; Mr. Dempster -- 4,132; and Mr. Miller -- 3,493.

BOARD OF DIRECTORS. As provided in the Merger Agreement, at the Effective Time, the Maxim Board will consist of 18 directors, nine of whom will be the then existing directors of KCPL immediately prior to the Effective Time, including Mr. Jennings, and nine of whom will be designated by UCU. To date, UCU has not determined which individuals, in addition to Richard C. Green, Jr., will be its designees to serve as directors of Maxim as of the Effective Time. However, it is currently anticipated that the directors of UCU immediately prior to the Effective Time will serve as UCU's designees to the Maxim Board. See "MAXIM FOLLOWING THE MERGERS -- Maxim Board of Directors."

INDEMNIFICATION. The parties have agreed in the Merger Agreement that Maxim will indemnify, to the fullest extent permitted by applicable law, the present and former officers, directors and employees of each of the parties to the Merger Agreement or any of their Subsidiaries against certain liabilities (i) arising out of actions or omissions occurring at or prior to the Effective Time that arise from or are based on such service as an officer, director or employee or (ii) that are based on or arise out of or pertain to the transactions contemplated by the Merger Agreement, and to maintain policies of directors' and officers' liability insurance for a period of not less than six years after the Effective Time, provided that Maxim shall not be required to expend in any year an amount in excess of 200% of the annual aggregate premium currently paid by KCPL and UCU for such insurance. To the fullest

extent permitted by law, from and after the Effective Time, all rights to indemnification existing in favor of the employees, agents, directors or officers of KCPL, UCU and their respective Subsidiaries with respect to their activities as such prior to the Effective Time, as provided in their respective articles of incorporation and bylaws in effect on January 19, 1996, or otherwise in effect on January 19, 1996, shall survive the Mergers and shall continue in full force and effect for a period of not less than six years from the Effective Time. See "THE MERGER AGREEMENT -- Directors' and Officers' Indemnification."

CERTAIN ARRANGEMENTS REGARDING THE DIRECTORS AND MANAGEMENT OF MAXIM

In connection with the Mergers, the Maxim Board, at the Effective Time, will consist of 18 persons, nine of whom will be the then existing directors of KCPL immediately prior to the Effective Time, and nine of whom will be designated by UCU. To date, UCU has not determined which individuals, in addition to Richard C. Green, Jr., will be its designees to serve as directors of Maxim as of the Effective Time. However, it is currently anticipated that the directors of UCU immediately prior to the Effective Time will serve as the initial directors of Maxim. Robert K. Green, brother of Richard C. Green, Jr., will be the president of Maxim and Marcus Jackson will serve as Maxim's executive vice president and chief operating officer. Robert K. Green is currently president of UCU and Marcus Jackson is senior vice president and chief operating officer of KCPL. See "MAXIM FOLLOWING THE MERGERS -- Maxim Board of Directors" and "-- Management of Maxim."

The Merger Agreement provides that during the three-year period commencing at the Effective Time, certain provisions thereof (including provisions relating to existing employee agreements, workforce matters, benefit plans, stock option and other plans and certain officer positions of Maxim) may be enforced on behalf of the officers, directors and employees of KCPL and UCU, as the case may be, by the directors of Maxim designated by KCPL and UCU, respectively (or their successors).

EMPLOYMENT AGREEMENTS

Forms of the Employment Agreements of Messrs. Jennings and Green are attached hereto as Annexes F and G, respectively. Messrs. Jennings and Green are sometimes hereinafter individually referred to as the "Executive." The Employment Agreements will become effective only at the Effective Time. The provisions of the Employment Agreements which relate to the Executive serving as a director on the Maxim Board assume that the Executive is elected to the Maxim Board by Maxim shareholders.

The term of each Employment Agreement shall last until the fifth anniversary of the Effective Time. Pursuant to Mr. Jennings' Employment Agreement, from the Effective Time until the date of the annual meeting of shareholders of Maxim that occurs in 2002, Mr. Jennings will serve as Chairman of Maxim, and thereafter until the expiration of his Employment Agreement will serve as Vice Chairman of Maxim. From the Effective Time until the earlier of the annual meeting of shareholders of Maxim that occurs in 2002 or the date Mr. Jennings ceases to serve as Chairman, Mr. Green will serve as Vice Chairman and Chief Executive Officer of Maxim, and thereafter until the expiration of his Employment Agreement will serve as Chairman and Chief Executive Officer.

Each Employment Agreement provides that the Executive will receive an annual base salary, short-term and long-term incentive compensation (including stock options and restricted stock) and supplemental retirement benefits no less than they received before the Effective Time, as well as life insurance providing a death benefit of three times their annual base salaries. The Executive is also entitled to retirement and welfare benefits on the same basis as other executives, and certain fringe benefits and to an unreduced early retirement benefit under certain circumstances.

CERTAIN OBLIGATIONS OF MAXIM UPON TERMINATION OF EMPLOYMENT AGREEMENT. If Maxim terminates the employment of the Executive without "cause" (as defined in the Employment Agreements) or the Executive terminates his employment for "good reason" (as defined in the Employment Agreements, and which term includes a termination by the Executive for any reason during the 30-day period commencing on the third anniversary of the UCU Effective Time), (i) Maxim shall pay

to the Executive in a lump sum, a cash amount equal to (a) the present value of the Executive's annual base salary and incentive compensation (assuming targets have been met) payable through the end of the term of the Employment Agreement or, if longer, for a period of three years (the "Continuation Period"), each at the rate in effect at the time of termination of the Executive's employment, (b) except with respect to benefits described in clause (ii) below, the value of all insurance, expenses and fringe benefits to which he would have been entitled through the Continuation Period and (c) the value of all deferred compensation amounts (together with accrued interest or earnings thereon), and all executive life insurance benefits whether or not then vested or payable, and (ii) Maxim shall continue medical and welfare benefits to the Executive and/or his family at least equal to those which would have been provided had he remained employed by Maxim through the end of the Continuation Period. If the Executive dies during the term of the Employment Agreement, Maxim will pay to the Executive or his beneficiaries or estate all compensation earned through the date of death (including previously deferred compensation and pro rata incentive compensation based upon the maximum potential awards). If the Executive is terminated by Maxim for cause or if the Executive terminates his employment without good reason, Maxim will pay his base salary through the date of termination plus any previously deferred compensation. Any amounts paid to the Executive pursuant to his severance agreement will be netted against amounts due under his Employment Agreement. See "-- Employee Plans and Severance Arrangements."

EMPLOYEE PLANS AND SEVERANCE ARRANGEMENTS

UCU has entered into Severance Compensation Agreements with 36 of its officers (each, a "UCU Severance Agreement"). The UCU Severance Agreements are intended to provide for continuity of management in the event of a "change of control" of UCU or a "spin-off" of a business unit of UCU. Under such agreements, executives are entitled to certain severance benefits if, following a (a) "change of control," the executive's employment with UCU is terminated within the three-year period following the "change of control," (b) "spin-off" affecting the executive, the executive is terminated and does not become employed by the "spin-off purchaser" or (c) "spin-off " affecting the executive, the executive's employment with the "spin-off purchaser" is terminated within the one-year period following the "spin-off," unless such termination is a result of the executive's (i) "disability," (ii) "retirement," (iii) termination for "cause," or (iv) decision to terminate employment other than for "good reason" (each as defined in the UCU Severance Agreements). Severance benefits include (A) a lump-sum cash amount equal to 2.99 times the executive's "average annual compensation" in the event of a "change in control," or (B) 1.0 times the executive's "average annual compensation" in the event of a "spin-off." In addition, each UCU Severance Agreement provides for (1) acceleration of stock options granted to the executive pursuant to UCC's stock incentive plan, (2) lapsing of any restrictions relating to stock awards under such plan, (3) a lump-sum cash payment of any deferred compensation, (4) immediate vesting in any long-term incentive compensation under UCU's long-term incentive plan, (5) payment of a percentage of the cost of insurance continuation benefits on behalf of the executive pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1986 and any other benefits relating to health or medical care that are available under UCU policy to the executive following termination of employment, and (6) a lump-sum cash amount equal to the annual incentive paid to the executive in each of the immediately preceding two calendar years, in the event of a "change in control," other than a "spinoff," or in the immediately preceding calendar year in the event of a "spin-off." Severance benefits to executives are effectively limited by Section 280G of the Code, and are therefore subject to adjustment in the event it is determined that such benefits exceed or fall below the maximum amount permitted under the Code. The Mergers will, at the Effective Time, constitute a "change in control." If benefits become payable under all of the UCU Severance Agreements, the aggregate amount that Maxim would be required to pay thereunder would be approximately $20.5 million.

KCPL has entered into severance agreements with a number of its executives, including its seven most senior executives (each agreement with such senior executives, a "KCPL Severance Agreement"). Each of the KCPL Severance Agreements provides for the payment of severance benefits

upon termination of employment with KCPL (a) during the three-year period beginning with a "change in control" of KCPL (or, if later, beginning with the consummation of the transaction the approval of which by KCPL's shareholders constitutes a change in control), unless such termination of employment is (i) by KCPL for "cause," (ii) by the senior executive for any reason other than "good reason" (each as defined in the KCPL Severance Agreements) or (iii) as a result of the senior executive's death or disability or (b) during the 30-day period commencing one year after change in control (or, if later, beginning with the consummation of the transaction the approval of which by KCPL's shareholders constitutes a change in control).

If a senior executive's employment is terminated under the circumstances described in the immediately preceding paragraph, KCPL is obligated to pay or provide to such executive the following benefits: (A) a lump-sum cash amount in an amount equal to (i) three times the senior executive's highest annual base salary as in effect during the 12-month period immediately prior to the date of termination, plus (ii) three times the senior executive's average annualized incentive compensation awards paid or payable pursuant to the KCPL Incentive Compensation Plan during the five fiscal years immediately preceding the fiscal year in which the Mergers occur; (B) a lump-sum cash amount equal to the value of three additional years of credit service under the KCPL Management Pension Plan and any related agreement, and (C) a lump-sum cash amount equal to the value of the unvested portion (if any) of such senior executive's employer matching contributions under the KCPL Cash or Deferred Arrangement. In addition, each KCPL Severance Agreement provides for three years' continuation of all medical, accident, disability and life insurance plans with respect to the senior executive. The KCPL Severance Agreements provide for an additional payment to be made to the senior executive in order to indemnify the senior executive for any excise tax imposed by Section 4999 of the Code on any payment or distribution by KCPL or its affiliated companies to or for the benefit of the senior executive. If benefits become payable under the KCPL Severance Agreements, the aggregate amount that Maxim would be required to pay thereunder to the five most highly compensated officers of KCPL would be approximately $6.1 million.

MAXIM PLANS

Pursuant to the terms of the Merger Agreement, Maxim will implement the Maxim Plans described below, subject to shareholder approval thereof at the KCPL Meeting. Each of the Maxim Plans will become effective as of the Effective Time.

MAXIM STOCK INCENTIVE PLAN. This plan is a comprehensive stock compensation plan designed to provide Maxim with the ability to provide incentives linked to the profitability of its businesses and increases in stockholder value. The Maxim Stock Incentive Plan provides for the grant of stock options, including incentive stock options ("ISOs"), stock appreciation rights ("SARs"), restricted stock and performance units. The maximum number of shares of Maxim Common Stock available for issuance under the plan is 9,000,000 shares, but not more than 3,000,000 shares may be issued as restricted stock, no participant may be granted awards covering in excess of 600,000 shares of Maxim Common Stock in any one year and no participant may be granted performance units in any one calendar year payable in cash in an amount that would exceed $2,000,000. The Nominating and Compensation Committee of the Maxim Board (the "Maxim Compensation Committee") will administer the plan and make awards thereunder, and will have broad authority to fix the terms and conditions of individual agreements with participants. This plan is being submitted to shareholders of KCPL for approval, and is described in greater detail under "APPROVAL OF MAXIM PLANS -- Maxim Stock Incentive Plan" elsewhere in this Joint Proxy Statement/Prospectus; a copy of the plan is attached as Annex D. Following implementation of the Maxim Stock Incentive Plan, no further obligations will be incurred under the existing stock incentive plans of KCPL and UCU.

MAXIM MIC PLAN. This plan is a short-term incentive compensation plan designed to benefit eligible employees of Maxim and its subsidiaries. The Maxim MIC Plan rewards key management personnel for meeting established individual, group and corporate goals. Employees who participate in this plan will be granted awards payable in cash, shares of Maxim Common Stock or such other

form as may be determined by the Maxim Compensation Committee to the extent predetermined goals are attained within the performance period. Awards are based on a percentage of a participant's annual base salary. This plan is being submitted to shareholders of KCPL for approval, and is described in greater detail under "APPROVAL OF MAXIM PLANS -- Maxim MIC Plan" elsewhere in this Joint Proxy Statement/Prospectus; a copy of the plan is attached as Annex E. Following implementation of the Maxim MIC Plan, no further obligations will be incurred under the existing short-term incentive plans of KCPL and UCU.

ACTIONS WITH RESPECT TO EXISTING STOCK OPTIONS AND CERTAIN OTHER EXISTING ARRANGEMENTS. All stock options to acquire UCU Common Stock under the UCU Employee Stock Option Plan and UCU 1986 Stock Incentive Plan that are outstanding at the Effective Time will be converted into options to buy Maxim Common Stock, and the number of shares and exercise price under such options will be adjusted so as to preserve both the same aggregate gain or loss immediately after the Effective Time as existed immediately before the Effective Time and the ratio of the exercise price per share subject to such stock option to the fair market value per underlying share, provided, however, that in the case of any stock option which is intended to be an ISO, the conversion shall be adjusted, if necessary, to comply with Section 424(a) of the Code. Maxim will assume the obligation to honor such options and any other outstanding awards under the existing stock incentive plans of UCU, and the terms and conditions of such options and awards will otherwise remain the same as before the Effective Time after giving effect to the conversion ratio of the UCU Common Stock. See "THE MERGER AGREEMENT -- Benefit Plans."

DIVIDEND REINVESTMENT PLAN

It is anticipated that, after the Effective Time, Maxim will have a dividend reinvestment and stock purchase plan. Participants in the KCPL Dividend Reinvestment Plan immediately prior to the Effective Time will continue to participate in the Maxim dividend reinvestment and stock purchase plan after the Effective Time. Following the Effective Time, former common stockholders of UCU will be able to participate in the Maxim dividend reinvestment and stock purchase plan with respect to the shares of Maxim Common Stock that they receive in the UCU Merger, and to have their accounts under the UCU Dividend Reinvestment and Common Stock Purchase Plan transferred to the Maxim dividend reinvestment and stock purchase plan. Stockholders of KCPL and UCU will be notified as to the terms of the Maxim dividend reinvestment and stock purchase plan as soon as practicable after such terms have been finalized.

CERTAIN COVENANTS

Pursuant to the Merger Agreement, each of KCPL and UCU has agreed that during the period from the Original Execution Date until the UCU Effective Time or earlier termination of the Merger Agreement, except as permitted by the Merger Agreement (including the disclosure schedules thereto) or as the other party otherwise consents in writing, it will (and each of its Subsidiaries will), subject to certain exceptions specified therein, among other things: (a) carry on its business in the ordinary course consistent with prior practice; (b) not declare or pay any dividends on or make other distributions in respect of any of its capital stock, other than (i) to such party or its wholly-owned Subsidiaries, (ii) dividends required to be paid on any UCU Preferred Stock or KCPL Preferred Stock, (iii) regular quarterly dividends to be paid on KCPL Common Stock and UCU Common Stock not to exceed 105% of the dividends for the comparable period of the prior fiscal year, and (iv) dividends by AGP, UtiliCorp U.K., Inc., UtiliCorp U.K. Limited, West Kootenay Power Ltd., UtiliCorp N.Z., Inc., and any Subsidiaries of such entities; (c) not effect certain other changes in its capitalization other than redeeming all series and classes of KCPL Preferred Stock and the UCU Preferred Stock, or funding employee stock ownership plans in accordance with past practice; (d) not issue, sell or dispose of any capital stock or securities convertible into capital stock other than (i) intercompany issuances of capital stock and (ii) up to 2,000,000 shares of KCPL Common Stock or UCU Common Stock, as the case may be, to be issued during any fiscal year pursuant to employee benefit plans, stock option and other incentive compensation plans, directors' plans and stock purchase and dividend reinvestment plans, except that, as set forth in the disclosure schedules, UCU may issue approximately 5.3 million additional shares of UCU Common Stock; (e) not incur indebtedness (or guarantees thereof), other than (i) indebtedness or guarantees or "keep well" or other agreements either in the ordinary course of business consistent with past practice, or not aggregating more than $250 million, (ii) arrangements between such party and its Subsidiaries or among its Subsidiaries, (iii) in connection with the refunding of existing indebtedness, (iv) in connection with any permitted redemption of any series or class of KCPL Preferred Stock or of UCU Preferred Stock, or (v) as may be necessary in connection with certain permitted acquisitions or capital expenditures; (f) not engage in material acquisitions, except individual acquisitions not exceeding $25 million in equity invested and not requiring board of directors' approval, provided that the total amount invested in any fiscal year does not exceed $150 million; (g) not make any capital expenditures during any fiscal year exceeding 125% of the amounts budgeted; (h) not sell or dispose of assets during any fiscal year singularly or in an aggregate amount equalling or exceeding $25 million, other than dispositions in the ordinary course of

business consistent with past practice; (i) not enter into, adopt or amend or increase the amount or accelerate the payment or vesting of any benefit or amount payable under any employee benefit plan or other contract, agreement, commitment, arrangement, plan, trust, fund or policy, except for normal increases in the ordinary course of business consistent with past practice that, in the aggregate, do not result in a material increase in benefits or compensatory expenses; (j) not enter into or amend any employee severance agreement other than in the ordinary course of business consistent with past practice; (k) not deposit into any trust (including any "rabbi trust") amounts in respect of any employee benefit obligations or obligations to directors, provided that transfers into any trust, other than a rabbi or other trust with respect to any non-qualified deferred compensation, may be made in accordance with past practice; (l) not engage in any activity which would cause a change in its status under the 1935 Act; (m) not make any changes in its accounting methods other than as required by law or in accordance with generally accepted accounting principles; (n) not take any action to prevent Maxim from accounting for the Mergers as a pooling of interests; (o) not take any action that would adversely affect the status of the Mergers as a tax-free reorganization under the Code; (p) not enter into any material agreements with affiliates (other than wholly-owned subsidiaries) or the parties' respective Joint Ventures, other than on an arm's-length basis; (q) cooperate with the other party, provide reasonable access to its books and records and notify the other party of any significant changes; (r) subject to applicable law, discuss with the other party any proposed changes in its rates or charges (other than pass-through fuel and gas rates or charges) or standards of service or accounting; consult with the other prior to making any filing (or any amendment thereto), or effecting any agreement, commitment, arrangement or consent with governmental regulators; and not make any filing to change its rates on file with the FERC that would have a material adverse effect on the benefits associated with the Mergers; (s) use all commercially reasonable efforts to obtain certain third-party consents to the Mergers; (t) not take any action reasonably likely to materially breach the Merger Agreement or any of its representations and warranties; (u) not take any action that is likely to jeopardize the qualification of KCPL's or UCU's outstanding revenue bonds as "exempt facility bonds" or as tax-exempt industrial development bonds; (v) create a joint transition management task force to examine alternatives to effect the integration of the parties after the Effective Time; (w) refrain from taking specified actions relating to tax matters; (x) maintain customary and adequate insurance and existing governmental permits; and (y) not discharge or satisfy any material claims, liabilities or obligations, other than discharges (in the ordinary course of business or in accordance with their terms) of liabilities reflected in the most recent consolidated financial statements.

The Merger Agreement provides that the parties will execute such further documents and instruments and take such actions as are necessary and reasonably requested by the other party to consummate the Mergers in accordance with the terms of the Merger Agreement.

MAXIM BOARD OF DIRECTORS

The Merger Agreement provides that at the Effective Time, the Maxim Board will consist of 18 persons, nine of whom will be the then existing directors of KCPL prior to the Effective Time and nine of whom will be designated by UCU prior to the Effective Time. If, prior to the Effective Time, any of such designees declines or is unable to serve, the party that designated such person will designate another person to serve in such person's stead. As of the date of this Joint Proxy Statement/Prospectus, UCU has not decided who, in addition to Mr. Green, will be designated to serve on the Maxim Board after the Effective Time.

DIRECTORS' AND OFFICERS' INDEMNIFICATION

The Merger Agreement provides that, to the extent, if any, not provided by an existing right of indemnification or other agreement or policy, from and after the Effective Time, Maxim will, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless each person who is on, or who has been at any time prior to, January 19, 1996, or who becomes prior to the Effective Time, an officer, director or employee of any of the parties thereto or any Subsidiary (each an "Indemnified Party," and collectively, "Indemnified Parties") against all losses, expenses (including reasonable attorney's fees and expenses), claims, damages or liabilities or, subject to the proviso of the next succeeding sentence, amounts paid in settlement, arising out of actions or omissions occurring at or prior to the Effective Time (and whether asserted or claimed prior to, at or after the Effective Time) that are, in whole or in part, based on or arising out of the fact that such person is or was a director, officer or employee of such party, and all such indemnified liabilities to the extent they are based on or arise out of or pertain to the transactions contemplated by the Merger Agreement. In the event of any such loss, expense, claim, damage or liability (whether or not arising before the Effective Time), (i) Maxim will pay the reasonable fees and expenses of counsel selected by the Indemnified Parties,

which counsel must be reasonably satisfactory to Maxim, promptly after statements therefor are received and otherwise advance to such Indemnified Party upon request reimbursement of documented expenses reasonably incurred, in either case to the extent not prohibited by the MGCL, (ii) Maxim will cooperate in the defense of any such matter and (iii) any determination required to be made with respect to whether an Indemnified Party's conduct complies with the standards set forth under the MGCL, the Restated Articles of Consolidation or Bylaws of Maxim will be made by independent counsel mutually acceptable to Maxim and the Indemnified Party; provided, however, that Maxim will not be liable for any settlement effected without its written consent (which consent must not be unreasonably withheld). The Merger Agreement further provides that the Indemnified Parties as a group may retain only one law firm with respect to each related matter except to the extent there is, in the opinion of counsel to an Indemnified Party, under applicable standards of professional conduct, a conflict on any significant issue between positions of such Indemnified Party and any other Indemnified Party or Indemnified Parties.

In addition, the Merger Agreement requires that for a period of six years after the Effective Time, Maxim will cause to be maintained in effect policies of directors' and officers' liability insurance maintained by KCPL and UCU for the benefit of those persons who were covered by such policies on January 19, 1996, on terms no less favorable than the terms of such insurance coverage, provided that Maxim will not be required to expend in any year an amount exceeding 200% of the annual aggregate premiums currently paid by KCPL and UCU for such insurance. If the annual premiums of such insurance coverage exceed such amount, Maxim will be obligated to obtain a policy with the best coverage available, in the reasonable judgment of the Maxim Board, for a cost not exceeding such amount. The Merger Agreement also provides that to the fullest extent permitted by law, from and after the Effective Time, all rights to indemnification existing in favor of the employees, agents, directors and officers of KCPL, UCU and their respective Subsidiaries with respect to their activities as such prior to the Effective Time, as provided in their respective articles of incorporation and by-laws in effect on January 19, 1996, or otherwise in effect on January 19, 1996, will survive the Mergers and will continue in full force and effect for a period of not less than six years from the Effective Time.

BENEFIT PLANS

The Merger Agreement provides that KCPL and UCU have agreed to cooperate and agree upon the employee benefit plans and programs to be provided by Maxim, and that each participant of any KCPL benefit plan or UCU benefit plan shall receive credit for purposes of eligibility to participate, vesting and eligibility to receive benefits under any benefit plan of Maxim or any of its subsidiaries or affiliates that replaces a KCPL benefit plan or UCU benefit plan; provided, however, that such crediting of service shall not operate to duplicate any benefit to any such participant or the funding for any such benefit. In addition, the UCU Supplemental Contributory Retirement Plan shall be revised to provide that references to UCU Common Stock shall instead refer to Maxim Common Stock.

Upon the consummation of the Mergers, no additional obligations will be incurred under the existing short-term incentive compensation plans of KCPL and UCU. Subject to shareholder approval thereof at the KCPL Meeting, the Maxim MIC Plan will become effective at the Effective Time. The Maxim MIC Plan provides for annual bonuses, based on percentages of base salaries, to be awarded based upon the achievement of performance goals determined in advance by the Maxim Compensation Committee. With respect to those participants in the new plan who are, or who the Maxim Compensation Committee determines are likely to be, "covered individuals" within the meaning of Section 162(m) of the Code with compensation in excess of the limitations set forth in Section 162(m), the performance goals are to be objective standards that are approved by shareholders in accordance with the requirements for exclusion from the limits of Section 162(m) of the Code as performance-based compensation. See "APPROVAL OF MAXIM PLANS -- Maxim MIC Plan" and Annex E.

Following the implementation of the Maxim Stock Incentive Plan, no additional awards will be made under the existing stock incentive plans of KCPL and UCU. Subject to shareholder approval thereof at the KCPL Meeting, the Maxim Stock Incentive Plan will become effective at the Effective Time. The Maxim Stock Incentive Plan provides for the grant of stock options, SARs, restricted stock and such other awards based upon Maxim Common Stock as the Maxim Compensation Committee may determine, subject to shareholder approval of the Maxim Stock Incentive Plan. Maxim intends to reserve 9,000,000 shares of Maxim Common Stock for issuance under this plan. Accordingly, the Maxim Stock Incentive Plan is being submitted to shareholders for approval. See "APPROVAL OF MAXIM PLANS -- Maxim Stock Incentive Plan" and Annex D.

At the Effective Time, (i) an option to purchase shares of UCU Common Stock under the existing stock incentive plans of UCU (each, a "UCU Stock Option") will constitute an option to acquire, on the same terms and conditions (subject to the adjustments necessary to give effect to the Mergers), shares of Maxim Common Stock based on the same number of shares of Maxim Common Stock as the holder of such UCU Stock Option would have been entitled to receive pursuant to the Mergers had such holder exercised such option in full immediately prior to the Effective Time and (ii) each other outstanding award under the existing stock incentive plans of UCU (each, a "UCU Stock Award") will

constitute an award based upon the same number of shares of Maxim Common Stock as the holder of such UCU Stock Award would have been entitled to receive pursuant to the Mergers had such holder been the owner, immediately before the Effective Time, of the shares of UCU Common Stock on which such UCU Stock Award is based, and otherwise on the same terms and conditions as governed such UCU Stock Award immediately before the Effective Time. See "THE MERGERS -- Maxim Plans."

CERTAIN EMPLOYMENT AGREEMENTS AND WORKFORCE MATTERS

Subject to certain provisions in the Merger Agreement, Maxim and its Subsidiaries have agreed to honor, without modification, all contracts, agreements, collective bargaining agreements and commitments of KCPL and UCU prior to the date of the Merger Agreement that apply to any current or former employee or current or former director of the parties hereto. Subject to applicable collective bargaining agreements, for a period of three years following the Effective Time, any reductions in workforce in respect of employees of Maxim shall be made on a fair and equitable basis, without regard to whether employment was with KCPL or the KCPL Subsidiaries or UCU or the UCU Subsidiaries, and any employee whose employment is terminated or job is eliminated by Maxim or any of its Subsidiaries during such period shall be entitled to participate on a fair and equitable basis in the job opportunity and employment placement programs offered by Maxim or any of its Subsidiaries. Any workforce reductions carried out following the Effective Time by Maxim and its Subsidiaries shall be done in accordance with all applicable collective bargaining agreements and all laws and regulations governing the Worker Adjustment and Retraining Notification Act and regulations promulgated thereunder, and any comparable state or local law.

APPROVAL OF MAXIM PLANS

MAXIM STOCK INCENTIVE PLAN

Pursuant to the Merger Agreement, it was agreed that Maxim would adopt a stock compensation plan to replace the existing stock incentive plans of KCPL and UCU (except with respect to obligations incurred or attributable to employment prior to the Effective Time) subject to approval by stockholders. Accordingly, the Maxim Stock Incentive Plan is submitted to the shareholders of KCPL for approval, as more fully described below. The Maxim Stock Incentive Plan will become effective only if approved by stockholders as described below, in which event it will become effective at the Effective Time and will terminate ten years thereafter.

The purpose of the Maxim Stock Incentive Plan is to enable Maxim and its Affiliates (as defined in the Maxim Stock Incentive Plan) to attract, retain and motivate officers and employees and to provide Maxim and its Affiliates with the ability to provide incentives linked to the profitability of Maxim's businesses, increases in stockholder value and the enhancement of performance relating to customers.

The Maxim Stock Incentive Plan has been designed to comply with the provisions of Section 162(m) of the Code which imposes limits on the ability of a public company to claim tax deductions for compensation paid to certain highly compensated executives. Section 162(m) of the Code generally denies a corporate tax deduction for annual compensation in excess of $1,000,000 paid to the chief executive officer and the four other most highly compensated officers of a public company. Certain types of compensation, including performance-based compensation, are generally excluded from this deduction limit. In an effort to ensure that stock awards under the Maxim Stock Incentive

Plan will qualify as performance-based compensation, which is generally deductible, the Maxim Stock Incentive Plan is being submitted to stockholders of KCPL for approval at the KCPL Meeting. KCPL believes compensation payable pursuant to the Maxim Stock Incentive Plan will be deductible for federal income tax purposes under most circumstances. However, under certain circumstances such as death, disability and change in control (all as defined in the Maxim Stock Incentive Plan), compensation not qualified under Section 162(m) of the Code may be payable. By approving the Maxim Stock Incentive Plan, the stockholders will be approving, among other things, the performance measures, eligibility requirements and limits on various stock awards contained therein. The affirmative vote of a majority of the votes entitled to be cast by the holders of the shares of KCPL Common Stock represented at the KCPL Meeting and entitled to vote thereon is required to approve the Maxim Stock Incentive Plan with respect to Section 162(m) of the Code. Such vote will also satisfy the stockholder approval requirements of Section 422 of the Code with respect to the grant of ISOs and Rule 16b-3 under the Exchange Act ("Rule 16b-3"). THE BOARD OF DIRECTORS OF KCPL, BY A UNANIMOUS VOTE, RECOMMENDS A VOTE FOR APPROVAL OF THE MAXIM STOCK INCENTIVE PLAN.

Set forth below is a summary of certain material features of the Maxim Stock Incentive Plan, which summary is qualified in its entirety by reference to the actual plan attached as Annex F to this Joint Proxy Statement/Prospectus:

ADMINISTRATION. The Maxim Stock Incentive Plan will be administered by the Maxim Compensation Committee or such other committee of the Maxim Board as the Maxim Board may from time to time designate, which will be composed solely of not less than two directors who qualify as "disinterested persons" for purposes of Rule 16b-3 and as "outside directors" for purposes of Section 162(m) of the Code. Among other things, the Maxim Compensation Committee will have the authority, subject to the terms of the Maxim Stock Incentive Plan, to select officers and employees to whom awards may be granted, to determine the type of award as well as the number of shares of Maxim Common Stock to be covered by each award, and to determine the terms and conditions of any such awards. The Maxim Compensation Committee also will have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Maxim Stock Incentive Plan as it shall deem advisable, to interpret the terms and provisions of the Maxim Stock Incentive Plan and any awards issued thereunder and to otherwise supervise the administration of the Maxim Stock Incentive Plan. All decisions made by the Maxim Compensation Committee pursuant to the Maxim Stock Incentive Plan will be final and binding.

ELIGIBILITY. Officers and salaried employees of Maxim and its Affiliates designated by the Maxim Compensation Committee who are responsible for or contribute to the management, growth and profitability of Maxim are eligible to be granted awards under the Maxim Stock Incentive Plan. No grant will be made under the Maxim Stock Incentive Plan to a director who is not an officer or a salaried employee. The initial determination of persons eligible to participate in the Maxim Stock Incentive Plan will not be made until after the Effective Time by the Maxim Compensation Committee as then constituted. Accordingly, it is not possible to estimate at this time the number of persons who will be eligible to participate in the Maxim Stock Incentive Plan.

PLAN FEATURES. The Maxim Stock Incentive Plan authorizes the issuance of up to 9,000,000 shares of Maxim Common Stock pursuant to the grant or exercise of stock options (including ISOs), SARs, restricted stock and performance units, but not more than 3,000,000 shares may be issued as restricted stock. No single participant may be granted awards pursuant to the Maxim Stock Incentive Plan covering in excess of 600,000 shares of Maxim Common Stock in any one calendar year and no participant may be granted performance units in any one calendar year payable in cash in an amount that would exceed $2,000,000. Subject to the foregoing limits, the shares available under the Maxim Stock Incentive Plan can be allocated among the various types of awards and among the participants as the Maxim Compensation Committee deems appropriate. The shares subject to grant under the Maxim Stock Incentive Plan are to be made available from authorized but unissued shares or from treasury shares as determined from time to time by the Maxim Board. Awards may be granted for such terms as the Maxim Compensation Committee may determine, except that the term of an ISO may not

exceed ten years from its date of grant. No awards outstanding on the termination date of the Maxim Stock Incentive Plan shall be affected or impaired by such termination. Awards will not be transferable, except by will and the laws of descent and distribution and, in the case of nonqualified stock options and any related SARs, as a gift to an optionee's children. The Maxim Compensation Committee will have broad authority to fix the terms and conditions of individual agreements with participants.

As indicated above, several types of stock-related grants can be made under the Maxim Stock Incentive Plan. A summary of these grants is set forth below:

STOCK OPTIONS. The Maxim Stock Incentive Plan authorizes the Maxim Compensation Committee to grant options to purchase Maxim Common Stock at an exercise price (the "option price") to be determined by the Committee. The Maxim Stock Incentive Plan permits optionees, with the approval of the Maxim Compensation Committee, to pay the exercise price of options in cash, stock (valued at its fair market value on the date of exercise) or a combination thereof. As noted above, options may be granted either as ISOs or nonqualified options. The principal difference between ISOs and nonqualified options is their tax treatment. See "-- Certain Federal Income Tax Consequences."

SARS. The Maxim Stock Incentive Plan authorizes the Maxim Compensation Committee to grant SARs in conjunction with all or part of any stock option granted under the Maxim Stock Incentive Plan. An SAR entitles the holder to receive upon exercise the excess of the fair market value of a specified number of shares of Maxim Common Stock at the time of exercise over the option price per share specified in the related stock option. Such amount will be paid to the holder in shares of Maxim Common Stock (valued at its fair market value on the date of exercise), cash or combination thereof, as the Maxim Compensation Committee may determine. An SAR may be granted in conjunction with a contemporaneously granted ISO or a previously or contemporaneously granted nonqualified option. The option will be cancelled to the extent that the related SAR is exercised and the SAR will be cancelled to the extent the related option is exercised.

RESTRICTED STOCK. The Maxim Stock Incentive Plan authorizes the Maxim Compensation Committee to grant restricted stock to individuals with such restriction periods as the Maxim Compensation Committee may designate. The Maxim Compensation Committee may, prior to granting shares of restricted stock, designate certain participants as "Covered Employees" upon determining that such participants are or are expected to be "covered employees" (within the meaning of Section 162(m)(3) of the Code), with compensation in excess of the limitation provided in Section 162(m) of the Code, and will provide that restricted stock awards to these Covered Employees cannot vest unless applicable performance goals established by the Maxim Compensation Committee within the time period prescribed by Section 162(m) of the Code are satisfied. These performance goals must be based on the attainment of specified levels of earnings per share, market share, stock price, sales, costs, net operating income, cash flow, retained earnings, return on equity, return on assets, economic value added, results of customer satisfaction surveys, aggregate product price and other product price measures, safety record, service reliability, demand-side management (including conservation and load management), operating and maintenance cost management, energy production availability and individual performance measures. Such performance goals also may be based on the attainment of specified levels of Maxim's performance under one or more of the measures described above relative to the performance of other corporations. Performance goals based on the foregoing factors are hereinafter referred to as "Performance Goals." With respect to Covered Employees, all Performance Goals must be objective performance goals satisfying the requirements for "performance-based compensation" within the meaning of Section 162(m)(4) of the Code. Notwithstanding the foregoing, the Maxim Compensation Committee shall have the discretion to grant to an employee who has become entitled to an award under the Maxim MIC Plan (see "-- Maxim MIC Plan"), in payment of all or any part of such award, shares of restricted stock that shall vest without regard to the attainment of Performance Goals. The Maxim Compensation Committee also may condition the vesting of restricted stock awards to participants who are not Covered Employees upon the satisfaction of these or other applicable performance goals. The provisions of restricted stock awards (including any applicable Performance

Goals) need not be the same with respect to each participant. During the restriction period, the Maxim Compensation Committee may require that the stock certificates evidencing restricted shares be held by Maxim. Restricted stock may not be sold, assigned, transferred, pledged or otherwise encumbered. Other than these restrictions on transfer and any other restrictions the Maxim Compensation Committee may impose, the participant will have all the rights of a holder of stock holding the class or series of stock that is the subject of the restricted stock award.

PERFORMANCE UNITS. The Maxim Stock Incentive Plan authorizes the Maxim Compensation Committee to grant performance units. Performance units may be denominated in shares of Maxim Common Stock or cash, or may represent the right to receive dividend equivalents with respect to shares of Maxim Common Stock, as determined by the Maxim Compensation Committee. Performance units will be payable in cash or shares of Maxim Common Stock if applicable Performance Goals (based on one or more of the measures described in the section entitled "--Restricted Stock" above) determined by such committee are achieved during an award cycle. An award cycle will consist of a period of consecutive fiscal years or portions thereof designated by the Maxim Compensation Committee over which performance units are to be earned. At the conclusion of a particular award cycle, the Maxim Compensation Committee will determine the number of performance units granted to a participant which have been earned in view of applicable Performance Goals and shall deliver to such participant (i) the number of shares of Maxim Common Stock equal to the value of performance units determined by the Maxim Compensation Committee to have been earned and/or (ii) cash equal to the value of such earned performance units. The Maxim Compensation Committee may, in its discretion, permit participants to defer the receipt of performance units on terms and conditions established by the Maxim Compensation Committee.

The Maxim Compensation Committee will have the authority to determine the officers and employees to whom and the time or times at which performance units shall be awarded, the number of performance units to be awarded to any participant, the duration of the award cycle and any other terms and conditions of an award. In the event that a participant's employment is involuntarily terminated or in the event of the participant's retirement, the Maxim Compensation Committee may waive in whole or in part any or all remaining payment limitations, provided, however, that the satisfaction of applicable Performance Goals by a designated Covered Employee cannot be waived unless such Covered Employee's employment is terminated by death, disability or change of control.

AMENDMENT AND DISCONTINUANCE. The Maxim Stock Incentive Plan may be amended, altered or discontinued by the Maxim Board, but no amendment, alteration or discontinuance may be made which would (i) impair the rights of an optionee under an option or a recipient of an SAR, restricted stock award or performance unit award previously granted without the optionee's or recipient's consent, except such an amendment made to qualify the Maxim Stock Incentive Plan for the exemption provided by Rule 16b-3 or (ii) disqualify the Maxim Stock Incentive Plan from the exemption provided by Rule 16b-3. Except as expressly provided in the Maxim Stock Incentive Plan, the Maxim Stock Incentive Plan may not be amended without stockholder approval to the extent such approval is required by law or agreement.

CHANGES IN CAPITALIZATION; CHANGE IN CONTROL. The Maxim Stock Incentive Plan provides that, in the event of any change in corporate capitalization, such as a stock split, or a corporate transaction, such as any merger, consolidation, share exchange, separation, spin-off or other distribution of stock or property of Maxim or any reorganization or partial or complete liquidation of Maxim, the Maxim Compensation Committee or the Maxim Board may make such substitutions or adjustments in the aggregate number and kind of shares reserved for issuance under the Maxim Stock Incentive Plan, in the number, kind and option price of shares subject to outstanding stock options and SARs, and in the number and kind of shares subject to other outstanding awards granted under the Maxim Stock Incentive Plan as may be determined to be appropriate by the Maxim Compensation Committee or the Maxim Board, in its sole discretion. The Maxim Stock Incentive Plan also provides that in the event of a change in control (as defined in the Maxim Stock Incentive Plan) of Maxim (i) any SARs and stock options outstanding as of the date of the change of control which are not then exercisable and vested

will become fully exercisable and vested, (ii) the restrictions applicable to restricted stock will lapse and such restricted stock shall become free of all restrictions and fully vested and (iii) all performance units will be considered to be earned and payable in full and any restrictions will lapse and such performance units will be settled in cash as promptly as practicable. The holders of options (other than options of holders subject to Section 16(b) of the Exchange Act that were granted not more than six months before the change in control) will have the right, for a period of 60 days after such date, to surrender such options in exchange for a cash payment based on the change in control price (as defined in the Maxim Stock Incentive Plan). However, if settlement in cash would disqualify a transaction from pooling-of-interests accounting treatment, the Maxim Compensation Committee may substitute stock.

FEDERAL INCOME TAX CONSEQUENCES. The following discussion is intended only as a brief summary of the federal income tax rules relevant to stock options, SARs, restricted stock and performance units. The laws governing the tax aspects of awards are highly technical and such laws are subject to change.

- NONQUALIFIED OPTIONS AND SARS. Upon the grant of a nonqualified option (with or without an SAR), the optionee will not recognize any taxable income and Maxim will not be entitled to a deduction. Upon the exercise of such an option or an SAR, the excess of the fair market value of the shares acquired on the exercise of the option over the option price (the "spread"), or the consideration paid to the optionee upon exercise of the SAR, will constitute compensation taxable to the optionee as ordinary income. In determining the amount of the spread or the amount of consideration paid to the optionee, the fair market value of the stock on the date of exercise is used, except that in the case of an optionee subject to the six month short-swing profit recovery provisions of Section 16(b) of the Exchange Act (generally officers and directors of Maxim), the fair market value will be determined six months after the date on which the option was granted (if such date is later than the exercise date) unless such optionee elects to be taxed based on the fair market value at the date of exercise. Any such election (a "Section 83(b) election") must be made and filed with the IRS within 30 days after exercise in accordance with the regulations under Section 83(b) of the Code. Maxim, in computing its federal income tax, will generally be entitled to a deduction in an amount equal to the compensation taxable to the optionee.

- ISOS. An optionee will not recognize taxable income on the grant or exercise of an ISO. However, the spread at exercise will constitute an item includable in alternative minimum taxable income, and thereby may subject the optionee to the alternative minimum tax. Such alternative minimum tax may be payable even though the optionee receives no cash upon the exercise of his ISO with which to pay such tax.

  Upon the disposition of shares of stock acquired pursuant to the exercise of an ISO after (i) two years from the date of grant of the ISO and (ii) one year after the transfer of the shares to the optionee (the "ISO Holding Period"), the optionee will recognize long-term capital gain or loss, as the case may be, measured by the difference between the stock's selling price and the exercise price. Maxim is not entitled to any tax deduction by reason of the grant or exercise of an ISO, or by reason of a disposition of stock received upon exercise of an ISO if the ISO Holding Period is satisfied. Different rules apply if the optionee disposes of the shares of stock acquired pursuant to the exercise of an ISO before the expiration of the ISO Holding Period.

- RESTRICTED STOCK. A participant who is granted restricted stock may make a Section 83(b) election to have the grant taxed as compensation income at the date of receipt, with the result that any future appreciation (or depreciation) in the value of the shares of stock granted shall be taxed as capital gain (or loss) upon a subsequent sale of the shares. However, if the participant does not make a Section 83(b) election, then the grant will be taxed as compensation income at the full fair market value on the date that the restrictions imposed on the shares expire. Unless a participant makes a Section 83(b) election, any dividends paid on stock subject to the restrictions

are compensation income to the participant and compensation expense to Maxim. Maxim is generally entitled to an income tax deduction for any compensation income taxed to the participant, subject to the provisions of Section 162(m) of the Code.

- PERFORMANCE UNITS. A participant who has been granted a performance unit award will not realize taxable income until the applicable award cycle expires and the participant is in receipt of the stock distributed in payment of the award or an equivalent amount of cash, at which time such participant will realize ordinary income equal to the full fair market value of the shares delivered or the amount of cash paid. At that time, Maxim generally will be allowed a corresponding tax deduction equal to the compensation taxable to the award recipient, subject to the provisions of Section 162(m) of the Code.

NEW PLAN BENEFITS. It cannot be determined at this time what benefits or amounts, if any, will be received by or allocated to any person or group of persons under the Maxim Stock Incentive Plan if such plan is adopted or what benefits or amounts would have been received by or allocated to any person or group of persons for the last fiscal year if the plan had been in effect. These determinations will be made by the Maxim Compensation Committee.

MAXIM MIC PLAN

Pursuant to the Merger Agreement, it was agreed that Maxim would adopt, subject to shareholder approval, an annual incentive plan to replace the existing short-term incentive compensation plans of KCPL and UCU (except with respect to obligations incurred or attributable to employment prior to the Effective Time), effective as of the Effective Time. The Maxim MIC Plan will not become effective with respect to individuals who are subject to Section 162(m) of the Code unless the shareholder approval described below is obtained.

The purpose of the Maxim MIC Plan is to provide a significant and flexible economic opportunity to selected officers and salaried employees of Maxim and its Affiliates (as defined in the Maxim MIC Plan) in an effort to reward their individual and group contributions to Maxim and to more closely link the financial interests of management, shareholders and customers.

The Maxim MIC Plan is designed to take into account Section 162(m) of the Code, which generally denies a corporate tax deduction for annual compensation exceeding $1,000,000 paid to the chief executive officer and the four other most highly compensated officers of a public company. Certain types of compensation, including performance-based compensation, are excluded from this deduction limit. In an effort to ensure that compensation payable under the Maxim MIC Plan to certain executives will qualify as performance-based compensation that is generally tax-deductible, the Maxim MIC Plan is being submitted to shareholders of KCPL for approval at the KCPL Meeting. KCPL believes that compensation payable pursuant to the Maxim MIC Plan will be deductible for federal income tax purposes under most circumstances. However, under certain circumstances such as death, disability and change in control (all as defined in the Maxim MIC Plan), compensation not qualified under Section 162(m) of the Code may be payable. By approving the Maxim MIC Plan, KCPL's shareholders will be approving, among other things, the performance measures, eligibility requirements and annual incentive award limits contained therein. The affirmative vote of a majority of the votes entitled to be cast by the holders of the shares of KCPL Common Stock represented at the KCPL Meeting and entitled to vote thereon is required to approve the Maxim MIC Plan. THE BOARD OF DIRECTORS OF KCPL, BY A UNANIMOUS VOTE, RECOMMENDS A VOTE FOR APPROVAL OF THE MAXIM MIC PLAN.

Set forth below is a summary of certain material features of the Maxim MIC Plan, which summary is qualified in its entirety by reference to the actual plan attached as Annex G to this Joint Proxy Statement/Prospectus:

ADMINISTRATION. The Maxim MIC Plan will be administered by the Maxim Compensation Committee, or such other committee of the Maxim Board as the Maxim Board may from time to time designate, which, unless the Maxim Board determines otherwise, will be composed solely of not less than two "disinterested persons" who qualify as "outside directors" for purposes of Section 162(m) of

the Code. The Maxim Compensation Committee will have sole authority to make rules and regulations relating to the administration of the Maxim MIC Plan, and any interpretations and decisions of the Maxim Compensation Committee with respect to the Maxim MIC Plan will be final and binding.

ELIGIBILITY. The Maxim Compensation Committee will, in its sole discretion, determine those officers and salaried employees of Maxim who shall be eligible to participate in the Maxim MIC Plan for a given period (an "Incentive Period"). These participants will be selected based upon their opportunity to have a substantial impact on Maxim's results. Participation in the Maxim MIC Plan by a participant during a given Incentive Period does not require continued participation by such participant in any subsequent Incentive Period. The initial determination of persons eligible to participate in the Maxim MIC Plan will not be made until after the Effective Time by the Maxim Compensation Committee as then constituted. Accordingly, it is not possible to estimate at this time the number of persons who will be eligible to participate in the Maxim MIC Plan.

PLAN FEATURES. The Maxim MIC Plan provides for the payment of incentive awards to participants designated by the Maxim Compensation Committee, which payments may be conditioned upon the attainment of pre-established performance goals or upon such other factors or criteria as the Maxim Compensation Committee shall determine. Such performance goals may be different for each participant. Bonus amounts are determined by multiplying a participant's "Target Incentive Award" by a percentage which varies depending on the extent to which the performance goals or other factors or criteria are satisfied. A participant's Target Incentive Award, in turn, is determined by multiplying such participant's base salary as of the last day of the applicable Incentive Period by a percentage designated by the Maxim Compensation Committee, in its sole discretion, which percentage need not be the same for each participant (and which may exceed 100%). The Maxim Compensation Committee may, in its sole discretion, increase or decrease the amount of any incentive awards payable to a participant and may, in recognition of special circumstances, pay incentive awards even if not earned, provided that the Maxim Compensation Committee cannot increase the amount of any incentive awards payable to certain designated "Covered Employees." Incentive awards payable under the Maxim MIC Plan to certain designated "Covered Employees" are subject to special restrictions described in the following section. Incentive awards are payable in cash, shares of Maxim Common Stock or in such other form as the Maxim Compensation Committee may determine.

DESIGNATED COVERED EMPLOYEES. The Maxim Compensation Committee will have the authority, in its sole discretion, to designate certain participants as "Covered Employees" for a specified Incentive Period upon determining that such participants are or are expected to be "covered employees" (within the meaning of Section 162(m) of the Code) for such Incentive Period with compensation in excess of the limitation provided in Section 162(m) of the Code. Not more than 90 days after the beginning of the Incentive Period, and, in any event, before 25% or more of the Incentive Period has elapsed, the Maxim Compensation Committee will establish the performance goals for the bonus award opportunities of these Covered Employees. Such performance goals are to be comprised of one or more of the following measures: earnings per share, market share, stock price, sales, costs, net operating income, cash flow, retained earnings, return on equity, economic value added, results of customer satisfaction surveys, aggregate product price and other product price measures, safety record, service reliability, demand-side management (including conservation and load management), operating and maintenance cost management, energy production availability and individual performance measures. Such performance goals also may be based on the attainment of specified levels of performance by Maxim under one or more of the measures described above relative to the performance of other corporations. With respect to Covered Employees, all Performance Goals must be objective performance goals satisfying the requirements for "performance-based compensation" within the meaning of Section 162(m) of the Code. Incentive awards payable to Covered Employees are to be calculated in the same manner described in the "-- Plan Features" section above, except that subjective individual performance ratings cannot be used to increase the amount of incentive awards payable to Covered Employees. No incentive awards will be paid to Covered Employees if the minimum applicable pre-established Performance Goals are not satisfied, unless the Covered Employee's

employment is terminated because of death, disability or a change of control. Furthermore, the Maxim Compensation Committee will have the authority to decrease, but not to increase, the amount of incentive awards otherwise payable to Covered Employees pursuant to pre-established performance goals and payment formulas. The maximum amount payable to any Covered Employee for any fiscal year of Maxim will be $3,000,000.

AMENDMENT AND DISCONTINUANCE. The Maxim Board may amend, alter, discontinue or otherwise modify the Maxim MIC Plan from time to time, but no amendment will, without the consent of the participant affected, impair any award made prior to the effective date of the modification.

NEW PLAN BENEFITS. It cannot be determined at this time what benefits or amounts, if any, will be received by or allocated to any person or group of persons under the Maxim MIC Plan if the Maxim MIC Plan is adopted or what benefits or amounts would have been received by or allocated to any person or group of persons for the last fiscal year if the Maxim MIC Plan had been in effect.

MAXIM FOLLOWING THE MERGERS

BOARD OF DIRECTORS OF MAXIM

In connection with the Mergers, the Maxim Board, at the Effective Time, will consist of 18 persons, nine of whom will be the then existing directors of KCPL immediately prior to the Effective Time, and nine of whom will be designated by UCU. To date, UCU has not determined which individuals, in addition to Richard C. Green, Jr., will be its designees to serve as directors of Maxim as of the Effective Time. However, it is currently anticipated that the directors of UCU immediately prior to the Effective Time will serve as the initial directors of Maxim. See "THE MERGER AGREEMENT -- Maxim Board of Directors."

KCPL and UCU have agreed that the Maxim Board will have the following committees: an Executive Committee, a Nominating and Compensation Committee, an Audit Committee and a Nuclear Oversight Committee. The Executive Committee will consist of six members, three of whom (including the chair of such committee) will be designated by KCPL and three of whom will be designated by UCU. The remaining committees will each consist of five members with KCPL and UCU each selecting two members and the fifth member, being in each case the chair of the committee, selected, in the case of the Nuclear Oversight Committee, by KCPL and, in the case of the Nominating and Compensation Committee and the Audit Committee, by UCU.

Descriptions of the present composition of the KCPL Board and the UCU Board are included in the KCPL Proxy Statement and the UCU Proxy Statement, respectively, and are incorporated herein by reference. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE."

MANAGEMENT OF MAXIM

A. Drue Jennings will be Chairman of Maxim and Richard C. Green, Jr. will be Vice Chairman and Chief Executive Officer of Maxim. Each of Mr. Jennings and Mr. Green will have an employment agreement with Maxim following the Merger. See "THE MERGERS -- Employment Agreements." Robert K. Green, brother of Richard C. Green, Jr., will be the president of Maxim and Marcus Jackson will serve as Maxim's executive vice president and chief operating officer. Robert K. Green is currently president of UCU and Marcus Jackson is senior vice president and chief operating officer of KCPL.

For a description of certain compensation arrangements after the Effective Time concerning Messrs. Jennings and Green, see "THE MERGERS -- Employment Agreements." Subject to the approval of the shareholders of KCPL, Maxim will adopt at the Effective Time the Maxim Stock Incentive Plan and the Maxim MIC Plan. See "APPROVAL OF MAXIM PLANS."

COMPENSATION OF EXECUTIVE OFFICERS

The following KCPL Summary Compensation Table sets forth the compensation of the five highest-paid executive officers of KCPL for the last three fiscal years.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION SALARY ($)	ANNUAL COMPENSATION BONUS ($)(1)	LONG-TERM COMPENSATION AWARDS SECURITIES UNDERLYING OPTIONS/SARS (#)	ALL OTHER COMPENSATION ($)(2)
A. Drue Jennings................................	1995	403,000	132,062	13,750 shares	57,307
Chairman of the Board,	1994	390,000	120,710	13,750 shares	36,657
President and Chief	1993	375,000	113,750	13,750 shares	26,151
Executive Officer					
Bernard J. Beaudoin.............................	1995	200,000	45,800	6,875 shares	19,221
President, KLT Inc.	1994	185,000	57,965	6,875 shares	17,023
	1993	178,000	57,380	6,875 shares	15,793
Marcus Jackson..................................	1995	155,000	38,870	6,000 shares	10,458
Senior Vice President-	1994	145,000	49,405	6,000 shares	9,612
Power Supply	1993	130,000	47,300	5,500 shares	8,808
Ronald G. Wasson................................	1995	190,000	29,260	6,875 shares	21,321
Executive Vice	1994	185,000	57,965	6,875 shares	17,182
President, KLT Inc.	1993	178,000	57,380	6,875 shares	15,305
J. Turner White.................................	1995	139,000	46,406	6,000 shares	5,543
Senior Vice President-	1994	127,500	26,098	6,000 shares	5,308
Retail Services	1993	115,000	34,150	2,750 shares	4,103

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(1) These amounts were paid under the KCPL Incentive Compensation Plan.

(2) For 1995, amounts include: Flex dollars under the Flexible Benefits Plan: Jennings -- $14,961, Beaudoin -- $10,596, Jackson -- $5,958, Wasson -- $10,458, White -- $2,763. Deferred Flex dollars: Jennings -- $18,417, Beaudoin -- $1,142, Wasson -- $1,280. Above-market interest paid on deferred compensation: Jennings -- $11,839, Beaudoin -- $1,483, Wasson -- $3,883. KCPL contribution under the KCPL Employee Savings Plus Plan: Jennings -- $4,500, Beaudoin -- $4,500, Jackson -- $4,500, Wasson -- $4,500, White -- $2,780. KCPL contribution to the KCPL Deferred Compensation and Supplemental Retirement Plan: Jennings -- $7,590, Beaudoin -- $1,500, Wasson -- $1,200.

OPTIONS AND STOCK APPRECIATION RIGHTS

OPTION/SAR GRANTS IN LAST FISCAL YEAR

INDIVIDUAL GRANTS NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS/SARS GRANTED (#)(1)	PERCENT OF TOTAL OPTIONS/SARS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE ($/SH)	EXPIRATION DATE	GRANT DATE PRESENT VALUE ($)(2)
A. Drue Jennings..............................	13,750	20%	23.0625	6/7/05	38,638
Bernard J. Beaudoin...........................	6,875	10%	23.0625	6/7/05	19,319
Marcus Jackson................................	6,000	9%	23.0625	6/7/05	16,860
Ronald G. Wasson..............................	6,875	10%	23.0625	6/7/05	19,319
J. Turner White...............................	6,000	9%	23.0625	6/7/05	16,860

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(1) One-half of the options granted in 1995 are exercisable on or after June 8, 1996, and the remaining one-half are exercisable on or after June 8, 1997. Each option is granted in tandem with a limited stock appreciation right exercisable automatically in the event of a Change in Control, as defined below. Options may be exercised with cash or previously-owned shares of KCPL Common Stock. Dividends accrue on the options as though reinvested at the regular dividend rate. Such accrued dividends will be paid if the options are exercised and if the exercise price is equal to or above the grant price.

A "Change in Control" shall be deemed to have occurred if (i) any person other than a trustee or other fiduciary holding securities under an employee benefit plan of KCPL, and other than KCPL or a corporation owned, directly or indirectly, by the shareholders of KCPL in substantially the same proportions as their ownership of stock of KCPL, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of KCPL representing 20% or more of the KCPL Common Stock then outstanding; or (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the KCPL Board and any new director (other than a director designated by a person who has entered into an agreement with KCPL to effect a transaction described in (i) above) whose election by the KCPL Board or nomination for election by KCPL's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof.

(2) The grant date valuation was calculated by using the binomial option pricing formula, a derivative of the Black-Scholes model. The underlying assumptions used to determine the present value of the options were as follows:

Annualized stock volatility:	0.154
Time of exercise (option term):	10 years
Risk free interest rate:	6.5%
Stock price at grant:	$23.0625
Exercise price:	$23.0625
Average dividend yield:	6.5%
Vesting restrictions discount:	3% per year

AGGREGATED OPTION/SAR EXERCISES IN THE LAST FISCAL YEAR AND FISCAL YEAR-END OPTION/SAR VALUES

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED ($)	NUMBER OF UNEXERCISED OPTIONS/SARS AT FISCAL YEAR-END (#) EXERCISABLE	UNEXERCISABLE	VALUE OF IN-THE-MONEY OPTIONS/SARS AT FISCAL YEAR-END ($) EXERCISABLE
A. Drue Jennings.............................	0	0	40,625	20,625	163,997
Bernard J. Beaudoin..........................	0	0	20,313	10,312	81,999
Marcus Jackson...............................	0	0	16,500	9,000	67,005
Ronald G. Wasson.............................	0	0	20,313	10,312	81,999
J. Turner White..............................	0	0	9,750	9,000	41,940

NAME	UNEXERCISABLE
A. Drue Jennings.............................	82,500
Bernard J. Beaudoin..........................	41,250
Marcus Jackson...............................	36,000
Ronald G. Wasson.............................	41,250
J. Turner White..............................	36,000

BENEFIT PLANS

PENSION PLANS

KCPL has a non-contributory pension plan (the "KCPL Pension Plan") for its management employees, including executive officers, providing for benefits upon retirement, normally at age 65. In addition, an unfunded deferred compensation plan provides a supplemental retirement benefit for executive officers. The following table shows examples of single life option pension benefits (including unfunded supplemental retirement benefits) payable upon retirement at age 65 to the named executive officers:

AVERAGE ANNUAL BASE SALARY FOR HIGHEST 36 MONTHS	ANNUAL PENSION FOR YEARS OF SERVICE INDICATED 15	20	25	30 OR MORE
150,000	45,000	60,000	75,000	90,000
200,000	60,000	80,000	100,000	120,000
250,000	75,000	100,000	125,000	150,000
300,000	90,000	120,000	150,000	180,000
350,000	105,000	140,000	175,000	210,000
400,000	120,000	160,000	200,000	240,000
450,000	135,000	180,000	225,000	270,000
500,000	150,000	200,000	250,000	300,000

Each eligible employee with 30 or more years of credited service in the KCPL Pension Plan is entitled to a total monthly annuity at his normal retirement date equal to 50% of his average base monthly salary for the period of 36 consecutive months in which his earnings were highest. The monthly annuity will be proportionately reduced if his years of credited service are less than 30. The compensation covered by the KCPL Pension Plan -- base monthly salary -- excludes any bonuses and other compensation. The KCPL Pension Plan provides that pension amounts are not reduced by Social Security benefits. The estimated credited years of service for each of the named executive officers in the Summary Compensation Table are as follows: Jennings, 21; Beaudoin, 15; Jackson, 18; Wasson, 28; White, 13.

Eligibility for supplemental retirement benefits is limited to officers selected by the Nominating & Compensation Committee of the KCPL Board; all the named executive officers are participants. The annual target retirement benefit payable at the normal retirement date is equal to 2% of highest average earnings, as defined, for each year of credited service up to 30 (maximum of 60% of highest average earnings). The actual retirement benefit paid equals the target retirement benefit less retirement benefits payable under the management pension plan. A liability accrues each year to cover the estimated cost of future supplemental benefits.

Section 415 of the Code imposes certain limitations on pensions which may be paid under tax qualified pension plans. In addition to the supplemental retirement benefits, the amount by which pension benefits under the Pension Plan computed without regard to Section 415 of the Code exceed such limitations will be paid outside the qualified plan and accounted for by KCPL as an operating expense.

SEVERANCE AGREEMENTS

KCPL has entered into Severance Agreements with certain of its senior executive officers, including the named executives, to ensure their continued service and dedication to KCPL and their objectivity in considering on behalf of KCPL any transaction which would change the control of KCPL. Under the KCPL Severance Agreements, during the three-year period after a Change in Control (or, if later, the three-year period following the consummation of the transaction which, if approved by KCPL's shareholders, constitutes a Change in Control), the named executive officers would be entitled to receive a lump-sum cash payment and certain insurance benefits if such officer's employment were terminated (i) by KCPL other than for cause or upon death or disability, (ii) by such executive officer for "Good Reason" (as defined therein), or (iii) by such senior executive officer for any reason during a 30-day period commencing one year after such Change in Control (a "Qualifying Termination"). A Change in Control is defined as (i) an acquisition by a person or group of 20% or more of the KCPL Common Stock (other than an acquisition from or by KCPL or by a KCPL benefit plan), (ii) a change in a majority of the KCPL Board, or (iii) approval by the shareholders of a reorganization, merger, consolidation (unless shareholders receive 60% or more of the stock of the surviving company), liquidation, dissolution or sale of substantially all of KCPL's assets.

Upon a Qualifying Termination, KCPL must make a lump-sum cash payment to the senior executive officers of (i) such senior executive officer's base salary through the date of termination, (ii) a pro-rated bonus based upon the average of the bonuses paid to such senior executive officer for the last five fiscal years, (iii) any accrued vacation pay, (iv) three times such senior executive officer's highest base salary during the prior 12 months, (v) three times the average of the bonuses paid to such senior executive officer for the last five fiscal years, (vi) the actuarial equivalent of the excess of the senior executive officer's accrued pension benefits, computed as if the senior executive officer had three additional years of benefit accrual service, over the senior executive officer's vested accrued pension benefits, and (vii) the value of any unvested KCPL contributions for the benefit of the senior executive officer under the KCPL Employee Savings Plus Plan. In addition, KCPL must offer health, disability and life insurance plan coverage to the senior executive officer and his dependents on the same terms and conditions that existed immediately prior to the Qualifying Termination for three years, or, if earlier, until such senior executive officer is covered by equivalent plan benefits. KCPL is also obligated to make certain "gross-up" payments in connection with tax obligations arising pursuant to payments under the KCPL Severance Agreements as well as to provide reimbursement of certain expenses relating to disputes arising thereunder.

Payments and other benefits under the KCPL Severance Agreements are in addition to benefits accruing under the KCPL Long-Term Incentive Plan. Upon a Change in Control (as defined in the KCPL Long-Term Incentive Plan), all stock options granted in tandem with limited stock appreciation rights will be automatically exercised.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Nominating & Compensation Committee of KCPL (the "KCPL Compensation Committee") is composed of independent outside directors. All decisions by the Compensation Committee relating to executive compensation are reviewed by the full KCPL Board, except decisions about awards under the KCPL Long-Term Incentive Plan which must be made solely by the Compensation Committee in order for the grants or awards to satisfy Exchange Act Rule 16b-3. Given KCPL's current level of executive compensation, the KCPL Compensation Committee has not yet adopted a policy with respect to Section 162(m) of the Code pertaining to the deduction of compensation in excess of $1,000,000.

Executive compensation for KCPL's executive officers consists of base salary, incentive pay, and long-term compensation. The package is designed to attract and retain talented, key executives critical to the long-term success of KCPL and to support a performance-oriented environment. Base salaries for individual executives are established on the basis of (i) job responsibilities and complexity, (ii) individual performance under established criteria and (iii) competitiveness with similar jobs in comparable companies. The base salaries are targeted at the median level for comparable positions in companies of similar size in the industry. The base salaries and complete compensation packages for the executives are compared annually with national compensation survey data collected by the Edison Electric Institute ("EEI").

Annual executive incentive pay consists of both formula and discretionary awards. The formula awards are linked to the achievement of specific performance objectives set by the KCPL Board each year. In 1995 the performance objective designated by the KCPL Board was a minimum and maximum EPS subject to the modification described below. Awards were determined on a scale beginning with 0% for the minimum EPS increasing to 20% of annual executive salaries at the maximum EPS. Actual EPS for 1995 resulted in incentive awards equal to 14.7% of base salary, which was further modified by an additional 0.7% to reflect a decline in the real price of electricity within KCPL's service territory. The resulting 1995 formula awards equalled 15.4% of base salaries.

Discretionary awards under the incentive pay program are possible for outstanding individual contributions as determined by the KCPL Compensation Committee. The sum of such discretionary awards, other than to the Chief Executive Officer, cannot exceed 10% of the total participating salaries. No discretionary awards are paid unless the performance objective set by the KCPL Board for the formula award is reached. Discretionary awards were paid for 1995 to four of the named executive officers based on their significant and direct contributions to the profits of KCPL, and/or extraordinary division leadership.

To further link total compensation to corporate performance, the executive officers received in 1995 non-qualified stock options granted at fair market value under the KCPL Long-Term Incentive Plan. The amounts of the grants were influenced by the following: (i) executive's influence and contribution to KCPL's financial condition, (ii) amount of the total compensation package for each executive which the Compensation Committee believed should be tied to the performance of KCPL's stock price, and (iii) amount of options previously granted to participants. The KCPL Compensation Committee did not apply any specific formula to determine the weight of each factor.

CHIEF EXECUTIVE OFFICER COMPENSATION

In setting the base salary for the Chief Executive Officer ("CEO"), the Compensation Committee considers primarily KCPL's financial performance and the low cost and quality service provided by KCPL as compared with other utilities. As shown in the Performance Graph, KCPL's financial performance substantially exceeded that of the EEI Index for 1995. The Committee also took into account relevant salary information from the EEI survey data. The formula portion of Mr. Jennings' annual incentive pay was determined in the same manner discussed above for the other executive

officers. His discretionary award of $70,000 under the incentive pay program was granted in recognition of his extraordinary leadership during a critical period in the utility industry. Mr. Jennings also received stock option grants under the KCPL Long-Term Incentive Plan based on the same criteria as the other executive officers.

COMPENSATION COMMITTEE
Robert H. West
George E. Nettels, Jr.
Robert J. Dineen

KANSAS CITY POWER & LIGHT COMPANY BOARD REJECTS WESTERN RESOURCES' "HOSTILE" EXCHANGE OFFER

KANSAS CITY, MO., July 9, 1996 -- The members of the board of directors of Kansas City Power & Light Company (NYSE:KLT), by a unanimous vote of those directors present, recommended that KCPL shareholders reject Western Resources, Inc.'s hostile exchange offer. At the same time, the KCPL Board reaffirmed its decision to merge with UtiliCorp United Inc. (NYSE: UCU) to form Maxim Energies, Inc.

In rejecting Western's unsolicited hostile offer, the KCPL Board reviewed KCPL's long-term strategic plan and the benefits of a merger with UtiliCorp, and determined that Western's offer is NOT in the best interests of KCPL, its shareholders, customers, employees and other constituencies.

"There are many reasons why we think that Western is an unattractive partner. Of paramount concern is our belief that Western's hostile offer is based on a number of faulty assumptions that raise serious questions as to Western's financial prospects and its ability to sustain dividends at its promised dividend rate," said Drue Jennings, chairman, president and chief executive officer of KCPL. Mr. Jennings cited the following:

- - Western faces significant rate reductions which KCPL believes will imperil its ability to sustain promised dividends. The staff of the Kansas Corporation Commission has recommended that Western reduce its rates by $105 million annually, which is twelve times greater (in the first year of reductions) than the $8.7 million per year over seven years that Western has proposed. If the $105 million annual rate reduction is implemented, then virtually all of Western's projected earnings for a combined KCPL/Western entity in 1998 (as reported in Western's own prospectus dated July 3, 1996, and as adjusted by KCPL to reflect the full impact of the Kansas Corporation Commission staff's recommended $105 million annual rate reduction) would be required to pay dividends at the rate promised to KCPL shareholders.

- - KCPL believes that reductions in merger-related savings realized and/or retained will further hamper Western's

ability to make its promised dividend payments. Based on a review of Western's claimed merger-related savings, KCPL believes that Western has significantly overestimated the amount of savings that would result from a combination of KCPL and Western. In addition, both the Kansas Corporation Commission (in its order regarding the merger of Kansas Gas and Electric Company (KGE) and Western's predecessor, Kansas Power and Light Company (KPL)) and the Missouri Public Service Commission (in the pending Union Electric/CIPSCO merger) have advocated an equal (50-50) sharing of savings between shareholders and customers. In contrast, Western's proposal to acquire KCPL contemplates that Western be allowed to keep 70% of merger-related savings.

- - KCPL believes that Western will be under pressure to reduce rates for its KGE customers, and any reduction to Western's revenue base would further threaten Western's ability to make its promised dividend payments. Testimony before the Kansas Corporation Commission indicates that if the rates charged to Western's KGE customers were reduced to equal the rates charged to Western's KPL customers, Western would suffer a $171 million annual revenue reduction. Even if the Kansas Corporation Commission follows its own staff's recommendation and the entire $105 million annual rate reduction is applied to KGE customers, Western would still face a rate disparity of approximately $65 million per year. In an increasingly deregulated utility environment, KCPL believes that Western must address the rate disparity issue because Western's customers may otherwise choose to purchase cheaper power from Western's competitors.

- - A KCPL/Western combination would concentrate risk in a single asset and a single geographic market. A combined KCPL/Western entity would own 94% of the Wolf Creek nuclear plant, concentrating a significant amount of capital and risk in a single asset. In contrast, a combined KCPL/UtiliCorp company will own only 47% of Wolf Creek. In addition, a combined KCPL/Western entity would conduct a substantial portion of its business in two states, Missouri and Kansas. KCPL believes that a combined KCPL/UtiliCorp entity would be much better prepared for the deregulated utility environment because it would have operations in eight states and five foreign countries, thereby achieving geographic, regulatory and climatic diversity.

- - The KCPL Board questions Western's commitment to KCPL employees. Western has stated that no layoffs would result from its proposal, but Western's filings with the Kansas Corporation Commission state that 531 employee positions will be eliminated and assume that all resulting savings will be available by January 1, 1998. The KCPL Board does not believe that Western can reduce 531 positions in such a short time without laying off KCPL employees.

- - Western's hostile offer is conditioned on its transaction being accounted for as a "pooling of interests", and KCPL does not believe that such accounting treatment will be available.

The KCPL Board also reaffirmed its support for a merger with UtiliCorp to form Maxim Energies, Inc. The KCPL Board believes that Maxim will be a customer-focused, low-cost energy supplier with diversified assets and the financial resources to grow and thrive in the electric utility industry which is on the verge of deregulation. The KCPL Board believes that Maxim will allow KCPL shareholders improved opportunities for long-term earnings and dividend growth which are superior to that offered by Western's hostile offer.

A shareholder vote to consider the UtiliCorp transaction has been scheduled for Wednesday, August 7, 1996.

Kansas City Power & Light Company provides electric power to a growing and diversified service territory encompassing metropolitan Kansas City and parts of eastern Kansas and western Missouri. KCPL is a low-cost producer and leader in fuel procurement and plant technology. KLT Inc., a wholly owned subsidiary of KCPL, pursues opportunities in non-regulated, primarily energy-related ventures.

* * *

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Joele Frank/Daniel Katcher
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[LOGO]

July 9, 1996

Dear KCPL Shareholder:

Western Resources has formally commenced a "hostile" exchange offer in which holders of KCPL common stock are being asked to exchange each of their KCPL shares for shares of Western Resources common stock. The terms of the hostile offer are substantially the same as those contained in Western's previous proposal that your Board of Directors has rejected. We know that you have received many communications over the last few months, and we sincerely regret that Western's commencement of its hostile offer will continue this process. However, now that Western has formally commenced its hostile offer, your Board of Directors, in accordance with applicable federal securities laws, has again considered Western's unsolicited offer and is making a formal recommendation to you.

Your Board of Directors has reviewed Western's hostile exchange offer and continues to believe that a transaction with Western is NOT in the best interests of KCPL and its shareholders. Your Board of Directors continues to believe that KCPL's pending merger with UtiliCorp United Inc. is in the best interests of KCPL and its shareholders. ACCORDINGLY, YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU REJECT WESTERN RESOURCES' HOSTILE EXCHANGE OFFER AND NOT TENDER ANY OF YOUR SHARES TO WESTERN RESOURCES.

In reaching its determination to reaffirm the pending UtiliCorp merger and recommend rejection of Western Resources' revised offer, your Board considered a number of factors, a detailed description of which is contained in the enclosed Schedule 14D-9. We urge you to read it carefully and in its entirety so that you will be fully informed as to your Board of Directors' recommendation.

Your Board of Directors and management are convinced that the pending UtiliCorp merger is a winning combination for the long-term benefit of our shareholders. YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE KCPL/UTILICORP TRANSACTION ON THE WHITE PROXY CARD PREVIOUSLY SENT TO YOU AND THAT YOU DO NOT RETURN WESTERN'S GOLD PROXY CARD WHICH MAY HAVE BEEN PREVIOUSLY SENT TO YOU BY WESTERN. It is unfortunate that Western Resources is ignoring your Board of Directors' carefully considered decision and choosing instead to recklessly pursue its hostile takeover proposal. We will not be deterred or distracted from completing our pending merger with UtiliCorp on your behalf.

On behalf of KCPL, I thank you for your continued trust and support.

Sincerely,
/s/ DRUE JENNINGS
Drue Jennings
CHAIRMAN OF THE BOARD, PRESIDENT
AND CHIEF EXECUTIVE OFFICER

CERTAIN FORWARD-LOOKING INFORMATION

This Joint Proxy Statement/Prospectus contains certain forward-looking information including information provided under the captions "-- Synergies from the Mergers," "-- Additional Operational Benefits," and "-- Enhancement of Financial Performance." The Private Securities Litigation Reform Act of 1995 provides a new "safe harbor" for forward-looking information to encourage companies to provide prospective information about their companies without fear of litigation so long as such information is identified as forward-looking and is accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in the information. KCPL and UCU identify the following important factors which could cause KCPL's, UCU's and Maxim's actual results to differ materially from any such results which might be projected, forecast, estimated or budgeted by KCPL, UCU or Maxim in forward-looking information. All of such factors are difficult to predict and many of which are beyond the control of KCPL and UCU. Accordingly, while KCPL and UCU believe that the assumptions underlying the forward-looking information are reasonable for purposes of the development of estimates of revenue enhancements and cost savings, there can be no assurances that such assumptions will approximate actual experience or that all such revenue enhancements and cost savings will be realized, and in such event, actual results could differ materially from the predictions herein. These important factors include: (a) future economic conditions in the regional, national and international markets in which KCPL and UCU compete; (b) state, federal and foreign regulation, including limitations on the amount of synergies Maxim will be able to keep and possible additional reductions in regulated gas and electric rates; (c) weather conditions; (d) financial market conditions, including, but not limited to, changes in interest rates; (e) inflation rates; (f) changing competition, including, but not limited to, the deregulation of the United States electric utility industry, and the entry of new competitors; (g) the ability to carry out marketing and sales plans; (h) the ability to eliminate duplicative administrative functions; (i) the ability to achieve generation planning goals and the occurrence of unplanned generation outages; (j) the ability to defer or eliminate certain capital investments which KCPL and UCU would have to make as separate companies; (k) the ability to enter new markets successfully and capitalize on growth opportunities in non-regulated businesses; and (l) adverse changes in applicable laws, regulations or rules governing environmental, tax or accounting matters.

SYNERGIES FROM THE MERGERS

KCPL and UCU have jointly identified a number of synergies related to the Mergers which their managements believe can be achieved. KCPL and UCU anticipate that a portion of these savings from regulated operations will be allocated to their ratepayers by state regulatory authorities in the various states in which Maxim will conduct business. The companies retained Ernst & Young in 1995 to assist in identifying, for their regulatory filings, the synergies relating to combining the regulated utility operations pursuant to the Original Merger. The Ernst & Young report, dated March 29, 1996, which identified potential synergies of $636 million, was filed with the FERC on March 29, 1996 and complies with the filing requirements of the FERC. The Ernst & Young synergies amount is consistent with the Joint Proxy Statement/Prospectus, dated April 4, 1996, relating to the Original Merger. In addition, the companies have identified other operational efficiencies in both regulated and

non-regulated segments which are discussed below under the captions "-- Additional Operational Benefits" and "-- Enhancement of Financial Performance." This section and the sections captioned "-- Additional Operational Benefits" and "-- Enhancement of Financial Performance" include certain forward-looking information and should be read in conjunction with the "Certain Forward-Looking Information" section above.

SUMMARY OF KCPL/UCU SYNERGIES BY AREA

			SAVINGS IN MILLIONS OF DOLLARS FOR EACH YEAR FOLLOWING THE MERGERS										
MEGA PROCESS	PROCESS/FUNCTION	FTES REDUCTIONS ALL YEARS (2)	1ST	2ND	3RD	4TH	5TH	6TH	7TH	8TH	9TH	10TH	TOTAL (1)(3)
Generate Energy	Fuel Procurement	1	0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	3.8
	System Generation	--	4.0	5.2	6.8	12.7	28.1	42.5	43.8	39.9	43.3	42.2	268.5
	Generation Processes	41	2.2	3.7	4.0	4.3	4.5	4.6	4.7	4.8	5.0	5.1	42.9
Distribute and Transport Energy	Transmission	11	0.3	0.4	1.9	2.0	2.2	2.0	1.8	1.3	1.7	1.8	15.4
	Distribution	22	0.4	0.3	1.3	1.6	1.8	2.0	2.1	2.3	2.4	2.5	16.7
Serve Customers	Customer Service	8	(0.5)	(0.2)	0.2	0.5	0.7	0.7	0.7	0.7	0.8	0.8	4.4
Purchasing/ Materials and Facilities	Purchasing & Materials Management	35	0.9	3.5	4.1	4.5	5.0	5.5	6.0	6.5	7.1	7.7	50.8
	Fleet & Facilities	--	1.8	2.6	3.1	2.5	3.1	3.1	3.2	3.3	3.5	3.6	29.8
Information Technology	Enterprise Support	4	4.8	5.9	5.5	5.3	5.0	4.1	4.4	4.1	3.8	3.5	46.4
	CIS	10	2.0	2.7	3.3	1.6	1.5	1.3	1.2	1.0	0.9	0.7	16.2
	Data Center Consolidation	19	0.0	1.4	3.3	3.6	3.8	3.9	4.0	4.2	4.3	4.5	33.0
	Other IT Issues	12	0.5	0.9	0.7	1.2	1.4	1.5	1.7	1.8	1.8	1.8	13.3
Executive and Administrative Support	Support Function Financial Labor	50	0.1	1.1	2.7	3.8	4.1	4.3	4.5	4.8	4.9	5.2	35.4
	Support Function Nonfinancial Labor	25	0.1	0.6	1.0	1.5	1.8	2.0	2.2	2.3	2.5	2.6	16.4
	Support-Related Financial Expenditures	--	1.7	2.0	2.3	2.4	2.5	2.6	2.7	2.8	2.9	3.0	24.9
	Support-Related Nonfinancial Expenditures	--	0.7	1.0	1.7	1.7	1.8	2.1	2.2	2.3	2.4	2.4	18.3
	Total Synergies(1)(3)	238	19.2	31.3	42.3	49.6	67.7	82.6	85.6	82.4	87.7	87.9	636.3

(1) Numbers may not add due to rounding
(2) FTEs mean Full-Time Equivalent employees
(3) Excludes transaction costs

MATERIAL ASSUMPTIONS UNDERLYING COST SAVINGS FROM SYNERGIES

The material assumptions for the cost savings which are anticipated to be realized from the Mergers are as follows:

- All synergies discussed below are estimated for a 10-year period.

- In calculating synergies by year, an inflation rate of 3.5% was assumed for the 10-year period.

- All synergies outlined below represent approximate amounts.

- No synergies were evaluated which relate to non-regulated businesses.

- Labor cost estimates are based on an analysis of nine labor categories: executive, management, professional, clerk, plant operator, supervisors, craft labor, customer service supervisors and associates.

- Position reductions (which, together with avoided hires, are shown on the above chart as reductions in Full-Time Equivalent employees ("FTEs")) are expected to occur over a 10-year period. The managements of KCPL and UCU believe, based on historical attrition patterns at KCPL and UCU, that such reductions should be attained entirely through attrition and avoided hires.

- All existing cost savings initiatives are excluded from the synergies report.

- In the discussion below, fixed charges represent the annual carrying costs of avoided capital projects. Carrying costs include depreciation, taxes other than income taxes, and interest.

- Avoided capital costs are incurred on June 30, while FTE reductions are implemented on January 1.

The discussion below provides a brief description of the synergy savings by category as detailed in the table above which is derived from the Ernst & Young report and is limited to the material synergy areas with smaller synergies aggregated in a category total. The major captions below correspond to the above chart.

GENERATE ENERGY

FUEL PROCUREMENT -- Expected savings of $3.8 million result from reductions in fuel procurement, labor and reduced inventory balances.

SYSTEM GENERATION -- Combined dispatch of system generation results in fuel and variable operation and maintenance costs ("O&M") savings which are anticipated to be $107.4 million. Construction of less expensive generation capacity enabled by the Mergers could result in reductions of plant capital and O&M charges. These reductions are expected to include $88.6 million of fixed charges and $72.5 million of O&M savings.

GENERATION PROCESS -- Consolidation of the system operations should result in estimated labor savings of $30.5 million. Operation of one energy management system should reduce costs by an estimated $3.8 million. Avoiding maintenance contract costs by using KCPL crews at UCU's Sibley plant is anticipated to save $6.0 million. Other synergies were estimated that total $2.6 million.

DISTRIBUTE AND TRANSPORT ENERGY

TRANSMISSION -- Delay or avoidance of the construction of redundant transmission lines and substations and the avoided purchase of parts and equipment resulting from the Mergers is anticipated to save $8.7 million in fixed charges. Consolidation of transmission staffing is anticipated to save $6.7 million.

DISTRIBUTION -- Delay or elimination of redundant distribution system capital projects should reduce fixed charges by $3.1 million. Merging of distribution, engineering, planning, and design functions should save an estimated $3.4 million in staffing costs. Combining dispatching efforts should reduce labor costs by $5.9 million and fixed charges by an estimated $3.2 million, the latter related to the avoidance of certain systems. Other potential synergies were identified that total $1.1 million.

SERVE CUSTOMERS

CUSTOMER SERVICE -- Anticipated savings of $3.1 million should result from consolidating customer call centers. Other potential synergies were identified that total $1.3 million.

PURCHASING/MATERIALS MANAGEMENT

PURCHASING AND MATERIALS MANAGEMENT -- Based on a sample of vendors' materials and services, discounts are expected to be obtained through supplier consolidation and leveraging the larger scale of purchases. These savings are estimated at $34.5 million. Labor savings of $14.6 million are anticipated from consolidating procurement and warehouse functions. Other synergies were estimated that total $1.7 million.

FLEET AND FACILITIES -- Consolidation of headquarters' buildings, call centers and other facilities should result in estimated savings of $21.9 million. Estimated fleet maintenance savings of $5.5 million should be achieved by consolidating functions into existing internal functions. Other synergies were estimated that total $2.4 million.

INFORMATION TECHNOLOGY ("IT")

ENTERPRISE SUPPORT -- Avoidance of the purchase of duplicate systems for financial support and certain transmission and distribution functions should result in anticipated savings for fixed charges of $36.0 million and $10.4 million of labor based O&M costs.

CUSTOMER INFORMATION SYSTEM ("CIS") -- Both companies had plans to replace their CIS systems. Developing one system for both companies should save an estimated $15.2 million of fixed charges. Other synergies were estimated that total $1.0 million.

DATA CENTER CONSOLIDATION -- The consolidation of computer data centers and the elimination of duplicate functions should save an estimated $33.0 million in labor and other costs.

OTHER IT ISSUES -- Consolidating the telecommunication and technology activities of the two companies should save an anticipated $13.3 million of labor and other costs.

EXECUTIVE AND ADMINISTRATIVE SUPPORT

SUPPORT FUNCTION FINANCIAL LABOR -- Labor reductions anticipated from the elimination of duplication in accounting, planning and budgeting, cash management, investor relations and internal audit should result in savings of $35.4 million.

SUPPORT FUNCTION NONFINANCIAL LABOR -- Labor reductions anticipated from the elimination of duplication in human resources, rates and regulations, environmental, governmental relations, communications, and legal should result in savings of $16.4 million.

SUPPORT-RELATED FINANCIAL EXPENDITURES -- Estimated synergies of $11.1 million should be achieved by combining activities such as lockbox processing and disbursements, lines of credit, transfer agents and meetings with analysts and large stockholders. Risk management expense is estimated to decrease by $7.3 million because of the elimination of duplicate coverage and reduced premiums for the combined companies. Other synergies related to accounting and tax advisory services are anticipated to save $6.5 million.

SUPPORT-RELATED NONFINANCIAL EXPENDITURES -- Anticipated savings resulting from the elimination of duplicate legal and communication efforts should be $11.6 million and $3.4 million, respectively. Other synergies were estimated that total $3.3 million.

SUMMARY OF SYNERGY SAVINGS

	AFTER THE MERGERS			
	1ST YR.	2ND YR.	3RD YR.	4TH YR.
	(In millions, except per share amounts)			
Synergies savings	$19.2	$31.3	$42.3	$49.6
Income taxes	(7.5)	(12.2)	(16.5)	(19.3)
Net synergies	$11.7	$19.1	$25.8	$30.3
Synergies per share	$.10	$.16	$.22	$.25
Average common shares outstanding	116.0	118.0	120.0	122.0

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(1) The combined effective tax rate used is 39%.

(2) Weighted average shares reflect an anticipated issuance of 5.3 million shares of UCU Common Stock in 1996 and periodic issuances of Maxim Common Stock under various stock plans.

ADDITIONAL OPERATIONAL BENEFITS

Subsequent to the announcement of the Original Merger, UCU and KCPL identified additional savings related to the Mergers utilizing the methodologies used by Ernst & Young's report. The additional savings are shown in the table below.

SUMMARY OF ADDITIONAL OPERATIONAL BENEFITS

	AFTER THE MERGERS			
	1ST YR.	2ND YR.	3RD YR.	4TH YR.
	(In millions, except per share amounts)			
Benefits before taxes	$15.7	$15.4	$13.6	$11.8
Income taxes	(6.1)	(6.0)	(5.3)	(4.6)
Total	$9.6	$9.4	$8.3	$7.2
Benefits per share	$.08	$.08	$.07	$.06
Average common shares outstanding	116.0	118.0	120.0	122.0

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(1) The combined effective tax rate used is 39%.

(2) Weighted average shares reflect an anticipated issuance of 5.3 million shares of UCU Common Stock in 1996 and periodic issuances of Maxim Common Stock under various stock plans.

The combination of the Missouri and Kansas operations of KCPL and UCU is expected to produce benefits of approximately $8.5 million, declining to $4.6 million by the fourth year, in dispatch related pre-tax savings due to the substitution of low variable cost KCPL generated power for UCU supplies currently generated by UCU or purchased by UCU. In addition, benefits of approximately $1.3 million per year in production pre-tax savings at UCU's Sibley power station were identified from the introduction of KCPL low cost coal purchases as part of the fuel mix.

A review of procurement savings related to the Mergers yields an expected pre-tax savings increment of $2.1 million per year in non-generating small item stock purchases and related carrying costs and in contractual services. This review also found approximately $1.3 million per year in pre-tax savings from combined purchases of technical information and an additional $2.5 million per year in pre-tax savings from the internalization of certain legal and regulatory services.

ENHANCEMENT OF FINANCIAL PERFORMANCE

The Palmer Bellevue practice of Coopers & Lybrand Consulting assisted the managements of KCPL and UCU in their development of additional information relating to Maxim's ability to enhance its financial performance subsequent to the Mergers by facilitating discussions between KCPL and UCU and by reviewing the methodologies utilized in the development of the additional information.

KCPL and UCU believe that their combination offers a substantial alignment of complementary capabilities for growth in a competitive energy and service market. There are valuable benefits identified below that arise from the combination of KCPL and UCU that stem from the rapidly developing international energy markets, the expansion of gas and electric marketing in an open access environment and the offering of new products and services to a combined customer base.

UCU believes that it brings entrepreneurial experience as illustrated by carrying out a ten-fold expansion of revenues over the past ten years through foreign and domestic utility acquisitions, independent power investment and energy marketing ventures. KCPL believes that it is recognized for its financial strength and management practices which have resulted in low cost generation and superior performance. The combination of these capabilities should position Maxim for sustained expansion in a competitive energy market. The table below shows the expected benefits of the enhancements broken into three categories with a discussion of each category following the table.

SUMMARY OF FINANCIAL PERFORMANCE ENHANCEMENT

	AFTER THE MERGERS			
	1ST YR.	2ND YR.	3RD YR.	4TH YR.
	(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)			
International	$22.0	$16.4	$30.2	$29.5
Energy marketing	7.2	10.9	7.7	9.7
New products	9.3	20.8	31.5	48.8
Benefits before taxes	38.5	48.1	69.4	88.0
Income taxes	(15.0)	(18.8)	(27.1)	(34.3)
Total	$23.5	$29.3	$42.3	$53.7
Benefits per share	$0.20	$0.25	$0.35	$0.44
Average common shares outstanding	116.0	118.0	120.0	122.0

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(1) The combined effective tax rate used is 39%.

(2) Weighted average shares reflects an anticipated issuance of 5.3 million shares of UCU Common Stock in 1996 and periodic issuances of Maxim Common Stock under various stock plans.

INTERNATIONAL

Rapidly developing overseas opportunities in utility acquisitions and privatizations as well as in power plant development will be a strategic focal point for Maxim. Maxim will be well positioned to compete for these projects because of the financial foundation and operating capabilities resulting from the Mergers. It is anticipated that Maxim will be able to combine UCU's investment and operating experience in existing English-speaking utility markets with KCPL's involvement in the small power production market in China and KCPL's in-depth technical and operational expertise and financial strength.

UCU has begun to refocus its gas marketing business in the United Kingdom to reduce gas supply costs in anticipation of a fully open retail market in 1997. The financial strength of KCPL should allow the United Kingdom gas marketing and trading operation to take expanded positions and grow in the de-regulating United Kingdom gas market.

UCU currently has investments in electric distribution businesses in Australia and New Zealand. KCPL and UCU intend to apply their operational and technical skills and ability to access markets to these businesses. This is expected to result in greater efficiencies and market share.

Anticipated improvements in operational efficiencies from these investments are expected to produce incremental pre-tax income which ranges between approximately $16.4 million and $30.2 million over the four-year period after the Mergers.

ENERGY MARKETING

The combination of KCPL's low variable cost regional wholesale position and financial strength coupled with UCU's pioneer status in gas and electric marketing is expected to provide growth opportunities in the power market. This plan is consistent with the new conditions represented by the April 24, 1996 issuance by the FERC of the electric open access Orders 888 and 889 and with the potential for gas marketing within the KCPL electric service territory.

AGP, a subsidiary of Aquila and an indirect subsidiary of UCU, recently reported to stockholders that in 1995 it set company records for natural gas throughput, volumes of extracted natural gas liquids, total operating wells connected and operated miles of pipeline. AGP built two new strategic pipelines in 1995 to facilitate the company's processing plants on the Southeast Texas Pipeline System. This investment effectively doubles the capacity of AGP's system.

The increased focus on gas and electric trading opportunities is expected to produce pre-tax income which ranges between approximately $3.3 million and $6.6 million over the four-year period.

In addition, an investment in increased throughput capacity for AGP's Texas intra-state pipeline system is anticipated to produce pre-tax earnings which range between $3.9 million and $4.7 million over the four-year period.

NEW PRODUCTS

Both KCPL and UCU are focusing on expanding the relationship with the customer by offering value added services beyond the traditional delivery of electric and gas service. UCU's EnergyOne, the first nationally branded line of products and services for the electric and gas utility industry, seeks to provide a portfolio of value-added services and customer energy solutions. The EnergyOne concept and UCU's partnership with Novell, Inc., a national provider of network software, can be complemented by KCPL's experience in the widespread deployment of the CellNet wireless communication and customer premise communication technologies.

UCU, in cooperation with KCPL, is currently developing an EnergyOne partnership program that leverages the complementary strengths of each company and the national brand recognition of EnergyOne. The financial strength and urban presence of KCPL coupled with the marketing acumen and rural market coverage by UCU provides an excellent foundation for achieving Maxim's goal of becoming an energy leader worldwide. The partnership will expand to include other energy companies as well as supply partners.

The combination of these companies is expected to create enhanced opportunities and capabilities to provide customers with energy information and communications services, to better manage operational expenses, and to generate additional revenues from new products and services. These new products and services include electronic home security, appliance warranty service and leasing of utility fiber optic capacity for telecommunications.

Pre-tax income from new products and services is expected to total approximately $7.0 million to $19.2 million over the four-year period while the EnergyOne partnership program is expected to contribute approximately $2.3 million in pre-tax earnings in the first year, growing to $29.6 million by year four.

CORPORATE GROWTH

HISTORICAL -- Both UCU and KCPL have independently pursued strategies committed to continuing growth in earnings and stockholder value in both regulated and non-regulated business segments.

UCU began its aggressive growth in 1983 with the formation of UtiliCorp United Inc. from its predecessor company Missouri Public Service Corporation. Since 1983 UCU has:

- Acquired and merged with ten domestic electric and gas utilities, investing a total of $858 million;

- Purchased interests in four international electric utilities, investing a total of $426 million;

- Established UtilCo Group and invested $206 million in 17 independent power projects;

- Established Aquila and invested $303 million in natural gas gathering and transportation assets.

Over the period from 1985 to 1995, UCU has increased its Assets and Earnings Before Interest, Taxes, Depreciation and Amortization by 431% and 425% respectively while also delivering to its stockholders a total return (stock appreciation plus dividends) in excess of both the average for the S&P 500 and the utility industry peer group average.*

UCU has also been an industry innovator in marketing and commodity trading. In 1995, UCU introduced the first national brand in the electric and gas utility industry. UCU's brand, EnergyOne,

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* Source for the S&P 500 and utility industry peer group averages: WALL STREET JOURNAL Shareholder Scoreboard, February 29, 1996.

has been nationally recognized and has quickly achieved a high level of consumer awareness. UCU has built one of the industry's first national sales forces. Because of the success of the EnergyOne brand strategy, UCU now provides energy solutions to over 125 of the Fortune 500 companies in the United States.

UCU has also been an industry innovator in the application of technology to the energy industry and to the solution of customer problems. UCU believes that its alliance with Novell, Inc. holds the promise of a new generation of information, comfort and security customer solutions. The two companies are actively working towards product introductions in 1997.

KCPL has also delivered above market and peer-group average total returns to its shareholders* as a result of its focus on economic value added in its core business and carefully planned growth through investment in non-regulated segments.

Over the past ten years, KCPL has significantly reduced its financial risk and increased its financial strength as indicated by its current A1 bond rating by Moody's Investors Service, its A+ bond rating by Duff & Phelps Credit Rating Company and its A bond rating by Standard & Poor's Corporation. Strong cash flow and interest rate management have allowed KCPL to reduce debt and reduce interest rates on existing debt which has resulted in one of the lowest average costs of debt in the electric utility industry.

KCPL has focused its growth activities principally in non-regulated segments of the energy industry. In 1992, KCPL formed KLT, a non-regulated subsidiary. KLT invests in independent power projects, oil and gas reserves, utility-related technologies and services, and tax-advantaged investment opportunities. KLT has invested approximately $150 million since its inception in 1992.

MAXIM GROWTH STRATEGY

The managements of both KCPL and UCU are committed to a strategy of continuing growth through investment in both the regulated and non-regulated segments of the energy business. Overall the goals of the growth strategy are to provide stockholders:

- total returns above both peer group and broad market averages consistently and over an extended period of time;

- an investment which carries below market-average risk (beta); and

- an investment in a company which has a diversified base of energy-related businesses, without undue concentration in (i) fuel source, (ii) customer mix, or (iii) regulatory jurisdiction.

In order to achieve these objectives the managements of KCPL and UCU intend for Maxim to continue to emphasize aggressive yet carefully planned growth through investment, acquisition and merger.

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THE MERGERS

BACKGROUND OF THE MERGERS

KCPL and UCU share the view that the energy industry has entered an era of inevitable, accelerating change that will have a significant impact on the future competitive position of utility based energy companies and their ability to maintain and increase earnings. More than ever, the industry is being transformed by technological advances, consumer demand and legislative and regulatory reforms which are leading to greater competition in a once monopolistic industry.

Both KCPL and UCU believe that these changes are leading to fundamental changes in the nature of energy related businesses. As a result, public utility companies face increased business risks and limits to their ability to grow earnings through rate base increases and are, therefore, pursuing various business combinations in order to reduce risk and create new avenues and opportunities for earnings growth. Accordingly, public utilities have invested and, KCPL and UCU believe, will continue to invest in non-regulated businesses within the energy sector and in businesses complementary to their traditional business. In response to intensified competition, public utilities have sought and, KCPL and UCU believe, will continue to seek opportunities to create efficiencies and control future costs through consolidation. Efficiency and the ability to respond quickly to the needs of the market will be rewarded. KCPL and UCU each share the view that only efficient, low-cost suppliers of energy that pursue reforms in the regulatory and legislative arenas will be able to compete successfully in a changing marketplace.

Recognizing this trend, KCPL and UCU each have separately studied strategic options and opportunities and have from time to time over the last several years participated in preliminary discussions with other utility and energy companies regarding possible strategic business combinations. In October 1993, KCPL and UCU executives and their respective advisors participated in a number of meetings regarding a business combination involving the two companies. After an exchange and review of confidential data, the two companies mutually agreed to cease consideration of a business combination at that time.

In June 1994, KCPL and Western Resources also exchanged confidential information in connection with preliminary discussions regarding a possible business combination. Upon review of such confidential information, in August 1994, KCPL advised Western Resources that KCPL was not interested in pursuing a business combination with Western Resources. Although Western Resources indicated a continuing interest in pursuing a business combination with KCPL from late 1994 through early 1996, KCPL reaffirmed to Western Resources the conclusion of its analysis that a combination with Western Resources was not in the best interest of KCPL's shareholders.

On May 25, 1995 and again on June 6, 1995, A. Drue Jennings, Chairman of the Board, President and Chief Executive Officer of KCPL, Richard C. Green, Jr., Chairman of the Board, President and Chief Executive Officer of UCU, and a representative of DLJ, financial advisor to UCU, met to discuss a new potential joint venture between the two companies involving power operations and maintenance. Further discussions were held by senior operations executives of KCPL and UCU on June 10, 1995.

KCPL and UCU subsequently each formed teams, which met throughout the summer of 1995, to explore new joint alliances in areas including operations, information technology, marketing and procurement. Pursuant to a confidentiality agreement, dated September 1, 1995, the two companies exchanged confidential information in order to facilitate such discussions and related investigations of each other's business operations in connection therewith.

The KCPL and UCU teams continued to meet through September, October and November of 1995 and periodically updated their respective Chief Executive Officers regarding their progress in exploring additional potential joint ventures and strategic alliances. The meetings between the respective teams of the two companies as well as discussions between the members of the teams and their respective Chief Executive Officers revealed that the two companies had similar visions and strategic outlooks in a number of areas. As a result of these meetings, both companies continued to discuss the possibility of joint ventures.

Because of their shared views regarding the accelerating pace of the changes facing the energy industry and, in particular, the convergence of electric and gas supplies into a single energy source giving customers the ability to choose between the two, as well as the unique advantages a combined company would have to expand into additional opportunities in the unregulated sector and additional acquisition opportunities, on October 30, 1995, A. Drue Jennings, Richard C. Green, Jr., Turner White, KCPL Senior Vice President of Retail Services, and Michael D. Bruhn, UCU Vice President of

Corporate Development, met to discuss the general terms of a possible merger of equals transaction. The parties recognized that unique opportunities for growth and certain synergies would be available in a combined company and that additional discussions and due diligence were warranted. At the conclusion of the meeting, each Chief Executive Officer agreed to discuss with his respective Board of Directors at their upcoming regularly scheduled meetings, the concept of such a combination.

The KCPL Board met on November 7, 1995 and agreed that Mr. Jennings should continue exploratory discussions with UCU. Thereafter, KCPL consulted with Skadden Arps, a law firm that had previously been engaged by KCPL in connection with other matters, and on November 14, 1995, KCPL engaged Merrill Lynch as its financial advisor to advise KCPL with respect to a potential transaction involving KCPL and UCU.

The UCU Board met on November 9, 1995 and also agreed that Mr. Green should continue preliminary discussions with KCPL. In addition to its regular outside legal counsel of Blackwell Sanders, UCU engaged the law firm of Weil, Gotshal & Manges LLP ("Weil Gotshal") and also retained DLJ as its financial adviser to advise with respect to the potential transaction involving KCPL and UCU.

On November 10, 1995, Messrs. Jennings, Green, White and Bruhn met with representatives of Skadden Arps and Weil Gotshal to conduct preliminary discussions regarding a merger of equals involving the two companies. On November 18, 1995, the Strategic Planning Committee of the KCPL Board met to discuss the merits of such a business combination between KCPL and UCU in light of KCPL's long-term strategic plans. The committee concluded that the discussion and analysis should continue.

A meeting of representatives of both companies and their respective financial advisors was held on November 22, 1995 to discuss business, financial and other issues. At that meeting, the companies determined that unique opportunities were present in the proposed business combination and that additional discussions and due diligence should proceed.

A meeting of representatives of both companies and their respective legal and financial advisors was also held on November 28, 1995 to commence a more detailed examination of the numerous structural, corporate governance, regulatory and other issues relating to the proposed transaction. Also, on November 28, 1995, KCPL and UCU entered into a confidentiality agreement pursuant to which the companies and their representatives provided confidential information to each other in connection with the proposed transaction. Senior management of both companies analyzed financial, operational, regulatory and other legal issues relating to such a possible business combination.

During December 1995, the chief executive officers of KCPL and UCU met on several occasions to discuss key issues relating to the possible business combination. On December 6, 1995, Ernst & Young was retained by KCPL and UCU to identify and quantify the potential cost savings from synergies available from a merger of KCPL and UCU.

Through mid-January 1996, representatives of both KCPL and UCU, their counsels and financial advisors held numerous meetings and participated in a number of conference calls to conduct due diligence and discuss and negotiate the terms of a possible business combination pursuant to which the businesses of KCPL and UCU would be merged. These ongoing discussions focused on the structure of the transaction, the conditions to the transaction, the covenants regarding the operations of each company during the period between signing of an agreement and consummation of the transactions contemplated thereby, regulatory matters impacting the combination and possible termination fees.

At a meeting of the KCPL Board on December 8, 1995, Merrill Lynch representatives reviewed for the KCPL Board preliminary financial data regarding the two companies. Skadden Arps attorneys also described to the KCPL Board its legal responsibilities and fiduciary duties to shareholders in evaluating the proposed transaction. The KCPL Board discussed the rationale for the proposed transaction and authorized management to continue its analysis and discussion.

At a meeting of the UCU Board on December 9, 1995, DLJ's representatives and officers of UCU described the status of the proposed transaction with KCPL and analyzed preliminary financial data. The UCU Board authorized the executive officers of UCU to continue discussions with representatives of KCPL.

At a meeting of the KCPL Board on January 5, 1996, the KCPL Board was updated regarding the proposed business combination, including potential strategic benefits of the transaction and the status of negotiations. These potential strategic benefits included the ability of a stronger combined company to operate in a dynamic environment; enhanced opportunities for earnings growth that would create value for shareholders; diversification and, hence, reduction of regulatory risks that would result from the combination; and production and operation cost savings. Merrill Lynch representatives presented a general overview of the various UCU businesses and the methodologies that might be relevant to a financial analysis of a business combination, and Skadden Arps attorneys provided advice regarding relevant regulatory issues, explained the mechanics of the proposed transaction and outlined the terms of the then current draft of the Original Merger Agreement. Pursuant to such agreement, KCPL and UCU would each merge with and into KCU, with KCU surviving in each case (the "Original Merger") and stockholders of KCPL and UCU would each receive common stock of KCU ("KCU Common Stock") in exchange for their shares of KCPL Common Stock and UCU Common Stock, respectively. The KCPL Board concluded unanimously that management and its advisors should continue to pursue, negotiate and evaluate the proposed combination.

At a meeting of the UCU Board on January 12, 1996, the UCU Board was updated on the merger discussions.

During their discussion regarding the parties' synergies analysis at the January 5, 1996 meeting of the KCPL Board and the January 19, 1996 meeting of the UCU Board, Ernst & Young emphasized that the estimated net cost savings of approximately $619 million over a 10-year period were all created by or attributable to the proposed merger and did not include other types of savings that might be achieved without a merger. Ernst & Young explained that the projected cost savings reflected the creation of cost reductions or cost avoidance opportunities through the ability to consolidate separate stand-alone operations into a single entity. This consolidation would thus enable duplicative functions and positions to be eliminated, similar corporate activities to be combined, avoided or reduced in scope, external purchases of goods and services to be aggregated, technical skills and capabilities to be optimized and shared and capital expenditures to be avoided. Ernst & Young informed the KCPL Board and the UCU Board that the report was preliminary and that while components of the analysis might change, the joint synergies analysis had indicated estimated savings opportunities in the regulated utility business totalling approximately $619 million net of all anticipated costs to achieve those savings and costs expected to be incurred to consummate the proposed merger. The approximately $619 million of net cost savings were composed of approximately $232 million in labor related cost savings, approximately $128 million of avoidable capital requirements and reductions of approximately $259 million in other non-capital related expenses. The cost savings estimates were developed and quantified by the parties based on the individual facts regarding existing and planned costs for each company, the current mode of operation of each company, the potential organization and operational framework post-merger, the estimated timing to achieve the savings and the interrelationship of these factors and the costs and complexity of savings attainment. See "THE MERGERS -- Synergies from the Mergers," "-- Additional Operational Benefits" and "-- Enhancement of Financial Performance."

During the week of January 15, 1996, the financial advisors of KCPL and UCU discussed the methodology for determining the appropriate exchange ratios for the Original Merger and negotiated with respect thereto, and late in the evening on January 18, 1996, together with senior officers of KCPL and UCU, agreed to recommend to each company's Board of Directors that each share of KCPL Common Stock would be converted into the right to receive 1.0 share of KCU Common Stock and each share of UCU Common Stock would be converted into the right to receive 1.096 shares of KCU Common Stock.

Meetings of the KCPL Board and the UCU Board were held on January 19, 1996 to consider and approve the Original Merger. At each company's meeting, its senior management and financial and legal advisors discussed material aspects of the Original Merger and related transactions. At the KCPL Board meeting, Merrill Lynch representatives reviewed for the KCPL Board various financial and other information and delivered its oral opinion to the KCPL Board, which opinion was subsequently confirmed in a written opinion dated as of January 19, 1996, that, as of such date and based upon the assumptions made, matters considered and the limits of review as set forth in such opinion, the exchange ratio of 1.0 share of KCU Common Stock for each share of KCPL Common Stock (the "Original KCPL Exchange Ratio") was fair to the holders of KCPL Common Stock (other than UCU and its affiliates) from a financial point of view. Skadden Arps attorneys summarized recently negotiated terms of the Original Merger Agreement relating to employee benefit issues and the proposed organizational documents of KCU. In addition, the KCPL Board was advised as to the reasonableness of the proposed employment agreements to be entered into at the Effective Time by KCU and each of Messrs. Jennings and Green based on a review of similar agreements entered into in connection with similar transactions in the electric utility industry. After considering and discussing the various presentations at such meeting and at prior meetings as well as the recommendation of KCPL's management, the KCPL Board approved, by a unanimous vote of those directors present, the Original Merger Agreement, the Original Merger and the transactions contemplated thereby and authorized the execution of the Original Merger Agreement.

At a meeting of the UCU Board on January 19, 1996, the UCU Board was presented with a discussion of the status of the negotiations with KCPL and various details relating to the proposed Original Merger. Representatives of DLJ reviewed for the UCU Board various financial and other information and delivered oral and written opinions that as of such date and subject to the assumptions made, matters considered and limits of the review undertaken, as set forth in such opinions and assuming the Original KCPL Exchange Ratio, the exchange ratio of 1.096 shares of KCU Common Stock for each share of UCU Common Stock (the "Original UCU Exchange Ratio") was fair, from a financial point of view, to holders of UCU Common Stock. Representatives from Blackwell Sanders and Weil Gotshal outlined the terms of the Original Merger Agreement for the UCU Board and advised as to the fiduciary duties of the directors. After considering and discussing the various presentations, the UCU Board approved, by a unanimous vote, the Original Merger Agreement, the Original Merger and the transactions contemplated thereby and authorized the execution of the Original Merger Agreement.

The Original Merger Agreement and certain related documents were executed on January 19, 1996 following such approval by the KCPL Board and the UCU Board.

On April 9, 1996, a joint proxy statement/prospectus of KCPL, UCU and KCU relating to the Original Merger was mailed to stockholders of KCPL and UCU. Included in such joint proxy statement/prospectus were notices of annual meetings of stockholders of KCPL and UCU, as the case may be, establishing May 22, 1996 as the date on which both KCPL and UCU would have their annual meetings to consider and vote upon, among other things, the Original Merger and related matters, the election of directors and the ratification of independent auditors.

On April 14, 1996, Mr. Jennings received a telephone call from Mr. John E. Hayes, Jr., Chairman of the Board and Chief Executive Officer of Western Resources, in which Mr. Hayes informed Mr. Jennings that he was delivering to Mr. Jennings an unsolicited proposal to the KCPL Board pursuant to which Western Resources would acquire all of the outstanding KCPL Common Stock in exchange for shares of common stock, par value $5.00 per share, of Western Resources ("Western Resources Common Stock") valued at $28.00 per share of KCPL Common Stock, subject to adjustment.

Following such telephone conversation, on April 14, 1996, Mr. Jennings received from Western Resources a letter (the "April 14 Letter") setting forth Western Resources' unsolicited merger proposal. In the letter, Western Resources proposed that KCPL and Western Resources merge in a transaction in which each holder of KCPL Common Stock would receive $28.00 worth of Western Resources Common Stock, subject to a "collar" limiting the amount of Western Resources Common Stock that holders of KCPL Common Stock would receive to no more than 0.985 shares and no less than 0.833 shares of Western Resources Common Stock for each share of KCPL Common Stock. Shortly after delivery of the April 14 Letter, Western Resources publicly announced its unsolicited merger proposal.

On April 15, 1996, Western Resources filed an application with the State Corporation Commission of the State of Kansas seeking approval of Western Resources' proposed business combination with KCPL and a Petition to Intervene in the Original Merger.

A meeting of the KCPL Board was held on April 19, 1996 and reconvened on April 21, 1996 to consider Western Resources' proposal. At this meeting, the KCPL Board received presentations concerning Western Resources' proposal from KCPL's management and its financial and legal advisors. Representatives from Skadden Arps advised the KCPL Board with respect to certain legal matters in connection with its consideration of Western Resources' proposal. Representatives from Ernst & Young provided information to the KCPL Board in three areas. First, Ernst & Young provided a summary of the differences in assumptions included in the Ernst & Young synergies report and the synergies study conducted for Western Resources by Deloitte & Touche LLP ("Deloitte & Touche"). Second, Ernst & Young identified the following areas where Western Resources and Deloitte & Touche appeared to have made inaccurate assumptions: (i) that KCPL employed more persons than they actually do; (ii) that KCPL budgeted more for customer information systems than KCPL actually has; (iii) that the costs of operating KCPL's data center were higher than they actually are; and (iv) that KCPL's level of benefits loading was higher than it actually was. Finally, Ernst & Young noted for the KCPL Board the fact that the group of comparable companies reviewed to develop benchmarks demonstrated wide variances in projected synergies thereby bringing into question whether an average of the group's projected synergies provided an appropriate benchmark from which conclusions could be drawn.

On April 19, 1996, Merrill Lynch made a presentation to the KCPL Board summarizing Western Resources' business and its proposal contained in the April 14 Letter. The purpose of Merrill Lynch's presentation was to provide information to the KCPL Board regarding Western Resources and its proposal, and accordingly, Merrill Lynch drew no conclusions from its presentation regarding such proposal. The following is a summary of such presentation.

Merrill Lynch summarized the key financial terms of Western Resources' proposal contained in the April 14 Letter, including the announced price per share of KCPL Common Stock, the operation of the proposed "collar" over a range of prices of the Western Resources Common Stock, the proposed accounting treatment, the synergies claimed by Western Resources, the proposed composition of the board of directors of the combined company, the pro forma share ownership of the combined company, and the implied 1996 annual dividend rate per share of the KCPL Common Stock.

Using publicly available information, Merrill Lynch presented a profile of Western Resources, including a description of Western Resources' lines of business, a summary of recent financial and operating results, a chronology of significant recent corporate events, and a comparison of the stock price performance of the Western Resources Common Stock to the stock price performance of the KCPL Common Stock, the UCU Common Stock and the S&P Electric Companies Index for the three year and twelve month periods preceding the April 14 Letter. Merrill Lynch also presented excerpts from recent commentaries by research analysts regarding Western Resources, a comparison of research analysts' earnings estimates for Western Resources complied by First Call, Institutional Brokers Estimating Service and Nelsons, respectively, and a comparison of certain financial and

operating information and ratios for Western Resources with the corresponding financial and operating information and ratios for a group of publicly traded companies that Merrill Lynch deemed to be reasonably similar to Western Resources.

Using publicly available research analysts' earnings estimates for Western Resources and KCPL, Merrill Lynch reviewed certain pro forma effects resulting from Western Resources' proposal, including the potential impact to KCPL's projected stand-alone earnings per share, dividends per share and dividend payout ratios, both including and excluding synergies claimed by Western Resources. In addition, Merrill Lynch reviewed certain pro forma effects resulting from Western Resources' proposal and the potential impact to KCPL's projected stand-alone earnings per share and dividend payout ratios, assuming a range of synergies claimed by Western Resources that would be retained by shareholders, a range of potential rate reductions affecting Western Resources on a stand-alone basis, and a range of aggregate synergies.

Using publicly available information, Merrill Lynch reviewed certain financial information and ratios claimed or implied by Western Resources' proposal and compared such information and ratios with the corresponding financial information and ratios for a number of recent combinations of utility companies, including the terms of the Original Merger with UCU. Since the analyses described above were prepared by Merrill Lynch prior to the recommendation made by the Citizens Utility Ratepayer Board to reduce Western Resources' rates by $87 million per year and the recommendation made by the staff of the Kansas Commission (as defined herein) to reduce Western Resources' rates by $105 million per year, such analyses did not include an evaluation of the significant negative cash flow impact of such rate reductions on Western Resources and the negative effect such rate reductions would have on Western Resources' ability to maintain its proposed dividend levels and credit quality. In view of the foregoing, the KCPL Board is no longer relying on such Merrill Lynch analyses presented at the KCPL Board's April 19, 1996 meeting.

On April 21, the KCPL Board, based upon the presentations given, the advice received and the considerations discussed at such meeting of the KCPL Board, determined that further exploration of the Western Resources proposal was not in the best interests of KCPL, its shareholders, its employees and its customers. Also on such date, the KCPL Board reaffirmed its approval of the Original Merger with UCU.

On April 22, 1996, Mr. Jennings delivered to Mr. Hayes a letter stating that the KCPL Board had rejected Western Resources' proposal. Mr. Jennings also telephoned Mr. Hayes to inform him of the decision of the KCPL Board.

On April 22, 1996, Western Resources announced that it intended to commence an unsolicited exchange offer, and that it had filed preliminary proxy materials for use in soliciting proxies from holders of KCPL Common Stock in opposition to the approval and adoption of the Original Merger, the Original Merger Agreement and the transactions contemplated thereby. On the same day, Western Resources filed a Registration Statement on Form S-4 (the "Western Resources Form S-4") with the SEC which described a proposed offer to exchange Western Resources Common Stock for all of the outstanding shares of KCPL Common Stock. Pursuant to a preliminary prospectus included in the Western Resources Form S-4 (the "Western Resources Preliminary Prospectus"), Western Resources proposed to offer, upon the terms and subject to the conditions set forth in the Western Resources Preliminary Prospectus and in a related Letter of Transmittal (together, the "Proposed Western Resources Offer"), to exchange less than a full share of Western Resources Common Stock for each outstanding share of KCPL Common Stock validly tendered on or prior to the "Expiration Date" (as defined in the Western Resources Preliminary Prospectus) of the Proposed Western Resources Offer and not properly withdrawn. As initially filed with the SEC, each such share would be entitled to receive a fraction of a share of Western Resources Common Stock equal to the "Western Resources Exchange Ratio," defined as the quotient (rounded to the nearest 1/100,000) determined by dividing $28.00 by the average of the high and low sales prices of the Western Resources Common Stock (as reported on the NYSE Composite Transactions reporting system as published in the Wall Street Journal or, if not published therein, in another authoritative source) on each of the twenty consecutive trading days ending with the second trading day immediately preceding the Expiration Date; provided, that the Western Resources Exchange Ratio would not be less than 0.833 nor greater than 0.985.

According to the Western Resources Preliminary Prospectus, Western Resources intends, as soon as practicable after consummation of the Proposed Western Resources Offer, to seek to merge KCPL with and into itself pursuant to applicable law (the "Proposed Western Resources Merger").

The Proposed Western Resources Offer is subject to numerous conditions. The Proposed Western Resources Offer is conditioned upon, among other things, (i) there being validly tendered and not withdrawn prior to the Expiration Date a number of shares of KCPL Common Stock which will constitute at least ninety percent of the total number of outstanding shares of KCPL Common Stock on a fully diluted basis (as though all options or other securities convertible into or exchangeable for shares had been so converted, exercised or exchanged) as of the date the shares are accepted for exchange by Western Resources pursuant to the Proposed Western Resources Offer, (ii) approval of the issuance of shares of Western Resources Common Stock pursuant to the Proposed Western Resources Offer and the Proposed Western Resources Merger and approval of an amendment to the Western Resources articles of incorporation to increase the number of shares of Western Resources Common Stock authorized for issuance by the holders, voting as a single class, of a majority of the shares of Western Resources Common Stock and Western Resources preferred stock outstanding on the applicable record date and approval of the Proposed Western Resources Merger by the holders, voting as a single class, of a majority of the Western Resources preferred stock, (iii) Western Resources being satisfied, in its sole discretion, that the provisions of Section 351.407 of the MGBCL are inapplicable to Western Resources and the transactions contemplated by the Proposed Western Resources Offer or full voting rights for all shares to be acquired by Western Resources pursuant to the Proposed Western Resources Offer having been approved by the shareholders of KCPL pursuant to such statute, (iv) Western Resources being satisfied, in its sole discretion, that the provisions of Section 351.459 of the MGBCL will not prohibit for any period of time the consummation of the Proposed Western Resources Merger or any other "Business Combination" (as defined in such statute) involving KCPL and Western Resources or any subsidiary of Western Resources, (v) the shareholders of KCPL not having approved the Original Merger Agreement, (vi) all regulatory approvals required to consummate the Proposed Western Resources Offer and the Proposed Western Resources Merger having been obtained and remaining in full force and effect, all statutory waiting periods in respect thereof having expired and no such approval containing any conditions or restrictions which the Western Resources board of directors reasonably determines in good faith will have or reasonably could be expected to have a material adverse effect on Western Resources, KCPL and their respective subsidiaries taken as a whole, (vii) the receipt by Western Resources of a letter from its independent public accountants stating that the Proposed Western Resources Merger will qualify as a pooling of interests transaction under generally accepted accounting principles and applicable SEC regulations, (viii) Western Resources being satisfied, in its sole discretion, that it will be able to consummate the Proposed Western Resources Merger as a "short-form" merger pursuant to the provisions of Section 351.447 of the MGBCL and Section 17-6703 of the Kansas General Corporation Code immediately after consummation of the Proposed Western Resources Offer and (ix) all outstanding shares of KCPL Preferred Stock having been redeemed.

On May 3, 1996, Western Resources commenced soliciting proxies of KCPL shareholders in opposition to the Original Merger.

On May 6, 1996, KCPL and UCU announced that they would recommend an annual dividend of $1.85 per common share for KCU. Also on May 6, 1996, Western Resources announced that it had increased the lower limit of the "collar" in the Proposed Western Resources Offer. According to Western Resources, the minimum number of shares of Western Resources Common Stock that KCPL shareholders would receive for each share of KCPL Common Stock if the Proposed Western Resources Offer is consummated would be changed from 0.833 to 0.91. The maximum number was not changed.

On May 9, 1996, the KCPL Board met in order to review the status of the Original Merger and the Proposed Western Resources Offer. At such meeting, the KCPL Board received presentations from its management and financial and legal advisors regarding recent developments and the financial and legal terms of the Proposed Western Resources Offer, including the May 6, 1996 change in the "collar." In addition, representatives from the Palmer Bellevue practice of Coopers & Lybrand Consulting ("CLC"), which had been retained by KCPL shortly after the announcement of the Proposed Western Resources

Offer, were present. CLC reviewed with the KCPL Board the synergies analysis undertaken on behalf of Western Resources in connection with the Proposed Western Resources Offer. This review was based on publicly available information. Their review concluded that the study conducted on behalf of Western Resources by Deloitte & Touche appeared to contain certain flaws which result in overestimates of the savings expected to be realized. Such flaws identified were: (a) the application of a discount on materials procurement that assumes similarities and commonalities in plant that do not exist; (b) the use of a labor benefits loading of 34% rather than the actual KCPL benefits loading which averages 26%; (c) the assumption that layoffs will not be required for headcount reductions estimated to be 36% greater in the proposed combination of KCPL and Western Resources than in other recent utility mergers; (d) the assumption that 100% of headcount reductions will be available as of January 1, 1998, a time virtually at the anticipated time of closing a business combination with Western Resources; and (e) the use of a 4.3% labor inflation rate in contrast to relatively contemporaneous Deloitte & Touche utility synergy studies which assumes a 3.5% labor inflation rate. Additionally, they reviewed the study conducted by Ernst & Young relative to likely savings related to synergies resulting from the proposed Original Merger. They concluded that the study was conservative in its assumptions, well documented and professional in its methodology. There was no report issued by CLC related to these conclusions.

During the period beginning on May 10, 1996 and ending on May 19, 1996, various meetings were held between executives of KCPL and UCU to discuss a possible change in the exchange ratios in the Original Merger, certain changes in the structure of the Original Merger and other possible changes to the terms of the Original Merger. During the course of such meetings, representatives of UCU indicated that UCU would consider a change in the Original UCU Exchange Ratio, but any such change would be conditioned upon a change in the structure of the transaction to the form set forth in the Merger Agreement. On May 18, 1996, representatives of KCPL and UCU agreed to recommend to their respective Boards of Directors the Exchange Ratio of one share of KCPL Common Stock for each share of UCU Common Stock and the structure set forth in the Merger Agreement and described in this Joint Proxy Statement/Prospectus, subject to the approvals of the KCPL Board and the UCU Board.

On May 19, 1996, the UCU Board met to consider and approve the Merger Agreement. At such meeting, UCU's senior management and financial and legal advisors summarized the proposed merger. Also at such meeting, representatives of DLJ reviewed for the UCU Board various financial and other information and delivered an oral opinion that as of such date and subject to the assumptions made, matters considered and limits of the review undertaken, as set forth in such opinion, the Exchange Ratio was fair, from a financial point of view, to holders of UCU Common Stock. UCU's legal advisors noted that the structure of the merger had been modified to provide for the merger of UCU with a wholly-owned subsidiary of KCPL following which UCU stockholders would receive one share of KCPL Common Stock for each share of UCU Common Stock. Thereafter, UCU would be merged into KCPL and the surviving corporation would be a Missouri corporation to be renamed. It was noted by the legal advisors that the revised structure would require only a majority vote of KCPL's shareholders voting at the meeting, rather than two-thirds vote of the outstanding shares, and that the vote required by UCU would remain the same. The legal advisors further discussed with the UCU Board the differences between Missouri and Delaware law and the articles of incorporation and bylaws proposed for Maxim as compared to those contemplated for the surviving corporation pursuant to the Original Merger Agreement. The UCU Board also discussed the fact that the change in the Original UCU Exchange Ratio was conditioned upon a change in the structure of the transaction to the form set forth in the Merger Agreement. After considering and discussing the various presentations at such meeting, the UCU Board approved the Merger Agreement, the UCU Merger and the transactions contemplated thereby, authorized the execution and delivery of the Merger Agreement and granted the Chairman and Chief Executive Officer of UCU the authority to direct the Secretary of UCU to remove from the agenda of the UCU annual meeting to be held on May 22, 1996 the proposal to approve the Original Merger Agreement. See "THE MERGERS -- Opinion of UCU's Financial Advisor" for a discussion of parts of the presentation made by DLJ to the UCU Board at such meeting.

On May 20, 1996, the KCPL Board met to consider and approve the Merger Agreement. At such meeting, KCPL's senior management and financial and legal advisors discussed the material aspects

of the Mergers. Also at such meeting, Merrill Lynch representatives reviewed for the KCPL Board various financial and other information and delivered its oral opinion to the KCPL Board, which opinion was subsequently confirmed in a written opinion dated as of May 20, 1996, that, as of such date and based upon the assumptions made, matters considered and limits of review as set forth in such opinion, the Exchange Ratio was fair to the holders of KCPL Common Stock (other than UCU and its affiliates) from a financial point of view. Skadden Arps attorneys summarized and discussed (i) the revised deal structure, (ii) the reduction in the percentage of KCPL shareholders required to approve the transaction from two-thirds of the outstanding shares to a majority of a quorum, (iii) the tax-free structure of the transaction, (iv) the removal of dissenters' right of appraisal and (v) the fact that Maxim would be a Missouri corporation. See "THE MERGERS -- Opinion of KCPL's Financial Advisor" for a discussion of parts of the presentation made by Merrill Lynch to the KCPL Board at such meeting. After considering and discussing the various presentations at such meeting and at prior meetings as well as the recommendation of KCPL's management, the KCPL Board approved the Merger Agreement and the transactions contemplated thereby and directed that the proposals to approve the Original Merger Agreement and related transactions be removed from the agenda of the KCPL annual meeting of shareholders to be held on May 22, 1996.

The Merger Agreement and certain related documents were executed on May 20, 1996 following such approval by the KCPL Board and the UCU Board, and KCPL and UCU issued the following joint press release:

KCPL AND UTILICORP AMEND TERMS
OF MERGER AGREEMENT
MAY 22 VOTE ON PREVIOUS ACCORD CANCELLED

KANSAS CITY, Missouri, May 20, 1996 -- Kansas City Power & Light Company (NYSE: KLT) and UtiliCorp United Inc. (NYSE: UCU) announced today that they have entered into an Amended and Restated Agreement and Plan of Merger. Under the revised terms of the merger, a new KCPL subsidiary would be created, and it would be merged into UtiliCorp. UtiliCorp would then be merged with KCPL to form the combined company. Shareholders of UtiliCorp would receive one share in the merged company for each UtiliCorp share held. KCPL shareholders would continue to hold their existing KCPL shares. Other substantive terms of the merger will remain the same. Previously, KCPL holders would have received one share of stock in a new company for each share held, while UtiliCorp shareholders would have received 1.096 shares for each share held.

The transaction is anticipated to be tax-free for both UtiliCorp and KCPL shareholders and will be accounted for as a pooling of interests. The revised merger agreement was unanimously approved by the boards of directors of both companies.

The merger of equals will create a diversified energy company with total assets of approximately $6.4 billion and about 2.2 million customers in domestic and international markets.

The boards of KCPL and UtiliCorp recommend that the initial annualized dividend rate upon completion of the merger be set at $1.85 per share. This compares to UtiliCorp's current dividend of $1.76 per share and KCPL's current divided of $1.56 per share. Each company will continue its current dividend policy until completion of the merger.

Drue Jennings, Chairman and Chief Executive Officer of KCPL, said, "This revised agreement preserves the significant benefits of the KCPL/UtiliCorp strategic merger for shareholders of both companies and provides shareholders with even greater value. The merger combines the strengths of both companies to form a diversified growth company, fully prepared to compete effectively in the deregulated utility industry. The merger is a friendly combination designed to distribute benefits equitably between shareholders and customers. We are confident it will receive all required regulatory approvals."

"As we have stated since our first announcement, we believe that our merger will create a truly unique company with a winning growth strategy for the future," said Richard C. Green, Jr., Chairman and Chief Executive Officer of UtiliCorp United. "Both KCPL and UtiliCorp want the

opportunity to make that happen. Business is about choices. And, in order to facilitate this merger, we have chosen another tack to ensure the delivery of benefits and value to our key constituents."

Upon completion of the transaction, the board of KCPL will consist of 18 members: nine from KCPL and nine from UtiliCorp.

KCPL and UtiliCorp shareholders will vote on the proposed transaction at separate special meetings expected to be held this summer. The Amended Merger Agreement requires an affirmative vote by owners of a majority of the outstanding shares of UtiliCorp. The Agreement also calls for KCPL to issue new shares to complete the merger which will require, under New York Stock Exchange rules, approval by owners of a majority of the KCPL shares voting at a duly called meeting.

The companies do not expect any interruption in the previously disclosed regulatory-approval process. The two companies plan in the near future to file revised proxy soliciting materials pertaining to the amended agreement with the Securities and Exchange Commission.

As a result of the revised merger, both KCPL and UtiliCorp have cancelled the shareholder votes on the original merger proposal which were scheduled to be held at each company's annual meeting on May 22, 1996. Both annual meetings will still be held on May 22, 1996 in Kansas City to conduct all non-merger-related business on the agendas.

* * *

Also on May 20, 1996, KCPL commenced litigation against Western Resources and others seeking certain declaratory judgments in connection with the Merger Agreement and the transactions contemplated thereby. See "-- Certain Litigation."

KCPL's and UCU's directors were elected, and the other matters considered were approved, by each company's respective stockholders at their respective annual meetings on May 22, 1996.

On June 17, 1996, Western Resources commenced a solicitation of proxies from KCPL shareholders in opposition to the Share Issuance and announced that it was increasing the price in its offer to merge with KCPL to $31.00 of Western Resources Common Stock for each share of KCPL Common Stock, subject to a "collar" pursuant to which each share of KCPL Common Stock would be exchanged for no more than 1.1 and no less than 0.933 shares of Western Resources Common Stock (the "June 17 Announcement").

Also on June 17, 1996, KCPL issued a press release stating that the KCPL Board will review Western Resources' proposal in due course and advise shareholders of developments as they occur.

On June 19, 1996, Western Resources amended the terms of the Proposed Western Resources Offer to reflect the increase in price and change in the "collar" announced in the June 17 Announcement.

Subsequent to June 17, KCPL management contacted individual members of the KCPL Board to review and discuss the June 17 Announcement. A meeting of the KCPL Board was held on June 24, 1996 to consider Western Resources' proposal set forth in the June 17 Announcement. Members of KCPL management provided a background update for the KCPL Board, including a summary of the June 17 Announcement, the terms of which had been discussed with the KCPL Board prior to the meeting. Representatives from Skadden Arps advised the KCPL Board and answered questions with respect to certain legal matters in connection with its consideration of Western Resources' proposal contained in the June 17 Announcement. It was noted that the bases upon which the KCPL Board had previously determined to proceed with the transaction with UCU in light of the Proposed Western Resources Offer had not changed and remained applicable to the Western Resources proposal set forth in the June 17 Announcement. In this connection, KCPL management reviewed and discussed the text of a letter to be sent to Mr. Hayes which would set forth many of the bases for the KCPL Board's conclusions regarding Western Resources' proposal set forth in the June 17 Announcement and which had served as the basis for prior KCPL Board decisions regarding the Proposed Western Resources Offer and the Mergers. A prior draft of such letter had been previously supplied to members of the

KCPL Board for their review. After discussion, the KCPL Board determined that further exploration of the proposal of Western Resources contained in the June 17 Announcement was not in the best interests of KCPL, its shareholders, its employees and its customers and unanimously rejected such proposal. The KCPL Board also reaffirmed its approval of the Mergers and the Merger Agreement. See "-- Background of the Mergers" and "--Reasons for the Mergers; Recommendations of the Board of Directors -- KCPL" for a detailed summary of the bases for all conclusions reached by the KCPL Board with respect to Western Resources' proposal contained in the June 17 Announcement.

Subsequent to the KCPL Board's decision to reject Western Resources' proposal as set forth in the June 17 Announcement, representatives of KCPL's proxy solicitor and Merrill Lynch joined the meeting of the KCPL Board. The KCPL Board discussed with KCPL management, Merrill Lynch and KCPL's proxy solicitor the conduct of the proxy solicitation on a going forward basis, including potential market reaction to Western Resources' proposal set forth in the June 17 Announcement. KCPL's chief legal officer updated the KCPL Board on pending litigation with Western Resources. At the KCPL Board meeting, Merrill Lynch was not asked by the KCPL Board to consider Western Resources' proposal as set forth in the June 17 Announcement due to the contingencies and uncertainties which the KCPL Board believes are associated with such proposal, the speculative nature of certain assumptions made by Western Resources in such proposal relating to Western Resources' ability to achieve and retain certain estimated aggregate cost savings, the likelihood of substantially greater rate reductions affecting Western Resources in a pending rate proceeding than those assumed by Western Resources and the belief held by the KCPL Board that Western Resources' proposal is not consistent with the strategic objectives of KCPL. See "THE MERGERS -- Reasons for the Mergers; Recommendations of the Board of Directors -- KCPL."

On June 24, 1996, Mr. Jennings delivered to Mr. Hayes the following letter which contains certain statements of opinion and belief:

June 24, 1996

Mr. John E. Hayes, Jr.
Chairman of the Board and
Chief Executive Officer
Western Resources, Inc.
818 Kansas Avenue
Topeka, Kansas 66612

Dear John:

The Board of Directors (the "Board") of Kansas City Power & Light Company ("KCPL") has carefully considered the revised proposal of Western Resources, Inc. ("Western") as set forth in your letter of June 17, 1996, and has unanimously voted to reject Western's unsolicited proposal to acquire KCPL. We continue to believe strongly that Western is not an appropriate strategic partner for KCPL and that Western's unsolicited proposal is not in the best interests of our shareholders, nor is it in the best interests of our customers, employees and other constituencies served by KCPL, and we reaffirm our commitment to our business combination with UtiliCorp United Inc. ("UtiliCorp").

I also want you to understand clearly that our Board has not been, and will not be, influenced by your unsubtle efforts at corporate intimidation. KCPL shareholders will vote on the issuance of KCPL shares required to accomplish the UtiliCorp merger, and the vote will be decided by a majority of all shares present and entitled to vote at the meeting. This is democracy in its purest form. We are fully aware that you would prefer that the UtiliCorp merger be subject to a two-thirds supermajority voting requirement, where a minority of shares could thwart the wishes of a substantial majority. We also fully recognize that your position is designed to further the interests of your own shareholders -- not KCPL's --and any protestations to the contrary will fool no one.

The following are some of the more significant factors considered by the Board in rejecting Western's revised proposal (including some points which I discussed with you as early as March 1995).

-WESTERN FACES SIGNIFICANT RATE REDUCTIONS.

In connection with Western's acquisition of Kansas Gas and Electric Company ("KGE") in 1991, the Kansas Corporation Commission (the "KCC") ordered that all merger savings (over and above an acquisition adjustment that is inapplicable here) should be shared equally between ratepayers and shareholders. But, as you well know, Western has not yet adjusted its rate levels to reflect the savings achieved in the KGE merger. As a result, Western is currently embroiled in rate reduction proceedings before the KCC.

We believe that the KCC will impose rate reductions on Western far in excess of the $8.7 million per year over seven years that Western has proposed. Western has implicitly admitted that it can afford to reduce its earnings by at least an additional $50 million per year by requesting the KCC's permission to accelerate depreciation on the Wolf Creek plant by that annual amount. Indeed, the staff of the KCC has recommended an immediate rate reduction of $105 million. We believe that the KCC will address Western's overearnings by ordering significant rate reductions and will not permit Western to keep such overearnings.

-RATE REDUCTIONS IMPERIL WESTERN'S ABILITY TO DELIVER PROMISED DIVIDENDS.

The implementation of the KCC staff's recommended $105 million rate reduction would have a significant negative impact on Western's cash flow and earnings. If the $105 million rate reduction is implemented, then virtually all of Western's projected earnings for 1998 (as reported in the Western materials distributed to analysts on June 17, 1996, but as adjusted for the rate decrease recommended by the KCC staff) will be required to pay the dividends promised to KCPL shareholders. Even if the KCC orders a rate decrease of only $80 million, approximately three-fourths of the staff's recommendation, over 90% of Western's projected earnings for 1998 could be required to make the promised dividend payments. In light of these facts, the Board does not believe that Western's dividend promises are credible.

-WESTERN'S RATE DISPARITY BETWEEN KGE AND KPL ELECTRIC CUSTOMERS AMOUNTS TO AT LEAST $171.3 MILLION ANNUALLY.

There is a significant disparity among the rates charged to your customers. The rates charged to KGE customers were to have been reduced in connection with your acquisition of KGE. However, testimony before the KCC indicates that if the rates charged to KGE customers were reduced to equal the rates charged to KPL customers, Western would suffer a $171 million revenue reduction. Thus, even if the KCC follows the suggestion of its staff and the entire $105 million annual rate reduction is applied to KGE customers, Western would still face a rate disparity of approximately $65 million per year. Given these facts, the Board questions Western's commitment to sharing prospective merger savings with KCPL customers. In addition, the Board believes that Western will have to address the rate disparity by lowering rates for its KGE customers, and the Board does not believe that revenues from KCPL customers should be used to subsidize a rate reduction for KGE customers.

-RECENTLY, WESTERN BEGAN THE 40-YEAR AMORTIZATION OF THE ACQUISITION PREMIUM FOR KGE OF APPROXIMATELY $20 MILLION ANNUALLY.

As a result of the KGE acquisition, Western must amortize the $801 million acquisition premium at the rate of approximately $20 million per year over a period of forty years, only a portion of which will be recovered in rates. This significant, ongoing and long-term burden is a liability that the Board does not believe KCPL shareholders and ratepayers should be forced to share.

-A COMBINATION OF KCPL AND WESTERN WOULD CONCENTRATE RISK.

A combined KCPL/Western entity would own 94% of the Wolf Creek nuclear plant, concentrating a significant amount of capital and risk in a single asset. The Board believes that it would be preferable to avoid additional concentration of risk in Wolf Creek. In contrast, a KCPL/UtiliCorp entity would own only 47% of Wolf Creek.

-A COMBINED KCPL/UTILICORP ENTITY WOULD BE BETTER POSITIONED TO COMPETE IN A DEREGULATED MARKET.

A merger with UtiliCorp provides KCPL with access to new markets in several states and foreign countries, diversifies KCPL's risks by providing entry into nonregulated energy related businesses, and provides KCPL with the competitive advantages of UtiliCorp's successful brand name, EnergyOne. A merger with Western would provide KCPL with none of these immediate advantages. UtiliCorp is much better positioned than Western to compete in a deregulated utility market.

-WESTERN'S SYNERGIES CLAIMS ARE UNREALISTIC AND WESTERN WILL NOT BE ALLOWED TO RETAIN 70% OF THE SAVINGS RESULTING FROM A MERGER WITH KCPL.

The Board believes, based on a review of Western's synergies analysis, that Western has significantly overestimated the amount of savings that would result from a KCPL/Western combination. Furthermore, Western's assumption in its KCC filings that it will be allowed to retain 70% of the savings resulting from a merger with KCPL is inconsistent with applicable precedent. The KCC, in its order authorizing the merger of KGE and Western's predecessor, Kansas Power and Light Co., required merger savings (over and above an acquisition adjustment that is inapplicable here) to be shared equally between shareholders and customers. In addition, the staff of the Missouri Public Service Commission, in the pending Union Electric/ CIPSCO merger, is recommending an equal sharing of merger savings between shareholders and customers. As you know, Western will need the approval of both of these regulatory agencies for any merger with KCPL. In light of these precedents, it appears unrealistic to assume that Western will be able to keep 70% of merger savings.

As a result of the Board's conclusion that Western will not realize its forecasted amount of savings, and the Board's belief that Western will not be able to retain its expected portion of whatever savings it does realize, the Board does not believe that Western's financial forecasts are credible.

-WESTERN'S "NO LAYOFFS" PROMISE IS NOT CREDIBLE.

Western has stated that no layoffs would result from its proposal. However, the synergy analysis filed by Western with the KCC stated that 531 employee positions would be eliminated and assumed that all resulting savings would be available by January 1, 1998. In light of Western's admission in its proxy materials that a hostile transaction could not be completed until the end of 1997, the Board does not believe that Western could achieve those 531 "reductions" without laying off KCPL employees.

* * *

The proposed Western transaction would require our shareholders to exchange their KCPL stock, not for cash, but for Western stock. The value of such Western shares is therefore very much at issue. For the reasons stated in this letter, among others, we have significant doubts about Western's business prospects and believe that Western's earnings will not be sufficient to sustain, let alone grow, dividends. Accordingly, we firmly believe that the proposed Western transaction, in which KCPL shareholders would receive shares of Western stock, is not in the best interests of our shareholders and we reject it. Moreover, we have concluded in view of the factors enumerated in this letter and our conclusions regarding the Western proposal and the value of the Western shares, that it would serve no purpose to meet with you.

You have made many promises that we do not believe Western will be able to keep. Your dividend promises are contingent on unrealistic earnings forecasts that are undermined by inflated merger savings and the likelihood that the KCC will impose significant rate reductions on Western. Your rate reduction promises ring hollow, because your customers are still waiting for tens of millions of dollars of rate reductions that should have resulted from the acquisition of KGE. Your promise that no employees will be laid off is in conflict with your KCC filings. We do not intend to risk the future of our company and its customers, employees, shareholders and other constituencies on your hollow promises.

Western faces serious problems relating to the impending rate reduction and rate disparity issues discussed above. These problems need to be resolved by Western's management and Board of Directors, and the consequences of your actions should be borne by your customers and your shareholders alone. Our Board will not permit Western to solve its internal business problems by merging with KCPL.

Sincerely,
/s/ A. Drue Jennings
A. Drue Jennings

SUMMARY OF JOINT PROXY STATEMENT/PROSPECTUS

THE FOLLOWING IS A SUMMARY OF CERTAIN IMPORTANT TERMS AND CONDITIONS OF THE MERGERS AND RELATED INFORMATION. THIS SUMMARY DOES NOT PURPORT TO BE COMPLETE AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED INFORMATION APPEARING IN THIS JOINT PROXY STATEMENT/PROSPECTUS, THE ANNEXES AND THE DOCUMENTS INCORPORATED HEREIN BY REFERENCE. STOCKHOLDERS ARE URGED TO READ THIS JOINT PROXY STATEMENT/PROSPECTUS AND THE ANNEXES IN THEIR ENTIRETY.

THE PARTIES

KCPL. KCPL is a low-cost electric power producer providing energy-related products and services to customers in its service territory and worldwide. Headquartered in Kansas City, Missouri, KCPL serves the electric power needs of over 430,000 customers in and around the metropolitan Kansas City area. Included in a diverse customer base are about 379,000 residences, 50,000 commercial firms and 3,000 industrial firms, municipalities and other electric utilities. Low fuel costs and superior plant performance enable KCPL to serve its customers well while maintaining a leadership position in the bulk power market. KLT Inc., a wholly-owned unregulated subsidiary of KCPL ("KLT"), pursues opportunities in primarily energy-related ventures throughout the nation and world. KCPL's commitment to KLT and its holdings reflect KCPL's plans to enhance shareholder value by capturing growth opportunities in energy-related and other markets outside KCPL's regulated core utility business. The principal executive offices of KCPL are located at 1201 Walnut, Kansas City, Missouri 64106-2124 and KCPL's telephone number is (816) 556-2200. See "SELECTED INFORMATION CONCERNING KCPL AND UCU -- Business of KCPL."

Upon consummation of the Mergers, KCPL will be renamed Maxim Energies, Inc. See "MAXIM FOLLOWING THE MERGERS."

UCU. UCU is an energy company which consists of electric and natural gas utility operations, natural gas gathering, marketing and processing and independent power projects managed through four business groups. UCU operates electric and gas utilities in eight states and one Canadian province. In addition, UCU has ownership interests in 17 independent power projects in various locations in the United States and Jamaica. UCU also markets natural gas in the United Kingdom through several joint ventures, and owns an interest in and operates energy joint venture interests in New Zealand and Australia. UCU serves approximately 434,000 electric customers in four states and British Columbia and approximately 800,000 gas customers in eight states. The Australian joint venture serves approximately 520,000 electric customers. The principal executive offices of UCU are located at 911 Main Street, Suite 3000, Kansas City, Missouri 64105 and UCU's telephone number is (816) 421-6600. See "SELECTED INFORMATION CONCERNING KCPL AND UCU -- Business of UCU."

THE KCPL MEETING

PURPOSE. At the KCPL Meeting, the holders of KCPL Common Stock will consider and vote upon (i) a proposal to approve the Share Issuance pursuant to which up to a maximum of 54,000,000 shares of KCPL Common Stock (such stock on or after the Mergers is referred to herein as Maxim Common Stock) will be issued in the UCU Merger, (ii) a proposal to approve the Maxim Stock Incentive Plan and (iii) a proposal to approve the Maxim MIC Plan. Pursuant to the Merger Agreement, the consummation of the Mergers is conditioned upon approval of proposal (i) above, but is not conditioned upon approval by the shareholders of KCPL of any other of the above proposals. If approved by the shareholders of KCPL, each of the Maxim Plans will be implemented only if the transactions contemplated by the Merger Agreement are consummated.

Under the MGBCL, no separate vote of KCPL shareholders is required to approve the Mergers. However, as it is a condition to the closing of the Mergers that KCPL shareholders approve of the Share Issuance, a vote for the Share Issuance is, in essence, a vote for the Mergers.

THE KCPL BOARD, BY A UNANIMOUS VOTE, HAS APPROVED THE MERGER AGREEMENT, THE MERGERS AND THE TRANSACTIONS CONTEMPLATED THEREBY, AUTHORIZED THE EXECUTION AND DELIVERY OF THE MERGER AGREEMENT, AND RECOMMENDS THAT KCPL SHAREHOLDERS VOTE FOR APPROVAL OF THE SHARE ISSUANCE, FOR APPROVAL OF THE MAXIM STOCK INCENTIVE PLAN AND FOR APPROVAL OF THE MAXIM MIC PLAN.

See "MEETINGS, VOTING AND PROXIES -- The KCPL Meeting."

DATE, PLACE AND TIME; RECORD DATE. The KCPL Meeting is scheduled to be held at the Hyatt Regency Crown Center Hotel, 2345 McGee, Kansas City, Missouri, on Wednesday, August 7, 1996, commencing at 10:00 a.m., local time. Holders of record of shares of KCPL Common Stock at the close of business on June 26, 1996 (the "KCPL Record Date") will be entitled to notice and to vote at the KCPL Meeting. At the close of business on the KCPL Record Date, 61,902,083 shares of KCPL Common Stock were issued and outstanding and entitled to vote.

VOTING RIGHTS; QUORUM; REQUIRED VOTE. Each outstanding share of KCPL Common Stock is entitled to one vote upon each matter presented at the KCPL Meeting. A majority of the voting power of the shares issued, outstanding and entitled to vote, present in person or by proxy, shall constitute a quorum for the transaction of business at the KCPL Meeting.

Under the rules of the NYSE, the affirmative vote of the holders of a majority of the shares of KCPL Common Stock voting on the Share Issuance where the total number of votes cast represents over 50 percent of all outstanding shares of KCPL Common Stock outstanding on the KCPL Record Date is required to approve the Share Issuance. Abstentions will have the same effect as votes cast against the Share Issuance, but broker non-votes, if any, will be disregarded and will have no effect on the vote on the Share Issuance. The affirmative vote of a majority of the shares of KCPL Common Stock present and entitled to vote is required to approve the Maxim Stock Incentive Plan and the Maxim MIC Plan.

As of the KCPL Record Date, the directors and executive officers of KCPL, together with their affiliates as a group, beneficially own less than 1% of the issued and outstanding shares of KCPL Common Stock.

Direct KCPL shareholder approval of the Mergers is not required under state law for the following reasons. The UCU Merger is between Sub, a wholly-owned subsidiary of KCPL, and UCU, both Delaware corporations. Under Section 251 of the DGCL, only stockholders of the corporations which are parties to the merger are required to vote. Because KCPL is not a party to the UCU Merger, no vote of KCPL's shareholders is required under Delaware law. Further, no provision of Missouri law requires that KCPL shareholders vote to approve the UCU Merger. The Consolidating Merger contemplated by the Merger Agreement is a "short-form" merger between KCPL and UCU which will be KCPL's wholly-owned subsidiary as a result of the UCU Merger. Missouri law permits a corporation owning at least ninety percent of the outstanding stock of another corporation to complete a merger of such corporations without any shareholder vote. In currently pending litigation, Western Resources, Robert L. Rives and an intervening shareholder of KCPL contend that the Merger Agreement requires approval of two-thirds of all outstanding KCPL shares.

See "MEETINGS, VOTING AND PROXIES -- The KCPL Meeting" and "THE MERGERS -- Certain Litigations."

THE UCU MEETING

PURPOSE. At the UCU Meeting, the holders of UCU Common Stock will be asked to consider and vote upon a proposal to approve the Merger Agreement and the UCU Merger.

THE UCU BOARD, BY A UNANIMOUS VOTE, HAS APPROVED THE MERGER AGREEMENT AND THE UCU MERGER, AUTHORIZED THE EXECUTION AND DELIVERY OF THE MERGER AGREEMENT, AND RECOMMENDS THAT UCU STOCKHOLDERS VOTE FOR APPROVAL OF THE MERGER AGREEMENT AND THE UCU MERGER.

See "MEETINGS, VOTING AND PROXIES -- The UCU Meeting."

DATE, PLACE AND TIME; RECORD DATE. The UCU Meeting is scheduled to be held at the Conference Center at the Kansas City Convention Center, 14th Street between Wyandotte and Central, Kansas City, Missouri 64105, on Wednesday, August 14, 1996, commencing at 2:00 p.m., local time. Holders of record of shares of UCU Common Stock at the close of business on June 26, 1996 (the "UCU Record Date") will be entitled to notice and to vote at the UCU Meeting. At the close of business on the UCU Record Date, approximately 46,776,000 shares of UCU Common Stock were issued and outstanding and entitled to vote.

VOTING RIGHTS; QUORUM; REQUIRED VOTE. Each outstanding share of UCU Common Stock is entitled to one vote upon the Merger Agreement and the UCU Merger. A majority of the voting power of the shares issued and outstanding and entitled to vote, present in person or by proxy, shall constitute a quorum for the transaction of business at the UCU Meeting.

As provided under the DGCL, the Certificate of Incorporation of UCU, as amended (the "UCU Charter") and the bylaws of UCU (the "UCU Bylaws"), the affirmative vote of a majority of the outstanding shares of the UCU Common Stock entitled to vote at the UCU Meeting is required for the approval of the Merger Agreement and the UCU Merger. Abstentions and broker non-votes will have the same effect as votes cast against approval of the Merger Agreement and the UCU Merger.

As of the UCU Record Date, the directors and executive officers of UCU, together with their affiliates as a group, beneficially own 2.2% of the issued and outstanding shares of UCU Common Stock entitled to vote at the UCU Meeting.

See "MEETINGS, VOTING AND PROXIES -- The UCU Meeting."

THE MERGERS

The Mergers will be consummated on the terms and subject to the conditions set forth in the Merger Agreement, as a result of which (i) as of the UCU Effective Time, Sub will be merged with and into UCU, with UCU surviving in the UCU Merger and (ii) immediately thereafter at the Effective Time, the UCU Surviving Corporation will be merged with and into KCPL, with KCPL surviving (and renamed as Maxim) in the Consolidating Merger. In addition, as of the UCU Effective Time, (i) each issued and outstanding share of UCU Common Stock (other than shares of UCU Common Stock owned by KCPL or UCU either directly or through a wholly-owned Subsidiary (as defined herein)) will be converted into and become one fully paid and nonassessable share of Maxim Common Stock and (ii) each issued and outstanding share of common stock, $1.00 par value per share, of Sub ("Sub Common Stock") will be converted into and become one fully paid and nonassessable share of common stock, $0.01 par value per share, of the UCU Surviving Corporation. Each issued and outstanding share of KCPL Common Stock held by KCPL shareholders will remain outstanding after the Mergers, unchanged, as one share of Maxim Common Stock. Based on the number of shares of KCPL Common Stock and UCU Common Stock outstanding as of the date of the Merger Agreement, the holders of KCPL Common Stock and the holders of UCU Common Stock will hold in the aggregate approximately 57% and 43%, respectively, of the total number of shares of Maxim Common Stock outstanding immediately after the Effective Time.

KCPL has agreed under the Merger Agreement to call for redemption before the UCU Effective Time all of the outstanding shares of each series and class of KCPL Preferred Stock at the applicable redemption prices therefor, together with all dividends accrued and unpaid through the applicable redemption dates. UCU has agreed under the Merger Agreement to call for redemption all of the outstanding shares of UCU Preferred Stock, which is the only outstanding series or class of preferred stock of UCU, on March 3, 1997 or on such later date as KCPL and UCU shall mutually agree. The redemption price therefor will be $25.00 per share of UCU Preferred Stock plus all accrued and unpaid dividends through the redemption date. It is a condition to the closing of the Mergers that the UCU Preferred Stock and KCPL Preferred Stock be redeemed before the UCU Effective Time.

See "THE MERGER AGREEMENT -- The Mergers."

CERTAIN LITIGATION

The litigation summarized below concerns the legality of the Merger Agreement and its adoption, and particularly relate to the requirement that the Mergers in effect be approved by a vote of a majority of shares of KCPL Common Stock voting (provided a quorum is present) rather than two-thirds of all outstanding shares of KCPL Common Stock.

On May 20, 1996, KCPL commenced litigation captioned KANSAS CITY POWER & LIGHT CO. V. WESTERN RESOURCES, INC, ET AL., C.A. No. 96-0552-CV-W-5 in the United States District Court for the Western District of Missouri, Western Division, against Western Resources, Inc. ("Western Resources") and Robert L. Rives, a KCPL shareholder. The purpose for which the litigation was commenced was to obtain, prior to consummation of the Mergers, declaratory judgments that the Merger Agreement is legally valid and its adoption did not constitute a breach of duty by KCPL's directors. On May 24, 1996, a shareholder of KCPL filed a motion to intervene in the action as a representative of a class consisting of similarly situated KCPL shareholders. This shareholder also requested leave to file an answer to the complaint, in which he would assert counterclaims against KCPL and each of its directors, who would be joined as counterclaim defendants. The proposed counterclaims would allege that KCPL and its directors breached fiduciary duties of care, loyalty and disclosure in responding to Western Resources' acquisition overtures, including their adoption of the Merger Agreement; that their actions in adopting the Merger Agreement were illegal and ULTRA VIRES; that the adoption of the Merger Agreement illegally deprived KCPL shareholders of voting and appraisal rights under Missouri law; and that the adoption of the Merger Agreement was a disproportionate response to Western Resources' acquisition offer. On June 7, 1996, this motion to intervene was granted. KCPL believes that the counterclaims of the intervenor are without merit and will vigorously defend.

Also on June 7, 1996, Western Resources and Rives filed counterclaims contending, INTER ALIA, that the Merger Agreement is illegal because it does not require approval of two-thirds of all outstanding KCPL shares and because it does not provide KCPL shareholders with dissenters' rights. KCPL believes these counterclaims to be without merit and will vigorously defend. The court has scheduled a hearing on these issues for July 25, 1995. If Western Resources, Rives, and the intervenor prevail on these issues, the Merger Agreement will require approval of two-thirds of all outstanding KCPL shares and dissenters' rights will be available to KCPL shareholders. See "THE MERGERS -- Certain Litigation."

An outcome favorable to KCPL in the above described litigation is not a condition to the consummation of the Mergers. However, it is a condition to the consummation of the Mergers that no temporary restraining order or preliminary or permanent injunction or other order by any federal or state court preventing consummation of the Mergers shall have been issued and be continuing in effect immediately before the Effective Time. An adverse outcome to the above described litigation which results in any such order or injunction may prevent the consummation of the Mergers.

CONDITIONS TO THE MERGERS

The respective obligations of KCPL and UCU to consummate the Mergers are subject to the satisfaction of certain conditions, including the approval of the Share Issuance by the shareholders of KCPL and the approval of the UCU Merger by the stockholders of UCU; the absence of any injunction that prevents the consummation of the Mergers; the effectiveness of the Registration Statement; the listing on the NYSE of the shares of Maxim Common Stock to be issued in the UCU Merger; the receipt of all material governmental approvals; the qualification of the Mergers as a pooling of interests for accounting purposes; obtaining necessary permits; the performance by the other party in all material respects, or waiver, of all obligations required to be performed under the Merger Agreement; the accuracy of the representations and warranties of the other party set forth in the Merger Agreement as of the Closing Date (as defined herein) (except for inaccuracies which would not reasonably be likely to result in a material adverse effect to such other party); the receipt of an officer's certificate from the other party stating that certain conditions set forth in the Merger Agreement have been satisfied; there having been no material adverse effect on the other party; the

receipt of opinions of counsel to the effect that the Mergers will qualify as a tax-free reorganization; the receipt of certain material third-party consents; and the receipt of letters from affiliates of UCU with respect to transactions in securities of KCPL or UCU. See "THE MERGER AGREEMENT -- Conditions to Each Party's Obligation to Effect the Mergers" and "THE MERGERS -- Certain Litigation."

EXCHANGE OF STOCK CERTIFICATES

As soon as practicable after the Effective Time, an exchange agent mutually agreeable to KCPL and UCU (the "Exchange Agent") will mail transmittal instructions to each holder of record of shares of UCU Common Stock outstanding at the UCU Effective Time, advising such holder of the procedure for surrendering such holder's certificates (each, an "Old Certificate") which immediately prior to the UCU Effective Time represented certificates for shares of UCU Common Stock that were cancelled in the UCU Merger and became instead the right to receive shares of Maxim Common Stock. Holders of Old Certificates will not be entitled to receive any payment of dividends or other distributions on their Old Certificates until such certificates have been surrendered for certificates representing shares of Maxim Common Stock. Holders of shares of UCU Common Stock should not submit their stock certificates for exchange until a letter of transmittal and instructions therefor are received. Holders of KCPL Common Stock will not need to surrender their share certificates. Issued and outstanding shares of KCPL Common Stock held by KCPL shareholders will remain outstanding and unchanged after the Mergers but are referred to herein as Maxim Common Stock to reflect the combined company's name change to Maxim at the Effective Time. See "THE MERGER AGREEMENT -- The Mergers."

MAXIM PLANS

Pursuant to the Merger Agreement, Maxim will adopt the Maxim Stock Incentive Plan and the Maxim MIC Plan to replace comparable plans of KCPL and UCU. The Maxim Stock Incentive Plan is a comprehensive stock compensation plan providing for the grant of stock options, stock appreciation rights, restricted stock and performance units. The Maxim MIC Plan is a short-term incentive compensation plan providing for awards based upon the achievement of individual, group and corporate performance goals during periods of up to 12 months. The Maxim Plans will only be implemented if they are approved by KCPL shareholders at the KCPL Meeting and if the Mergers are consummated. For descriptions of the Maxim Plans, see "THE MERGERS -- Maxim Plans" and "APPROVAL OF MAXIM PLANS."

BACKGROUND OF THE MERGERS

For a description of the background of the Mergers, see "THE MERGERS -- Background of the Mergers."

REASONS FOR THE MERGERS

KCPL and UCU believe that the Mergers offer significant strategic and financial benefits to each company and to their respective stockholders, as well as to their employees and customers and the communities in which they transact business. These benefits include, among others: increased ability to diversify into non-regulated areas; greater efficiency; increased purchasing power; lower future rates due to cost savings resulting from the Mergers; greater coordination of operations; expanded management resources and the ability to select leadership from a larger and more diverse management pool; increased size and financial stability; enhanced access to new customers and to capital markets; stimulation of local economic growth and development; reduced administrative costs; cost savings in a variety of other categories, which are estimated to result in net savings of approximately $636 million over a 10-year period following the Mergers as identified in a report prepared by Ernst & Young LLP ("Ernst & Young"); additional operational savings identified by the managements of KCPL and UCU after the announcement of the Original Merger; and opportunities to enhance revenue growth. See "THE MERGERS -- Reasons for the Mergers; Recommendations of the Boards of Directors," "-- Synergies from the Mergers," "-- Additional Operational Benefits" and "-- Enhancement of Financial Performance."

The estimated $636 million in net cost savings are not anticipated to be realized evenly over the 10-year period following the consummation of the Mergers. The estimated net cost savings, for each of the first 10 years following the Mergers are (in millions): $19.2, $31.3, $42.3, $49.6, $67.7, $82.6, $85.6, $82.4, $87.7 and $87.9, respectively. See "THE MERGERS -- Synergies from the Mergers." There can be no assurance that the combined company will realize the cost savings estimated to occur as a result of the Mergers. In addition, the cost savings are subject to material assumptions. See "THE MERGERS - -- Synergies from the Mergers -- Material Assumptions Underlying Cost Savings from Synergies."

Stockholders of KCPL and UCU may receive a copy of the Ernst & Young report free of charge by calling 1-800-714-3312.

RECOMMENDATIONS OF THE BOARDS OF DIRECTORS

In considering the recommendations of the KCPL Board and the UCU Board with respect to the Mergers, stockholders should be aware that certain members of KCPL's and UCU's management and Boards of Directors have certain interests in the Mergers that are in addition to the interests of stockholders of KCPL and UCU generally. See "THE MERGERS -- Conflicts of Interest."

KCPL. The KCPL Board, by a unanimous vote, has approved and adopted the Merger Agreement, the Mergers and the transactions contemplated thereby, believes that the terms of the Mergers are fair to, and in the best interests of, KCPL's shareholders and recommends that the shareholders of KCPL vote FOR approval of the Share Issuance and FOR approval of each of the Maxim Plans. The KCPL Board approved and adopted the Merger Agreement after consideration of a number of factors described under the heading "THE MERGERS -- Reasons for the Mergers; Recommendations of the Boards of Directors" including the Proposed Western Resources Offer and the June 17 Announcement (each as defined herein). In addition, on June 24, 1996, the KCPL Board, after careful consideration, rejected the Western Resources offer contained in the June 17 Announcement. See "THE MERGERS -- Background of the Mergers" and "-- Reasons for the Mergers; Recommendations of the Board of Directors."

UCU. The UCU Board, by a unanimous vote, has approved and adopted the Merger Agreement and the transactions contemplated thereby, believes that the terms of the UCU Merger are fair to, and in the best interests of, UCU's stockholders and recommends that the stockholders of UCU vote FOR approval of the Merger Agreement and the UCU Merger. The UCU Board approved and adopted the Merger Agreement after consideration of a number of factors described under the heading "THE MERGERS -- Reasons for the Mergers; Recommendations of the Boards of Directors."

OPINIONS OF FINANCIAL ADVISORS

KCPL. On May 20, 1996, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") delivered its oral opinion, which opinion was subsequently confirmed in written opinions dated as of May 20, 1996 and as of the date of this Joint Proxy Statement/Prospectus, to the KCPL Board to the effect that, as of such dates and based upon the assumptions made, matters considered and limits of review as set forth in such opinions, the proposed Exchange Ratio of one share of Maxim Common Stock for each share of UCU Common Stock pursuant to the UCU Merger is fair to the holders of shares of KCPL Common Stock (other than UCU and its affiliates) from a financial point of view. In arriving at its opinions dated as of May 20, 1996 and as of the date of this Joint Proxy Statement/Prospectus, the KCPL Board did not ask Merrill Lynch to consider the WR Proposal (as defined herein) or the Proposed Western Resources Offer as amended to reflect the terms contained in the June 17 Announcement, respectively, and Merrill Lynch did not do so. For a discussion of why the KCPL Board did not ask Merrill Lynch to consider such offers, see "THE MERGERS -- Reasons for the Mergers; Recommendations of the Boards of Directors -- KCPL." The full text of the written opinion of Merrill Lynch, dated as of the date of this Joint Proxy Statement/Prospectus, which sets forth the assumptions made, matters considered and limits of the review undertaken in connection

with the opinion, is attached hereto as Annex B and is incorporated herein by reference. HOLDERS OF SHARES OF KCPL COMMON STOCK ARE URGED TO, AND SHOULD, READ SUCH OPINION IN ITS ENTIRETY. See "THE MERGERS -- Opinion of KCPL's Financial Advisor" and Annex B.

UCU. On May 19, 1996, Donaldson, Lufkin & Jenrette Securities Corporation ("DLJ") delivered its oral opinion, which opinion was subsequently confirmed in a written opinion dated as of May 19, 1996 and a further written opinion dated the date of this Joint Proxy Statement/Prospectus, to the effect that, as of such dates, and subject to the assumptions made, matters considered and limits of the review undertaken, as set forth in such opinions, the Exchange Ratio is fair, from a financial point of view, to holders of UCU Common Stock. A copy of the written opinion of DLJ, dated as of the date of this Joint Proxy Statement/Prospectus, which sets forth the assumptions made, matters considered and limits of the review undertaken in connection with the opinion, is attached hereto as Annex C and is incorporated herein by reference. HOLDERS OF SHARES OF UCU ARE URGED TO, AND SHOULD, READ SUCH OPINION IN ITS ENTIRETY. See "THE MERGERS -- Opinion of UCU's Financial Advisor" and Annex C.

WESTERN RESOURCES' PROPOSALS

On April 14, 1996 Western Resources delivered an unsolicited proposal to the KCPL Board pursuant to which Western Resources would acquire all of the outstanding shares of KCPL Common Stock in exchange for Western Resources Common Stock (as defined herein) valued at $28.00 per share of KCPL Common Stock, subject to a "collar" limiting the amount of Western Resources Common Stock that holders of KCPL Common Stock would receive for each share of KCPL Common Stock to no more than 0.985 shares and no less than 0.833 shares. On April 21, 1996, the KCPL Board, after careful consideration, rejected such proposal. On April 22, 1996, Western Resources filed preliminary materials with the SEC relating to the Proposed Western Resources Offer pursuant to which Western Resources would acquire the outstanding shares of KCPL Common Stock for $28.00 per share of Western Resources Common Stock, subject to the "collar" described above and numerous other conditions. On May 6, 1996, Western Resources announced that it was changing the minimum number of shares of Western Resources Common Stock that KCPL shareholders would receive for each share of KCPL Common Stock from 0.833 to 0.91 shares. On June 17, 1996, Western Resources made the June 17 Announcement (as defined herein) pursuant to which it increased the price in its offer to merger with KCPL to $31.00 of Western Resources Common Stock for each share of KCPL Common Stock, subject to a "collar" pursuant to which each share of KCPL Common Stock would be exchanged for no more than 1.1 and no less than 0.933 shares of Western Resources Common Stock. On June 19, 1996, Western Resources amended the Proposed Western Resources Offer to reflect the increase in price and change in the "collar" announced in the June 17 Announcement. On June 24, 1996, the KCPL Board, after careful consideration, rejected the Western Resources offer contained in the June 17 Announcement.

As of the date of this Joint Proxy Statement/Prospectus, Western Resources has not formally commenced the Proposed Western Resources Offer.

See "THE MERGERS -- Background of the Mergers."

CONFLICTS OF INTEREST

In considering the recommendations of the KCPL Board and the UCU Board with respect to the Mergers, stockholders should be aware that certain members of KCPL's and UCU's management and Boards of Directors have certain interests in the Mergers that are in addition to the interests of stockholders of KCPL and UCU generally.

BOARD OF DIRECTORS. The Merger Agreement provides that the board of directors of Maxim (the "Maxim Board") will consist of 18 directors, nine of whom will be the then existing directors of KCPL immediately prior to the Effective Time and nine of whom will be designated by UCU. To date, UCU has not determined which individuals, in addition to Richard C. Green, Jr., the Chairman of the Board and Chief Executive Officer of UCU, will be its designees to serve as directors of Maxim as of the

Effective Time. However, it is currently anticipated that the directors of UCU immediately prior to the Effective Time will serve as UCU's designees to the Maxim Board. See "THE MERGERS -- Conflicts of Interest -- Board of Directors."

EMPLOYMENT AGREEMENTS. Each of A. Drue Jennings, the Chairman of the Board, President and Chief Executive Officer of KCPL, and Mr. Green will enter into an employment agreement with Maxim to become effective upon the consummation of the Mergers (each, an "Employment Agreement"). The term of each Employment Agreement shall last until the fifth anniversary of the Effective Time. Pursuant to Mr. Jennings' Employment Agreement, from the Effective Time until the date of the annual meeting of shareholders of Maxim that occurs in 2002, Mr. Jennings will serve as Chairman of Maxim, and thereafter until the expiration of his Employment Agreement will serve as Vice Chairman of Maxim. From the Effective Time until the earlier of the annual meeting of shareholders of Maxim that occurs in 2002 or the date Mr. Jennings ceases to serve as Chairman, Mr. Green will serve as Vice Chairman and Chief Executive Officer of Maxim, and thereafter until the expiration of his Employment Agreement will serve as Chairman and Chief Executive Officer. Pursuant to the Employment Agreements, Messrs. Jennings and Green will receive salary, bonus and other compensation as shall be determined by the Maxim Board, but not less than either received before the Effective Time. Based upon current compensation levels, Messrs. Jennings and Green would each receive an annual base salary of $630,000 and be eligible for annual bonuses of between $0 and approximately $1,040,000, depending upon performance. The Employment Agreements provide for the payment by Maxim of severance benefits in the event of the termination of employment by the Executive under specified circumstances. Based upon the salary levels currently in effect, if the employment of Mr. Jennings or Mr. Green is terminated immediately following the consummation of the Mergers under circumstances entitling them to receive severance benefits, they would be entitled to a severance payment ranging from approximately $1.9 million to $3.1 million, plus certain other amounts in respect of bonuses and benefits. No other officers or directors of KCPL or UCU have entered into employment or other agreements with Maxim. See "THE MERGERS -- Conflicts of Interest -- Employment Agreements."

EMPLOYEE PLANS AND SEVERANCE ARRANGEMENTS. Under certain agreements entered into by KCPL and UCU, certain officers of KCPL and UCU may be entitled to payment of certain severance benefits upon termination of employment following consummation of the Mergers. In addition, stock options outstanding under UCU's Amended and Restated 1986 Stock Incentive Plan (the "UCU Plan") and the UCU 1986 Stock Incentive Plan (the "UCU 1986 Plan") vested upon execution of the Original Merger Agreement. Restricted stock outstanding under the UCU 1986 Plan will vest upon consummation of the UCU Merger. The aggregate amount which could be payable under certain circumstances upon termination of employment after the Mergers to the five most highly compensated executive officers of KCPL who have entered into the "KCPL Severance Agreements" (as defined herein) is approximately $6.1 million. In addition, an aggregate of approximately $450,000 in deferred compensation would be payable to these individuals upon termination of employment after the Mergers. The aggregate amount which could be payable under certain circumstances upon termination of employment after the Mergers to the five most highly compensated executive officers of UCU who have entered into the "UCU Severance Agreements" (as defined herein) is approximately $4.9 million. Approximately 290,000 options vested for such officers upon execution of the Merger Agreement. Approximately 71,800 shares of restricted stock will vest upon consummation of the UCU Merger. See "THE MERGERS -- Conflicts of Interest -- Employee Plans and Severance Arrangements."

INDEMNIFICATION. The parties have agreed in the Merger Agreement that Maxim will indemnify, to the fullest extent permitted by applicable law, the present and former officers, directors and employees of each of the parties to the Merger Agreement or any of their Subsidiaries (as defined herein) against certain liabilities (i) arising out of actions or omissions occurring at or prior to the Effective Time that arise from or are based on such service as an officer, director or employee or (ii) that are based on or arise out of or pertain to the transactions contemplated by the Merger Agreement, and to maintain policies of directors' and officers' liability insurance for a period of not

less than six years after the Effective Time, provided that Maxim shall not be required to expend in any year an amount in excess of 200% of the annual aggregate premium currently paid by KCPL and UCU for such insurance. To the fullest extent permitted by law, from and after the Effective Time, all rights to indemnification existing in favor of the employees, agents, directors or officers of KCPL, UCU and their respective Subsidiaries with respect to their activities as such prior to the Effective Time, as provided in their respective articles of incorporation and bylaws in effect on January 19, 1996, or otherwise in effect on January 19, 1996, shall survive the Mergers and shall continue in full force and effect for a period of not less than six years from the Effective Time. See "THE MERGERS -- Conflicts of Interest -- Indemnification" and "THE MERGER AGREEMENT -- Directors' and Officers' Indemnification."

EMPLOYEE STOCK OPTIONS

All stock options to acquire UCU Common Stock under the existing employee stock incentive plans of UCU that are outstanding at the UCU Effective Time will be converted into options to buy Maxim Common Stock, and the number of shares and exercise price under such options will, in most cases, be adjusted to reflect the Exchange Ratio. See "THE MERGERS -- Maxim Plans" and "THE MERGER AGREEMENT -- Benefit Plans."

MANAGEMENT OF MAXIM

In connection with the Mergers, the Maxim Board, at the Effective Time, will consist of 18 persons, nine of whom will be the then existing directors of KCPL immediately prior to the Effective Time, and nine of whom will be designated by UCU. At the Effective Time, A. Drue Jennings will become the Chairman of Maxim and Richard C. Green, Jr., will become Vice Chairman and Chief Executive Officer of Maxim. Robert K. Green, brother of Richard C. Green, Jr., will be the president of Maxim and Marcus Jackson will serve as Maxim's executive vice president and chief operating officer. Robert K. Green is currently president of UCU and Marcus Jackson is senior vice president and chief operating officer of KCPL. See "THE MERGERS -- Employment Agreements" and "MAXIM FOLLOWING THE MERGERS -- Management of Maxim."

RIGHTS TO TERMINATE, AMEND OR WAIVE CONDITIONS

The Merger Agreement may be terminated under certain circumstances, including: by mutual consent of KCPL and UCU; by any party if the Mergers are not consummated by December 31, 1997 (which date may be extended to December 31, 1998 under certain circumstances); by any party if the requisite stockholder approvals are not obtained or if any state or federal law or court order prohibits consummation of the Mergers; by a non-breaching party if there occurs a material breach of the Merger Agreement which is not cured within 20 days; or by either party, under certain circumstances, as a result of a more favorable third-party tender offer or business combination proposal with respect to such party. The Merger Agreement requires that termination fees be paid under certain circumstances, including if there is a material, willful breach of the Merger Agreement or if, under certain circumstances, a business combination with a third party is entered into or consummated within two and one-half years of the termination of the Merger Agreement. The aggregate termination fees under these provisions may not exceed $58,000,000. See "THE MERGER AGREEMENT -- Termination Fees."

The Merger Agreement may be amended by the Boards of Directors of the parties at any time before or after the approval of the Share Issuance by the shareholders of KCPL and the approval of the UCU Merger by the stockholders of UCU, but after such approvals, no amendment may be made which alters or changes (i) the amount or kind of shares, rights or the manner of conversion of such shares, or (ii) the terms or conditions of the Merger Agreement, if such alteration or change, alone or in the aggregate, would materially adversely affect the rights of the KCPL shareholders or UCU stockholders, except for alterations or changes that could otherwise be adopted by the Maxim Board without the further approval of such stockholders. See "THE MERGER AGREEMENT -- Amendment and Waiver."

At any time prior to the Effective Time, to the extent permitted by applicable law, the conditions to KCPL's or UCU's obligations to consummate the Mergers may be waived by the other party. Any determination to waive a condition would depend upon the facts and circumstances existing at the time of such waiver and would be made by the waiving party's Board of Directors, exercising its fiduciary duties to such party and its stockholders. See "THE MERGER AGREEMENT -- Amendment and Waiver."

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The consummation of the Mergers is conditioned upon the receipt by KCPL of an opinion from Skadden, Arps, Slate, Meagher & Flom ("Skadden Arps") and the receipt by UCU of an opinion from Blackwell Sanders Matheny Weary & Lombardi L.C. ("Blackwell Sanders") substantially to the effect that (i) the Mergers will qualify as a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) no gain or loss will be recognized by stockholders of UCU who exchange their shares of UCU Common Stock for shares of Maxim Common Stock as a result of the Mergers, and (iii) no gain or loss will be recognized by shareholders of KCPL as a result of the Mergers. See "THE MERGERS - -- Certain Federal Income Tax Consequences."

STOCKHOLDERS OF KCPL AND UCU ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES TO THEM OF THE MERGERS, INCLUDING THE APPLICATION TO THEM AND POSSIBLE EFFECT UPON THEM OF ANY PENDING LEGISLATION, THE ALTERNATIVE MINIMUM TAX, AND STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX LAWS.

MAXIM FOLLOWING THE MERGERS

At the Effective Time, KCPL will change its name to Maxim or such other name as KCPL and UCU shall mutually agree. The headquarters of Maxim will be in Kansas City, Missouri. The utility businesses of Maxim will serve approximately 860,000 electric customers and 800,000 gas customers in portions of Missouri, Kansas, Colorado, Iowa, Michigan, Minnesota, Nebraska, West Virginia and British Columbia. A joint venture in Australia will serve approximately 520,000 electric customers. The business of Maxim will primarily consist of owning and operating electric and gas utilities, including interests in several international joint ventures, and also owning and operating various non-utility subsidiaries.

Pursuant to the Merger Agreement, Maxim shall provide charitable contributions and community support within the service areas of KCPL and UCU at levels substantially comparable to the levels of charitable contributions and community support provided by such parties within their service areas within the two-year period immediately prior to the Effective Time.

See "MAXIM FOLLOWING THE MERGERS."

REGULATORY MATTERS

The approval of the Nuclear Regulatory Commission under the Atomic Energy Act of 1954, as amended (the "Atomic Energy Act"), the Federal Energy Regulatory Commission (the "FERC") under the Federal Power Act, as well as the approval of the utility regulators in Missouri, Kansas, Colorado, Iowa, Michigan, Minnesota, West Virginia and British Columbia under applicable state and provincial laws and the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), are required in order to consummate the Mergers. In addition, the approval of governmental authorities in Australia and New Zealand are required. The receipt of all of these approvals is presently anticipated to occur by the second quarter of 1997.

KCPL and UCU intend to request a "no-action" letter from the staff of the SEC, confirming their view that (i) the Mergers will not require the prior approval of the SEC pursuant to Section 9(a)(2) of the Public Utility Holding Company Act of 1935 (the "1935 Act") and (ii) following consummation of the Mergers, Maxim will be a holding company entitled to claim exemption pursuant to Rule 10 from

all provisions of the 1935 Act. In the event that the staff of the SEC does not concur with this view, KCPL and UCU will file an application with the SEC for the necessary approvals and exemptions in connection with the Mergers.

KCPL and UCU possess municipal franchises and environmental permits and licenses that require the consent of the licensor to the Mergers or may need to be renewed or replaced as a result of the Mergers. Neither KCPL nor UCU anticipate any difficulties at the present time in obtaining such consents, renewals, replacements or transfers.

Assuming the requisite regulatory approvals are obtained, Maxim's utility operations will be subject to regulation by state and provincial utility regulators in Missouri, Kansas, Colorado, Iowa, Michigan, Minnesota, West Virginia and British Columbia and certain non-utility operations will be subject to regulation in Oklahoma, South Dakota and Texas. In addition, certain investment activities of Maxim will be subject to the jurisdiction of regulatory authorities in Australia and New Zealand.

Under the Merger Agreement, KCPL and UCU have agreed to use all commercially reasonable efforts to obtain all governmental authorizations necessary or advisable to consummate or effect the transactions contemplated by the Merger Agreement. Various parties may seek intervention in these proceedings to oppose the Mergers or to have conditions imposed upon the receipt of necessary approvals. While KCPL and UCU believe that they will receive the requisite regulatory approvals for the Mergers, there can be no assurance as to the timing of such approvals or the ability of such parties to obtain such approvals on satisfactory terms or otherwise. It is a condition to the consummation of the Mergers that final orders approving the Mergers be obtained from the various federal and state regulators described above on terms and conditions which would not have, or foreseeably could not have, a material adverse effect on the business, assets, financial condition or results of operations of Maxim and its prospective subsidiaries taken as a whole, or which would be materially inconsistent with the agreements of the parties contained in the Merger Agreement. There can be no assurance that any such approvals will not contain terms or conditions that cause such approvals to fail to satisfy such condition to the consummation of the Mergers.

See "THE MERGERS -- Regulatory Matters."

ACCOUNTING TREATMENT

KCPL and UCU believe that the Mergers will be treated as a pooling of interests for accounting purposes. See "THE MERGERS -- Accounting Treatment." The receipt by each of KCPL and UCU of a letter from their respective independent accountants, stating that the transaction will qualify as a pooling of interests, is a condition to the consummation of the Mergers. This condition may be waived, but KCPL and UCU presently have no intention to do so. See "THE MERGER AGREEMENT -- Conditions to Each Party's Obligation to Effect the Mergers."

DISSENTERS' RIGHTS

Holders of KCPL Common Stock and UCU Common Stock will not have dissenters' rights of appraisal with respect to the Mergers. See "THE MERGERS -- Dissenters' Rights."

Under the Original Merger Agreement, dissenters' rights of appraisal were available to shareholders of KCPL. In currently pending litigation, Western Resources, Mr. Rives, and an intervening KCPL shareholder contend that by adopting the Merger Agreement, KCPL has illegally deprived KCPL shareholders of dissenters' rights. See "THE MERGERS -- Certain Litigation."

DIVIDENDS

KCPL AND UCU. Pursuant to the Merger Agreement, each of KCPL and UCU have agreed not to, and have agreed not to permit any of their Subsidiaries to, declare or pay any dividends on, or make other distributions in respect of, any of its capital stock, other than (i) to such party or any of its wholly-owned Subsidiaries, (ii) dividends required to be paid on the UCU Preferred Stock or series or class of KCPL Preferred Stock, (iii) regular quarterly dividends to be paid on KCPL Common Stock and UCU Common Stock not to exceed 105% of the dividends for the comparable period of the prior

fiscal year, and (iv) dividends by Aquila Gas Pipeline Corporation ("AGP"), UtiliCorp U.K., Inc., UtiliCorp U.K. Limited, West Kootenay Power Ltd., UtiliCorp N.Z., Inc. and any Subsidiaries of such entities. KCPL currently pays an annual dividend of $1.56 per share, and UCU currently pays an annual dividend of $1.76 per share. See "THE MERGER AGREEMENT -- Certain Covenants."

MAXIM. The dividend policy of Maxim will be determined upon periodic evaluation by the Maxim Board of Maxim's results of operations, financial condition, capital requirements and such other considerations as the Maxim Board considers relevant in accordance with applicable laws. Although there can be no assurance, it is the intention of KCPL and UCU, subject to the fiduciary obligations of the Maxim Board, that the initial annual dividend per share of Maxim Common Stock following the Effective Time will be at least $1.85 per share. See "MAXIM FOLLOWING THE MERGERS -- Dividends" and "DESCRIPTION OF MAXIM COMMON STOCK."

COMPARISON OF STOCKHOLDERS' RIGHTS

As a result of the UCU Merger, holders of UCU Common Stock will become shareholders of KCPL (to be renamed Maxim upon consummation of the Consolidating Merger), a Missouri corporation. Such holders will have certain rights as Maxim shareholders that are different than they had as stockholders of UCU, both because of the differences between KCPL's Restated Articles of Consolidation (the "KCPL Charter" or, after the name change, the "Maxim Charter") and KCPL's Bylaws (the "KCPL Bylaws" or, after the name change, the "Maxim Bylaws"), on the one hand, and the UCU Charter and the UCU Bylaws, on the other hand, and because of differences between Missouri and Delaware corporation law. For a comparison of the charter and bylaw provisions of KCPL and UCU and of Missouri and Delaware law, see "COMPARISON OF STOCKHOLDERS' RIGHTS."

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

FILED 4:15
MAY 20 1996
R. F. CONNOR, CLK.
U.S. DISTRICT COURT
WEST DISTRICT
OF MISSOURI

KANSAS CITY POWER & LIGHT COMPANY, Plaintiff, vs. WESTERN RESOURCES, INC. and ROBERT L. RIVES, Defendants.	)	Civil Action No.96-552-CV-W-5

COMPLAINT

Plaintiff Kansas City Power & Light Company ("KCP&L"), by its attorneys, as and for its Complaint states and alleges as follows:

Jurisdiction and Venue

1. This Court has jurisdiction of the subject matter of this action pursuant to 28 U.S.C. ss. 1332. The matter in controversy in this civil action exceeds the sum or value of $50,000, exclusive of interest and costs.

2. Venue is proper in this judicial district pursuant to 28 U.S.C. ss. 1391.

Nature of Action

3. Plaintiff brings this action against defendant Western Resources, Inc. ("Western Resources") and its agent, defendant Robert L. Rives ("Rives"), for declaratory relief concerning the legality, validity and enforceability of a revised merger agreement ("the Revised

Merger Agreement") between KCP&L and UtiliCorp United, Inc. ("UtiliCorp"), and the transaction contemplated thereby. The Revised Merger Agreement supersedes the original merger agreement (the "Original Merger Agreement") between UtiliCorp and KCP&L. The ultimate objective of the Revised Merger Agreement is the same as that of the Original Merger Agreement -- a strategic combination of the businesses of KCP&L and UtiliCorp. The Revised Merger Agreement, however, provides superior economic terms to KCP&L's stockholders and provides for a transactional structure requiring approval by a majority of a quorum of KCP&L's shares, rather than by 2/3 of KCP&L's outstanding shares, as was required by the Original Merger Agreement.

4. One month prior to the scheduled May 22, 1996 KCP&L stockholder vote on the Original Merger Agreement, Western Resources attempted to disrupt and prevent the transaction by announcing its intention to commence a hostile exchange offer for KCP&L stock. Western Resources and those acting in concert with it or on its behalf, including defendant Rives, in this judicial district and elsewhere, have actively solicited KCP&L stockholders to vote against approval of the Original Merger Agreement. Their actions indicate that they will take all actions they deem appropriate in order to prevent a combination between KCP&L and UtiliCorp. Accordingly, KCP&L reasonably apprehends that Western Resources and/or its agents, including Rives, will commence litigation challenging the Revised Merger Agreement, the transaction contemplated thereby and the events or acts leading to its adoption.

5. If the business combination contemplated by the Revised Merger Agreement is consummated and it is later determined that it must be rescinded, substantial financial losses and additional non-quantifiable costs in terms of business disruption will be suffered by KCP&L. Therefore, KCP&L respectfully seeks adjudication of the legality and enforceability of the

Revised Merger agreement and the transaction contemplated thereby prior to the consummation of such transaction through this action for declaratory judgment.

The Parties

6. Plaintiff KCP&L is a Missouri corporation whose headquarters and principal place of business are located in Kansas City, Missouri. KCP&L is a medium-sized public utility engaged in the generation, transmission, distribution and sale of electricity to over 430,000 customers in a 4,700 square mile area located in all or portions of 23 counties in western Missouri and eastern Kansas. Through a wholly owned, unregulated subsidiary, KCP&L pursues opportunities in domestic and international energy-related ventures.

7. Defendant Western Resources is a Kansas corporation whose headquarters and principal place of business are located in Topeka, Kansas. Western Resources is engaged principally in the production, purchase, transmission, distribution and sale of electricity and the delivery and sale of natural gas. During the course of its ongoing efforts to prevent a combination of KCP&L and Utilicorp, Western Resources has transacted business in Missouri.

8. Defendant Rives purports to be a record and beneficial holder of KCP&L common stock. Rives is a citizen of the state of Kansas. In April of 1996, Rives presented to KCP&L several demands and requests for inspection and use of KCP&L's stock ledger and list of stockholders. Rives stated that he was "soliciting proxies along with Western Resources, Inc. for use at the upcoming annual meeting of the holders of [KCP&L stock] against approval and adoption" of the Original Merger Agreement. Rives is acting in concert with and as an agent of Western Resources in its ongoing efforts to prevent the combination of KCP&L and UtiliCorp.

The Original Merger Agreement

9. On January 19, 1996, KCP&L entered into a merger agreement (the "Original Merger Agreement") with UtiliCorp United Inc. ("UtiliCorp"). UtiliCorp is a Delaware corporation headquartered in Kansas City, Missouri. UtiliCorp is an energy company consisting of electric and natural gas utility operations, natural gas gathering, marketing and processing and independent power projects managed through four business groups.

10. Under the Original Merger Agreement, upon completion of the merger, both KCP&L and UtiliCorp would have been merged with and into a new corporation ("Newco"), with Newco remaining as the surviving corporation. Each share of KCP&L common stock would have been converted into one share of Newco common stock. Each share of UtiliCorp common stock would have been converted into 1.096 shares of Newco common stock. In effect, this represented an exchange ratio of 1.096 KCP&L shares for 1 Utilicorp share.

11. The Original Merger Agreement was approved by a unanimous vote of the directors present at the January 19, 1996 meeting of KCP&L's Board of Directors, and by the unanimous vote of UtiliCorp's directors. The business combination contemplated by the Original Merger Agreement reflects years of study by management of both KCP&L and UtiliCorp. Both companies' managements and boards believe that the proposed combination offers compelling strategic advantages, including substantial operating efficiencies, increased ability to diversify operations and grow in a prudent manner, superior marketing skills and greater opportunities for earnings and dividend growth through the combination of KCP&L's and UtiliCorp's equity, management, human resources, and technical expertise. The financial advisers of each of KCP&L and UtiliCorp opined that the exchange ratio contemplated by the Original Merger Agreement was fair from a financial point of view to their respective shareholders.

12. Under Missouri law, the Original Merger Agreement required the approval of two-thirds of the outstanding shares of KCP&L stock. The stockholder vote on the Original Merger Agreement was scheduled to occur at the annual meeting of KCP&L shareholders in Kansas City on May 22, 1996.

Western Resources' Hostile Takeover Proposal

13. On April 14, 1996, Western Resources sent to Mr. Drue Jennings, KCP&L's Chairman and CEO, a letter proposing a merger in which each KCP&L shareholder would purportedly receive $28 worth of Western Resources common stock for each KCP&L share. The proposal was unsolicited and represented a hostile attempt to frustrate KCP&L's and UtiliCorp's efforts to consummate the strategic merger contemplated by their Original Merger Agreement.

14. Shortly after delivery of the letter, Western Resources publicly announced its delivery and released the letter to the Dow Jones News Service and certain other media outlets. As expected and intended by Western Resources, the text of the April 14 letter was published and disseminated by the news services to which it was released.

KCP&L's Board Rejects Western Resources' Proposal As Not In The Best Interests Of Its Shareholders

15. On April 22, 1996, KCP&L issued a press release announcing that its board of directors had unanimously rejected the merger proposal received from Western Resources as not in the best interests of KCP&L shareholders. The press release noted that the KCP&L board had also reaffirmed its support for KCP&L's strategic combination with UtiliCorp.

Western Resources Announces Its Intention To Commence An Exchange Offer

16. Shortly after KCP&L announced its board's decision on April 22, 1996, Western Resources filed with the SEC preliminary proxy materials with which it would solicit KCP&L stockholders to vote against approval of the Original Merger Agreement at the May 22 annual meeting. At the same time, Western Resources publicly announced its intention to commence an exchange offer for any and all shares of KCP&L stock. In such exchange offer, KCP&L shareholders would purportedly receive $28 worth of Western Resources stock for each KCP&L share.

KCP&L and Utilicorp Determine to Improve the Terms of Their Strategic Combination to KCP&L Stockholders and Adopt the Revised Merger Agreement

17. On May 20, 1996, KCP&L and UtiliCorp entered into the Revised Merger Agreement and cancelled the vote on the Original Merger Agreement. The transaction contemplated by the Revised Merger Agreement will be put to a vote of KCP&L's stockholders at a special meeting anticipated to be called in the next ninety days.

18. The transaction contemplated by the Revised Merger Agreement will have the same ultimate effect as the transaction contemplated by the Original Merger Agreement -- the strategic combination of the businesses of KCP&L and UtiliCorp - -- but differs economically and structurally.

19. Economically, the Revised Merger Agreement contemplates improved terms for KCP&L's stockholders. Instead of the 1.096 KCP&L shares for 1 Utilicorp share exchange ratio reflected in the Original Merger Agreement, the Revised Merger Agreement reflects an

exchange ratio of 1 KCP&L share for 1 Utilicorp share. This 9.6% improvement was obtained by KCP&L management in arms-length negotiations with UtiliCorp.

20. The structural difference between the Original Merger Agreement and the Revised Merger Agreement was demanded by UtiliCorp. The new transactional structure contemplates a reverse triangular merger having two steps. First, UtiliCorp will be merged with and into a newly created, wholly owned Delaware subsidiary of KCP&L, with UtiliCorp the surviving entity. UtiliCorp shareholders will receive newly issued shares of KCP&L common stock as consideration in this first-step merger. Thereafter, KCP&L will complete a short-form merger with UtiliCorp which, as a result of the first-step merger, will be KCP&L's wholly owned subsidiary.

21. The new transactional structure contemplated by the Revised Merger Agreement does not require a vote of KCP&L's stockholders under Missouri law. However, the rules of the New York Stock Exchange require that the issuance of new KCP&L common stock contemplated by the Revised Merger Agreement be approved by a majority of a quorum of KCP&L voting shares.

There Exists a Present Case or Controversy

22. Western Resources' actions from April 14, 1996 to this time indicate that Western Resources, and those acting in concert with it or on its behalf, including defendant Rives, will take such actions as they deem appropriate to prevent a business combination between KCP&L and UtiliCorp. Because the adoption of the Revised Merger Agreement increases the likelihood of consummation of such a combination, plaintiff reasonably apprehends that Western Resources and/or persons acting in concert with it or on its behalf, including defendant Rives, will commence litigation challenging the validity and enforceability of the Revised Merger

Agreement and the transaction contemplated thereby. In particular, plaintiff anticipates that Western Resources and/or those acting in concert with it or on its behalf, including defendant Rives, will claim that the Revised Merger Agreement and/or the transaction contemplated thereby is invalid under Missouri law and/or that the actions of KCP&L's directors, officers and agents leading to the adoption of the Revised Merger Agreement constitute breaches of the fiduciary duties of loyalty and/or care, rendering the transaction void or voidable.

23. If the business combination contemplated by the Revised Merger Agreement is consummated and it is later determined that it must be rescinded, substantial financial losses and additional non-quantifiable costs in terms of business disruption will be suffered by KCP&L. Therefore, KCP&L respectfully seeks adjudication of the legality and enforceability of the Revised Merger Agreement and the transaction contemplated thereby prior to the consummation of such transaction through this action for declaratory judgment.

24. Defendant Rives, as a KCP&L stockholder now and at the time of the adoption of the Revised Merger Agreement, has standing to challenge it, the transaction it contemplates and the acts leading to its adoption, either (i) by demanding that KCP&L's board rescind its approval of the Revised Merger Agreement or (ii) by contending that he is not obligated to make a demand on KCP&L's board or stockholders (plaintiff would contend to the contrary) and seeking, individually or representatively, to enjoin or rescind the Revised Merger Agreement or the transaction contemplated thereby.

25. Accordingly, there exists a present case or controversy between KCP&L and Western Resources and Rives, or alternatively in the event that the court determines that Western Resources lacks standing, between KCP&L and Rives.

COUNT I

(Declaratory Judgment Against Western Resources)

26. Plaintiff incorporates the allegations of paragraphs 1 through 25 as if fully set forth herein.

27. Western Resources is not a record or beneficial holder of stock in KCP&L.

28. Therefore, plaintiff respectfully submits that Western Resources lacks standing to challenge the legality, validity or enforceability of the Revised Merger Agreement, the transactions contemplated thereby or the actions of KCP&L, its directors and officers leading to the abandonment of the Original Merger Agreement and the adoption of the Revised Merger Agreement.

29. There exists United States District Court precedent holding that in a hostile tender offer situation, a bidder has standing to challenge the actions of the target corporation and its management, despite the fact that the bidder is not a stockholder of the target corporation. Based on actions it has taken to date, it is likely that Western Resources will contend that the Revised Merger Agreement is an effort by KCP&L to defeat Western Resources' unsolicited effort to acquire it and that Western Resources therefore has standing. Thus, there exists a controversy as to whether Western Resources has standing.

30. Plaintiff respectfully requests a declaratory judgment that Western Resources lacks standing to challenge the Revised Merger Agreement, the transaction contemplated thereby, or the events or acts leading to its adoption.

31. Plaintiff has no adequate remedy at law.

COUNT II

(Declaratory Judgment Against Western Resources and Rives)

32. Plaintiff incorporates the allegations of paragraphs 1 through 31 as if fully set forth herein.

33. The Revised Merger Agreement was adopted in accordance with Missouri statutory law governing corporations. The Original Merger Agreement was abandoned in accordance with Missouri statutory law governing corporations.

34. The transaction contemplated by the Revised Merger Agreement can be accomplished in accordance with Missouri statutory law governing corporations, including, without limitation, the statutes governing the issuance of authorized shares of capital stock and short-form mergers.

35. Plaintiff respectfully requests a declaratory judgment that the allegations set forth in the immediately preceding two paragraphs are legally and factually correct.

36. Plaintiff has no adequate remedy at law.

COUNT III

(Declaratory Judgment Against Western Resources and Rives)

37. Plaintiff incorporates the allegations of paragraphs 1 through 36 as if fully set forth herein.

38. KCP&L, its directors, officers and agents acted lawfully and in compliance with all legal and equitable duties in connection with the abandonment of the Original Merger Agreement and the adoption of the Revised Merger Agreement.

39. Accordingly, the Revised Merger Agreement and the transaction contemplated thereby are not and will not be void, voidable, subject to injunction, or subject to

rescission based upon any claim that any such person or persons acted illegally or inequitably, or any claim that the effects of the actions of any such person or persons are or would be illegal or inequitable.

40. Plaintiff respectfully requests a declaratory judgment that the allegations set forth in the immediately preceding two paragraphs are legally and factually correct.

41. Plaintiff has no adequate remedy at law.

WHEREFORE, plaintiff respectfully requests:

a. That the Court enter an order granting the declaratory judgment sought in Count I above against defendant Western Resources and granting the declaratory judgments sought in Counts II and III above against defendant Rives; or, alternatively,

b. That the Court enter an order granting the declaratory judgments sought in Counts II and III above against defendants Western Resources and Rives; and

c. Such additional relief as the Court deems just and proper.

DATED: 20 May, 1996

/S/ David F. Oliver

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ATTORNEYS FOR PLAINTIFF

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

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KANSAS CITY POWER & LIGHT        )
COMPANY,                         )
                                 )
                    Plaintiff,   )
                                 )
     v.                          )        Civil Action No. 96-552-CV-W-5
                                 )
WESTERN RESOURCES, INC. and      )
ROBERT L. RIVES,                 )
                                 )
                    Defendants.  )
```

ANSWER OF DEFENDANTS
WESTERN RESOURCES, INC. AND ROBERT L. RIVES

Defendants Western Resources, Inc. ("Western Resources") and Robert L. Rives ("Rives"), by their undersigned attorneys, answer the complaint of plaintiff Kansas City Power & Light Company ("KCPL") as follows:

1. Defendants admit the allegations of Paragraph 1.

2. Defendants admit the allegations of Paragraph 2.

3. Defendants deny the allegations of Paragraph 3, except defendants admit that plaintiff has filed this action, purporting to seek declaratory relief concerning the legality, validity and enforceability of the merger agreement between KCPL and UtiliCorp United Inc. ("UtiliCorp"), dated May 20, 1996, (the "Revised Merger Agreement"). Defendants further admit that (a) the Revised Merger Agreement purports to supersede the merger agreement, dated January 19, 1996 (the "Original Merger Agreement"); (b) the ultimate objective of the Revised Merger Agreement purports to be the same as that of the Original Merger Agreement and that is

a business combination of KCPL and UtiliCorp; and (c) the Revised Merger Agreement purports to eliminate the requirement for approval by the holders of two-thirds of KCPL's outstanding shares as was required by the Original Merger Agreement.

4. Defendants deny the allegations of Paragraph 4, except defendants admit that (a) on or about May 3, 1996, Western Resources filed a Definitive Proxy Statement with the Securities and Exchange Commission ("the Western Resources Proxy Statement") which was disseminated to KCPL shareholders shortly thereafter, (b) the Western Resources Proxy statement sought proxies from KCPL shareholders to vote against the UtiliCorp merger, and (c) Rives, among others, was identified in the Western resources Proxy Statement as an individual who might solicit proxies. Defendants lack sufficient knowledge or information to form a belief as to what KCPL "reasonably apprehends," and therefore deny those allegations.

5. Defendants lack sufficient knowledge or information to form a belief as to the truth of the allegations of Paragraph 5, and therefore deny them.

6. Defendants admit that KCPL is a Missouri corporation whose headquarters and principal place of business are located in Kansas City, Missouri. Defendants further admit that KCPL is a medium-sized public utility engaged in the generation, transmission, distribution and sale of electricity to over 430,000 customers in a 4,700 square mile area located in all or portions of 23 counties in western Missouri and eastern Kansas. Defendants lack sufficient knowledge or information to form a belief as to the truth of the remaining allegations of Paragraph 6 and therefore deny them.

7. Defendants deny the allegations of Paragraph 7, except defendants admit that (a) Western Resources is a Kansas corporation whose headquarters and principal place of business

are located in Topeka, Kansas; (b) Western Resources is engaged principally in the production, purchase, transmission, distribution and sale of electricity and the delivery and sale of natural gas, and (c) that Western Resources has transacted business in Missouri.

8. Defendants deny the allegations contained in Paragraph 8, except defendants admit that on or about April 22, 1996, Rives, a citizen of Kansas, and a record and beneficial owner of KCPL shares, sent a letter to Jeannie Sell Latz, KCPL's Chief Legal Officer ("April 22 Rives Letter"), requesting that KCPL make available for inspection and review, among other things, KCPL's stock ledger and list of shareholders. Defendants further state that the April 22 Rives Letter speaks for itself and deny any allegations inconsistent with the April 22 Rives Letter.

9. Defendants admit that on January 19, 1996, KCPL entered into the Original Merger Agreement with UtiliCorp and that UtiliCorp is a Delaware corporation with its principal place of business in Kansas City, Missouri. Defendants lack sufficient knowledge or information to form a belief as to the truth of the remaining allegations of Paragraph 9 and therefore deny them.

10. Defendants deny the allegations of Paragraph 10 and further state that the Original Merger Agreement speaks for itself.

11. Defendants admit that on or about April 4, 1996, KCPL and UtiliCorp filed a Joint Proxy Statement/Prospectus with the Securities and Exchange Commission ("KCPL/UtiliCorp Joint Proxy Statement") which purported to describe the benefits of the UtiliCorp merger and the opinions rendered by financial advisors to KCPL and UtiliCorp. Defendants further state that the KCPL/UtiliCorp Joint Proxy Statement speaks for itself.

Defendants lack sufficient knowledge or information to form a belief as to the truth of the remaining allegations of Paragraph 11 and therefore deny them.

12. Defendants admit the allegations of Paragraph 12.

13. Defendants deny the allegations of Paragraph 13, except defendants admit that on April 14, 1996 John E. Hayes, Jr. wrote a letter to Drue Jennings ("April 14 Letter") in which Western Resources made a written merger proposal to the KCPL board of directors pursuant to which KCPL would merge with Western Resources in a transaction where each KCPL common shareholder would receive, subject to certain limitations, $28 worth of Western common stock in exchange for each KCPL share of stock. Defendants further state the April 14 Letter speaks for itself and deny any allegations inconsistent with the April 14 Letter.

14. Defendants deny the allegations of Paragraph 14, except that defendants admit that the April 14 Letter was publicly disseminated.

15. Defendants deny the allegations of Paragraph 15, except defendants admit that on April 22, 1996, KCPL issued a press release ("April 22 Press Release"), and defendants further state that the April 22 Press Release speaks for itself.

16. Defendants deny the allegations of Paragraph 16, except that defendants admit that on or about April 22, 1996, Western Resources filed a Preliminary Proxy Statement with the SEC ("Western Resources Preliminary Proxy Statement") and a Preliminary Prospectus for an Offer to Exchange Each Outstanding Share of Common Stock of Kansas City Power & Light Company for Western Resources Common Stock ("Western Resources Preliminary Prospectus" and "Western Resources Offer" respectively). Defendants further state that the Western

Resources Preliminary Prospectus and Western Resources Offer speak for themselves and deny any allegation inconsistent with their terms.

17. Defendants lack sufficient knowledge or information to form a belief as to the truth of the allegations of Paragraph 17 and therefore deny them.

18. Defendants admit that the action contemplated by the Revised Merger Agreement purports to have the same ultimate effect as the transaction contemplated by the Original Merger Agreement. Defendants further state that the Revised Merger Agreement speaks for itself.

19. Defendants lack sufficient knowledge or information to form a belief as to the truth of the allegations of Paragraph 19 and therefore deny them. Defendants further state that the Revised Merger Agreement speaks for itself.

20. Defendants admit that the Revised Merger Agreement contemplates KCPL creating a new wholly owned subsidiary which will then merge with UtiliCorp, and almost instantaneously, KCPL will merge with this subsidiary in a short form merger. Defendants lack sufficient knowledge or information to form a belief as to the truth of the remaining allegations of Paragraph 20, and therefore deny them.

21. Defendants deny the allegations of Paragraph 21, except that defendants admit that Rule 312.00 et seq. of the New York Stock Exchange ("NYSE") Listed Company Manual contains a "Shareholder Approval Policy." Defendants further state that the Shareholder Approval Policy speaks for itself.

22. Defendants deny the allegations of Paragraph 22, except that defendants admit that Western Resources and Rives maintain, as more fully set forth in the Counterclaim filed herewith, that adoption of the Revised Merger Agreement violates Missouri law and constitutes

breaches of fiduciary duty to KCPL's shareholders. Defendants lack sufficient knowledge or information to form a belief as to what plaintiff "anticipates" or "apprehends," and therefore deny those allegations.

23. Defendants lack sufficient knowledge or information to form a belief as to the truth of the allegations of Paragraph 23, and therefore deny them.

24. Defendants admit that Rives has standing in any capacity and deny the remaining allegations of Paragraph 24.

25. Defendants admit the allegations of Paragraph 25.

COUNT I

(Declaratory Judgment Against Western Resources)

26. Defendants incorporate their responses to Paragraphs 1 through 25 as if fully set forth herein.

27. Defendant Western Resources admits the allegations of Paragraph 27. No response is required from defendant Rives because Paragraph 27 is directed solely to Western Resources.

28. Paragraph 28 purports to state a legal conclusion to which no answer is required. To the extent an answer is required, defendant Western Resources denies the allegations of Paragraph 28. No response is required from defendant Rives because Paragraph 28 is directed solely to defendant Western Resources.

29. Paragraph 29 contains legal conclusions and argument to which no answer is required. To the extent an answer is required, defendant Western Resources admits the

allegations of Paragraph 29. No response is required from defendant Rives because Paragraph 29 is directed solely to defendant Western Resources.

30. Paragraph 30 states a legal conclusion to which no answer is required. To the extent an answer is required, defendant Western admits that plaintiff requests a declaratory judgment that Western Resources lacks standing to challenge the Revised Merger Agreement, the transaction contemplated thereby, or the events or acts leading to its adoption, but denies that KCPL is entitled to any such relief. No response is required from defendant Rives because Paragraph 30 is directed solely to defendant Western Resources.

31. Defendant Western Resources denies the allegations of Paragraph 31. No response is required from defendant Rives because Paragraph 31 is directed solely to defendant Western Resources.

COUNT II

(Declaratory Judgment Against Western Resources and Rives)

32. Defendants incorporate their responses to Paragraphs 1 through 31 as if fully set forth herein.

33. Defendants deny the allegations of Paragraph 33.

34. Defendants deny the allegations of Paragraph 34.

35. Paragraph 35 purports to state a legal conclusion to which no answer is required. To the extent an answer is required, defendants admit that plaintiff seeks a declaratory judgment in Paragraph 35 but deny that plaintiff is entitled to any such relief.

36. Defendants deny the allegations of Paragraph 36.

COUNT III

(Declaratory Judgment Against Western Resources and Rives)

37. Defendants incorporate their responses to Paragraphs 1 through 36 as if fully set forth herein.

38. Defendants deny the allegations of Paragraph 38.

39. Defendants deny the allegations of Paragraph 39.

40. Paragraph 40 purports to state a legal conclusion to which no answer is required. To the extent an answer is required, defendants admit that plaintiff seeks a declaratory judgment in Paragraph 40, but deny that plaintiff is entitled to any such relief.

41. Defendants deny the allegations of Paragraph 41.

FIRST AFFIRMATIVE DEFENSE

42. The Complaint fails to state a claim upon which relief may be granted.

WHEREFORE, having fully answered, defendants pray for entry of judgment in their favor on each and every count, that the Court find the Revised Merger Agreement and its proposed transaction to be invalid, illegal and unenforceable as a violation of Missouri law, that plaintiff's Complaint be dismissed with prejudice, that defendants be awarded their attorney's fees and disbursements, and that the court award defendants such other and further relief as the Court deems just.

STINSON, MAG & FIZZELL, P.C.

By /s/ Lawrence M. Berkowitz

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was sent via facsimile and first class mail this 7th day of June 1996, to:

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and

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Attorney for Intervenor Defendant

/s/ Lawrence M. Berkowitz

Attorneys for Defendants

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

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KANSAS CITY POWER & LIGHT          )
COMPANY,                           )
                                   )
        Plaintiff/                 )
        Counterclaim Defendant,    )
                                   )
                v.                 )       Civil Action No. 96-552-CV-W-5
                                   )
WESTERN RESOURCES, INC. and        )
ROBERT L. RIVES,                   )
                                   )
                                   )
        Defendants/                )
        Counterclaim Plaintiffs.   )
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COUNTERCLAIM OF
WESTERN RESOURCES, INC. AND ROBERT L. RIVES

Counterclaim Plaintiffs Western Resources, Inc. ("Western Resources") and Robert L. Rives ("Rives"), by their attorneys, and for their Counterclaims for Declaratory Judgment and Injunctive Relief, allege as follows:

NATURE OF THE COUNTERCLAIM

1. This counterclaim is for a declaratory judgment and injunction to enjoin Counterclaim Defendant Kansas City Power & Light Company ("KCPL") and its directors from continuing to violate Missouri General and Business Corporation Law ("Missouri BCL") and from breaching fiduciary duties owned to KCLP shareholders.

2. On the eve of a rejection by KCPL shareholders of a proposed merger with UtiliCorp United Inc. ("UtiliCorp") (the "Merger"), KCLP "restructured" the transaction, canceled the vote on the original transaction, and announced that it plans to consummate the new

transaction - which it concedes is the same merger in another form - without the two-thirds vote of all outstanding KCPL shares required by Missouri law.

3. KCPL claims to be able to accomplish the new transaction by issuing authorized shares to UtiliCorp, creating a new wholly-owned subsidiary, and merging that subsidiary first with UtiliCorp and then with KCPL. KCPL contends that this transaction does not require a "merger vote" under Missouri law but rather only a plurality vote of shareholders mandated by the New York Stock Exchange to approve the issuance of shares to UtiliCorp shareholders. Thus, KCPL purports to accomplish its merger with only minority support of shareholders rather than the two-thirds vote of all outstanding shares contemplated by ss. 351.425 of the Missouri BCL. In the process, KCPL's plan will frustrate the acquisition efforts of Western Resources, a competing bidder for KCPL, and the legitimate voting expectations of KCPL shareholders such as Rives.

THE PARTIES

4. Counterclaim Plaintiff Western Resources is a Kansas corporation with its principal place of business in Topeka, Kansas. Western Resources is a public utility principally engaged in the generation, transmission, distribution and sale of electricity in Kansas and the transmission, distribution and sale of natural gas in Kansas and Oklahoma.

5. Counterclaim Plaintiff Rives is a record and beneficial owner of shares of common stock of KCPL and a citizen of Kansas.

6. Counterclaim Defendant KCPL is a Missouri corporation with its principal place of business in Kansas City, Missouri. KCPL is a public utility engaged in the generation, transmission, distribution and sale of electricity in western Missouri and eastern Kansas.

7. Pursuant to 28 U.S.C. ss. 1367 and Rule 13 of the Federal Rules of Civil Procedure, this Court has supplemental jurisdiction over Western Resources and Rives' counterclaims because they form part of the same case or controversy.

FACTS COMMON TO ALL COUNTS

The Competing Offers to KCPL Shareholders

8. On January 19, 1996, KCPL and UtiliCorp announced that they had entered into an Agreement and Plan of Merger (the "Original Merger Agreement") pursuant to which the shareholders of KCPL would receive one share of stock in a new company for each of their KCPL shares, while UtiliCorp's shareholders would receive 1.096 new shares for every UtiliCorp share. KCPL entered into the Original Merger Agreement despite the fact that KCPL was aware of Western Resources' continuing interest in pursuing a combination with KCPL.

9. Consummation of the Original Merger Agreement was conditioned on, among other things, the approval of KCPL's shareholders. KCPL recognized - indeed, it informed its shareholders - that applicable Missouri law required two-thirds of KCPL's outstanding shares to approve a merger.

KCPL Schedules a Shareholder Vote on the Merger

10. On April 4, 1996, KCPL sent notice to its shareholders of record as of April 3, 1996 that a vote on the proposed KCPL/UtiliCorp merger would be held at KCPL's annual shareholder meeting (the "Annual Meeting"), and it scheduled that meeting for 10:00 a.m. on May 22, 1996 at the Nelson-Atkins Museum in Kansas City in compliance with KCPL's amended by-laws.

11. KCPL's "Notice of Annual Meeting" expressly provided that shareholders would have the opportunity to vote on the proposed merger at that time and place and that "Holders of KCPL Common stock are entitled to dissenters' rights...."

12. On April 14, 1996, after undertaking a further detailed review of the benefits from a combination of Western and KCPL, Western proposed a merger to KCPL. Pursuant to this proposal, Western Resources would acquire all of the outstanding shares of KCPL common stock in return for $28 worth of Western Resources common stock for each KCPL share. The exchange ratio was subject to a collar so that KCPL shareholders would receive no less than .833 and no more than .985 shares of Western Resources common stock for each share of KCPL common stock. (The bottom of the collar was subsequently raised by Western Resources from .833 to .91 on May 6, 1996.)

13. On April 22, 1996, KCPL rejected the Western Resources proposal and refused even to meet with Western Resources' representatives to discuss the offer. Later on that date, Western Resources subsequently announced its intention to take its offer directly to KCPL's shareholders by commencing an exchange offer for KCPL's shares and soliciting proxies against the Merger.

14. In response, KCPL, upon information and belief, spent millions of dollars on advertising and soliciting proxies in an effort to persuade its shareholders to support the Merger.

15. The manner in which KCPL and UtiliCorp conducted the proxy campaign demonstrated a determination to obtain approval for the merger virtually at all costs and by whatever means possible. KCPL's representatives publicly stated that even if the shareholders failed to approve the Merger, KCPL would not consider a merger with Western Resources.

KCPL's and UtiliCorp's methods exceeded the bounds of a normal hard-fought proxy contest and included disseminating false and misleading statements in an attempt to persuade KCPL's shareholders to vote for the Merger.

16. For example, KCPL did not disclose the actual compensation that could be provided to Mr. Drue Jennings, President, Chairman and Chief Executive Officer of KCPL, if the Merger was consummated. Although the KCPL/UtiliCorp Joint Proxy Statement summarized in the abstract terms and conditions of proposed employment and severance agreements between Mr. Jennings and the new post-Merger company, the proxy materials failed to disclose the actual dollar amounts that Mr. Jennings could be paid and the fact that Mr. Jennings could resign his employment for any reason after three years and still receive a full three years worth of severance benefits totaling over $3 million.

17. Thus, a May 10, 1996 Wichita Business Journal report titled "Question of Motivation: Jennings' Payout at Issue in Merger," claimed that, based upon past salary, bonus and benefit levels for Mr. Jennings and his UtiliCorp counterpart (Richard Green), Mr. Jennings could leave the newly-merged company relatively soon after the Merger and "could receive more than $6 million, by some estimates." That report, which used KCPL's and UtiliCorp's public filings for its calculations and assumptions, stated that "[i]f the range [of Mr. Jennings' salary] is anywhere near what Green made last year, Jennings could be looking at a $6 million reason to leave the new company within a few years of a completed KCPL/UtiliCorp merger."

18. Rives, along with thousands of other KCPL shareholders, voted his shares against the UtiliCorp/KCPL merger with the expectation that his vote - -along with the millions of votes cast by other KCPL shareholders - would be counted. It became clear that the Merger was in

jeopardy of not receiving the necessary vote under the Missouri BCL. For example, in a May 20, 1996 headline, The Wall Street Journal reported that "UtiliCorp Merger Could be on the Rocks," and "Western Resource's Bid for Kansas City Power is Gaining Supporters." The Journal article quoted investors and influential financial analysts who recommended KCPL shareholders vote against the Merger.

19. On May 15, 1996, the widely-respected Institutional Shareholder Service ("ISS") recommended that investors vote against the Merger due to "the economic value of the two offers." Observing that "Western has a proven track record of successfully working through utility mergers in a way that creates value for shareholders and savings for customers," the ISS stated that "[u]nder a Western offer, shareholders would receive a higher premium for their shares and an implied dividend increase ranging from 20 percent to 30 percent, and they would retain an interest in a combined company with a stronger balance sheet and better access to capital markets."

KCPL and UtiliCorp Respond to Imminent Defeat

20. Representatives of KCPL have conceded publicly that KCPL knew that it would not obtain the required two-thirds approval for the Merger if the shareholder vote had been permitted to proceed as scheduled on May 22, 1996. As a result, on May 20, 1996, in order to avoid a negative vote, the KCPL board of directors unilaterally postponed the shareholder vote on the Merger.

21. KCPL and UtiliCorp then disclosed a plan intended to achieve precisely the same objective as the Original Merger Agreement - the merger of KCPL and UtiliCorp - while contending that the two-thirds voting requirements in ss. 351.425 of the Missouri BCL was

inapplicable (the "Revised Merger Agreement"). The Revised Merger Agreement provides for KCPL to issue to UtiliCorp shareholders KCPL shares that were authorized at the 1992 KCPL annual meeting (pursuant to a proxy statement which made no reference to the dilution or elimination of voting rights or the possible future use of authorized shares to accomplish a merger and circumvent the two-third shareholder vote under Missouri law.) KCPL will then create a new wholly-owned subsidiary which will then merge with UtiliCorp and, almost instantaneously, KCPL will merge with the subsidiary in a short-form merger.

22. KCPL has stated in press releases that despite the change in form, the transaction remains intended to achieve a merger of UtiliCorp and KCPL and, other than modification of the exchange ratio (one-to-one instead of one-to-1.096), the other substantive terms of the merger remain the same.

23. KCPL contends that the only vote that the newly-structured transaction is subject to is the New York Stock Exchange requirement of a plurality vote (50% of those shares voting at the meeting - perhaps as little as 25% of the total outstanding shares plus one) approving the issuance of KCPL shares.

24. KCPL's intention to merge with only a plurality vote, besides evading Missouri law, will deprive KCPL shareholders of the legitimate and expected fruits of their exercise of the corporate suffrage. KCPL's efforts to "restructure" its proposed merger with UtiliCorp will also deny its shareholders other rights provided by Missouri law, including "dissenter's rights" as provided by Mo. Rev. Stat. ss. 351.405, which requires those shareholders who object to a merger to be paid fair value in cash for their stock.

Western Resources, Rives and Other KCPL Shareholders
Will Suffer Irreparable Injury Absent Injunctive Relief

25. Western Resources and Rives have no adequate remedy at law and will suffer irreparable harm if KCPL is permitted to proceed with a special meeting and consummate a merger with UtiliCorp without subjecting the transaction to a two-thirds vote. Rives and the other shareholders will be harmed because their voting rights under Missouri statute are being altered, undermined and diluted. Western Resources, as a competing offeror, will be forced to the expense and distraction of conducting a proxy contest in which the ultimate vote is illegal, and frustrated in its efforts to acquire KCPL by a merger approved by an illegal vote.

26. KCPL will not be harmed in any way by the issuance of a preliminary and permanent injunction to prohibit KCPL from proceeding with the transaction proposed by the Revised Merger Agreement because KCPL will merely be required to comply with Missouri law. Further, KCPL and UtiliCorp cannot consummate the merger pending regulatory approval which, if granted, would occur sometime in mid-1997.

27. The public interest will be served by the issuance of the requested injunctive relief in that the relief would protect, among other things, the rights of KCPL's shareholders from being wrongfully denied by KCPL.

28. KCPL's purpose in entering into the Revised Merger Agreement was to avoid having to obtain approval of the proposed business combination with UtiliCorp from the holders of two-thirds of its outstanding shares.

29. There exists a present case or controversy between KCPL, on the one had, and Western and Rives, on the other hand, regarding the Revised Merger Agreement, the acts by

KCPL lending to its execution and the transaction contemplated by the Revised Merger Agreement.

30. On information and belief, KCPL's board of directors has unanimously approved both the Revised Merger Agreement and the proposed transaction which renders futile any demand by Rives upon KCPL's board of directors to rescind the Revised Merger Agreement and desist from the contemplated transaction.

COUNT I (Violation of Missouri Law)

31. Western Resources and Rives repeat and reallege paragraphs 1 through 30 as if fully stated herein.

32. The transaction contemplated by the Revised Merger Agreement would accomplish a merger without being subject to the two-thirds vote of outstanding shares contemplated by ss. 351.425 of the Missouri BCL.

33. KCPL adopted the revised merger structure merely to avoid compliance with Missouri law.

34. The transaction contemplated by the Revised Merger Agreement violates Missouri law.

COUNT II (Breach of Fiduciary Duty)

35. Western Resources and Rives repeat and reallege paragraphs 1 through 34 as if fully stated herein.

36. KCPL acts through its board of directors, which in turn, owes fiduciary duties to Rives and KCPL's other shareholders.

37. As set forth above, KCPL's board abrogated their fiduciary duties to shareholders when it became apparent in the days leading up to May 22 that the Original Merger Agreement with UtiliCorp would not obtain the required two-thirds approval of KCPL shares.

38. In an effort to save its preferred deal with UtiliCorp, KCPL sacrificed its shareholders' voting rights by entering into the Revised Merger Agreement and purporting to accomplish the Merger with approval of a minority of outstanding shares rather than the two-thirds vote required by Missouri law.

39. These actions by KCPL constitute an unlawful and inequitable manipulation of KCPL's corporate machinery in order to interfere with shareholder voting rights and Western Resources' efforts to defeat the Merger and acquire KCPL.

40. By reason of the foregoing conduct, KCPL has breached its fiduciary duties to KCPL's shareholders, including defendant Rives. KCPL has no lawful motive or justification for the conduct heretofore alleged.

PRAYER FOR RELIEF

WHEREFORE, Western Resources and Rives request judgment as follows:

(a) Dismissing the Complaint with prejudice;

(b) Declaring that the Revised Merger Agreement is a "plan of merger or consolidation" under Missouri General and Business Corporation Law ss. 351.425 and, thus, requires "the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote;"

(c) Declaring that KCPL, through its directors' actions, breached fiduciary duties to KCPL shareholders by proceeding with a plan designed to consummate the Revised Merger Agreement based on less than a two-thirds shareholder vote;

(d) Enjoining KCPL, preliminary and permanently, from proceeding with a special meeting at which a vote would be held on the issuance of shares in connection with the Revised Merger Agreement until this Court determines the number of votes necessary for approval of that issuance of shares;

(e) Enjoining KCPL preliminary and permanently, from consummating the Merger with UtiliCorp unless KCPL receives a vote in accord with the requirements of Missouri BCL ss. 351.425; and

(f) Awarding Western Resources and Rives costs and disbursements of this action and such other and further relief as the Court deems just and proper.

STINSON, MAG & FIZZELL, P.C.

By /s/ Lawrence M. Berkowitz

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was sent via facsimile and first class mail this 20th day of June, 1996, to:

David F. Oliver
Bryan Cave LLP
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1200 Main
Kansas City, Missouri 64105

and

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/s/ Lawrence M. Berkowitz

Attorneys for Defendants

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

FILED 11:45
JUN 17 1996
R. F. CONNOR, CLK.
U. S. DISTRICT COURT
WEST DISTRICT
OF MISSOURI

KANSAS CITY POWER & LIGHT COMPANY,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	No. 96-552-CV-W-5
	)	
WESTERN RESOURCES, INC. and ROBERT T. RIVES,	)	
	)	
Defendants.	)	

ORDER

It is hereby

ORDERED that pursuant to Federal Rule of Civil Procedure 24, Jack R. Manson's Motion to Intervene (doc. #5) is granted.

/s/ Scott O. Wright

SCOTT O. WRIGHT

Senior United Stated District Judge

June 7, 1996.

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

```
KANSAS CITY POWER & LIGHT                 )
COMPANY,                                  )
                                          )
               Plaintiff,                 )
                                          )
     v.                                   )       Civil Action No. 96-552-CV-W-5
                                          )
WESTERN RESOURCES, INC. and               )
ROBERT T. RIVES,                          )
                                          )
               Defendants                 )

- ------------------------------------------)

JACK R. MANSON                            )
3010 W 84th Terrace                       )
Leawood, Kansas, 66206,                   )
INDIVIDUALLY AND ON BEHALF OF             )
ALL INDIVIDUAL AND/OR                     )
ENTITITES SIMILARLY SITUATED,             )
                                          )
               Intervenor Defendant and   )
               Counterclaim Plaintiff,    )
                                          )
     v.                                   )
                                          )
A. DRUE JENNINGS,                         )
DR. DAVID L. BODDE,                       )
WILLIAM H. CLARK,                         )
ROBERT J. DINEEN,                         )
ARTHUR J. DOYLE,                          )
W. THOMAS GRANT II,                       )
GEORGE E. NETTLES, JR.,                   )
LINDA HOOD TALBOTT, PH.D.,                )
ROBERT H. WEST, and                       )
KANSAS CITY POWER & LIGHT COMPANY         )
a Missouri corporation                    )
                                          )
               Counterclaim Defendants.   )
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ANSWER AND COUNTERCLAIM IN INTERVENTION

ANSWER

Intervenor Defendant, Jack R. Manson, for his Answer alleges as follows:

EXHIBIT B

1. Intervenor admits PARAS 1-2 of the complaint.

2. Intervenor admits PARA 3 of the complaint, except for the averments concerning the "objective of the Revised Merger Agreement," and the "superior economic terms" thereof which are denied.

3. Intervenor admits the averments of PARA 4 that Western Resources has commenced an exchange offer for KCP&L stock, and has solicited votes against the approval of the Original Merger Agreement. Intervenor is without knowledge or information sufficient to form a belief as to the other averments of P. 4 of the complaint.

4. Intervenor is without knowledge or information sufficient to form a belief as to the averments of PARAS 5-8 of the complaint.

5. Intervenor admits PARAS 9-10 of the complaint.

6. Intervenor admits the averments of PARA 11 to the extent that on January 19, 1996, KCP&L entered into a merger agreement with UtiliCorp United Inc. Intervenor is without knowledge or information sufficient to form a belief as to the remaining averments of PARA 11.

7. Intervenor admits PARA 12 of the complaint.

8. Intervenor admits the averments of PARA 13 to the extent that on April 14, 1996, Western Resources made an unsolicited merger proposal whereby KCP&L shareholders would receive $28 worth of Western Resources common stock for each KCP&L share. Intervenor is without knowledge or information sufficient to form a belief as to the remaining averments of PARA 13.

9. Intervenor admits the PARA 14 of the complaint to the extent that WRI public announced its delivery. Intervenor is without knowledge or information sufficient to form a belief as to the remaining averments of PARA 14.

10. Intervenor admits the averments of PARA 15 to the extent that Western Resources issued a press release on April 22, 1996, the contents of which speaks for itself and denies the remainder.

11. Intervenor admits the PARA 16 of the complaint.

12. Intervenor admits the first sentence of PARA 17 of the complaint, and is without knowledge or information sufficient to form a belief as to the remaining averments of PARA 17.

13. Intervenor is without knowledge or information sufficient to form a belief as to the averments of PARAS 18 and 19 because all the terms of the Revised Merger Agreement have not been made public to the best of intervenor's knowledge.

14. Intervenor admits that PARAS 20-21 of the complaint purportedly described the Revised Merger Agreement, as announced on May 20, 1996. Intervenor is without knowledge or information sufficient to form a belief with respect to the remaining averments of PARAS 20-21.

15. Intervenor is without knowledge or information sufficient to form a belief with respect to the allegations of PARAS 22-23.

16. Intervenor admits the averments of PARA 24 that defendant, Rives has standing to challenge the Revised Merger Agreement but, in light of his purported alignment with Western Resources, Intervenor denies that Rives is adequate to represent the interest

of the other KCP&L stockholders who will necessarily be bound and affected by the terms of any declaratory judgment issued by the Court.

17. Intervenor admits the averment in PARA 25 that Rives has standing to challenge the Revised Merger Agreement, and is without knowledge or information sufficient to form a belief with respect to the remaining allegations.

18. Intervenor is without knowledge or information sufficient to form a belief as to the averments in PARA 27.

19. The allegations of PARA 28 of the complaint calls for a legal conclusion and therefore are neither admitted or denied.

20. Intervenor is without knowledge or information sufficient to form a belief with respect to the allegations of PARA 29 of the complaint.

21. The allegations of PARAS 30-31 of the complaint call for a legal conclusion and therefore are neither admitted or denied.

22. Intervenor denies PARAS 33-34 of the complaint.

23. The allegations of PARAS 35-36 of the complaint call for a legal conclusion and, therefore are neither admitted or denied.

24. Intervenor denies PARAS 38-39 of the complaint.

25. The allegations of PARAS 40-41 of the complaint call for a legal conclusion and therefore are neither admitted or denied.

AFFIRMATIVE DEFENSES

1. Plaintiff's claims are barred by fraud and inequitable conduct.

2. Plaintiff's claims are barred by doctrines of estoppel and unclean hands.

3. Plaintiff's claims are barred because its conduct in connection with the subject matter of the complaint is illegal and ultra vires.

4. Plaintiff's claims are barred because Plaintiff fails to state a claim upon which relief can be granted.

COUNTERCLAIM

Counterclaim Plaintiff alleges upon personal knowledge as to his own acts and upon information and belief as to all other matters as follows:

I. PARTIES

1. Intervenor Defendant and Counterclaim Plaintiff Jack R. Manson ("Intervenor") is, and was at all relevant times, a resident and citizen of the State of Kansas. Mr. Mason is, and was at all relevant times, a Kansas City Power & Light Company shareholder.

2. Counterclaim defendant (hereinafter "Defendant") Kansas City Power & Light Company is, and was at all relevant times, a Missouri corporation, doing business in the State of Missouri whose executive offices are located at 1201 Walnut Street, Kansas City, Missouri 64106. KCPL has approximately 61,900,000 shares issued and outstanding which are listed and traded on the New York Stock Exchange.

3. The following individual counterclaim defendants (hereinafter "Defendants" or "Director Defendants") were at all relevant times directors and/or executive officers of KCPL: Drue Jennings, Dr. David L. Bodde, William H. Clark, Robert J. Dineen, Arthur J. Doyle, W. Thomas Grant II, George E. Nettels, Jr., Dr. Linda Hood Talbott and Robert H. West.

4. By reason of their positions as officers and/or directors of KCPL and their ability to control the business and corporate affairs of KCPL, the Director Defendants owe KCPL shareholders fiduciary obligations of due care, entire fairness, candor, trust and loyalty, and are required to manage the affairs of the corporation in a fair, just and equitable manner and act in furtherance of the best interests of KCPL and its shareholders.

II. JURISDICTION AND VENUE

5. Jurisdiction is proper pursuant to 28 U.S.C. ss. 1367 because intervenor seeks to intervene as a defendant in the case concerning the conduct of a Missouri corporation, Kansas City Power & Light Company.

6. Venue is proper pursuant to 28 U.S.C. ss. 1391(a)(2) because a substantial portion of the events or omissions giving rise to the claims in this lawsuit arose in the judicial district.

III. BACKGROUND TO COUNTERCLAIM

A. The Changing Climate in the Energy Industry

7. KCPL is an energy company whose primary business function is to produce low-cost electric power for its customers and to provide energy-related products and services. As of January 1996, KCPL served over 430,000 customers including 379,000 residences, 50,000 commercial firms, and 3,000 industrials, municipalities and other electric utilities.

8. Two other local and regional companies are significant players in the energy industry: UtiliCorp Inc., ("UCU") a Delaware corporation with its principal place of business in Kansas City, Missouri and Western Resources Inc., ("WRI") a Kansas corporation with its principal place of business in Topeka, Kansas.

9. As noted by KCPL in a recent communication to its shareholders, the energy industry has entered a time of "accelerating change that will have a significant impact on the future competitive position of utility based energy companies and their ability to maintain and increase earnings."

10. As a result of these perceived fundamental changes facing the industry, KCPL embarked upon a plan to explore various business strategies and combinations.

B. The Initial Proposed KCPL/UtiliCorp Merger

11. On January 22, 1996, KCPL announces that KCPL and UCU had entered into an Agreement and Plan of Merger dated as of January

19, 1996 (the "Initial Merger Agreement"), which, when effectuated, would create the twelfth largest gas and electric company in the United States. Pursuant to the Initial Merger Agreement, KCPL and UCU would merge with and into K.C. United Corp. ("KCU"), a corporation formed to effectuate the proposed merger. Under the Initial Merger Agreement, each share of KCPL common stock would be exchanged for one KCU common share and each share of UCU stock would be exchanged for 1.096 KCU shares.

12. On April 4, 1996, KCPL sent proxy materials (the "Proxy") to its shareholders seeking shareholder approval for such a merger. Missouri law, which governs the conduct of KCPL, requires the affirmative vote of two-thirds of the shares outstanding for a merger. The proxy sent to the KCPL shareholders regarding the UCU merger were to be voted at the annual meeting of KCPL shareholders held on May 22, 1996.

13. The Proxy expressly identified the fundamental changes facing the utility industry, underscoring the need for action like the proposed merger:

> public utility companies face increased business risks and limits to their ability to grow earnings through rate base increases and are, therefore, pursuing various business combinations in order to reduce risk and create new avenues and opportunities for earnings growth.... In response to intensified competition, public utilities have sought and, KCPL and UCU believe, will continue to seek opportunities to create efficiencies and control future costs through consolidation.

14. At a shareholder's meeting on Tuesday, April 23, 1996, KCPL's Chairman of the Board and President, Drue Jennings, explained that the KCPL Board has chosen some time ago to move from

the position of a monopoly-based utility model. Jennings explained at this meeting that the KCPL Board has considered many options, including various combinations and break-up(s), and found a "good friend" and "outstanding company" in UCU.

15. Certain members of the KCPL's and UCU's management and Board of Directors have interests in the Merger that are in addition to the interests of stockholders of KCPL and UCU generally and may conflict with the interests of the shareholders. These conflicting interests were considered, among other matters, when KCPL recommended and approved the Initial Merger Agreement. These conflicts include certain payments which will become payable in connection with the Merger, including a potential six million dollar payment to Jennings. Each of KCPL's five most highly compensated executive officers have entered into lucrative KCPL Severance Agreements.

C. The Misdisclosures In The Proxy Information To Date

16. At all times relevant hereto, KCPL has represented to its shareholders that it has evaluated its options in the changing utility market and believes that "the terms of the merger with UCU are fair to and in the best interests of, KCPL's shareholders." Such a representation implies a careful and studied analysis of the options available to the company, leading to the company's recommendation that the UCU merger is appropriate.

17. The Proxy did not disclose, and the shareholders may not be properly advised, that all options were not considered and the

company's evaluation of options was incomplete because WRI - a significant force and presence in the energy industry - has been consistently rebuffed on all occasions by KCPL and was not given the opportunity to meaningfully explore a business relationship with KCPL. In contrast, KCPL has given full access to information to UCU and entered into board-based merger discussions with UCU.

18. Further, the Proxy did not disclose and the shareholders may not be properly advised that:

a. the KCPL Board failed to give WRI the opportunity to make a presentation to the KCPL Board prior to entering into the UCU merger agreement even though WRI reportedly requested this opportunity;

b. a "long-simmering" rivalry reportedly exists between Defendant Jennings and WRI's C.E.O., John E. Hayes, Jr.;

c. substantial synergies of approximately one billion dollars would result from any merger with WRI which were superior to the UCU synergistic benefits.

19. In addition, subsequent materials sent to shareholders in the proxy contest are misleading. Specifically, in a letter to the shareholders of April 21, 1996 from KCP&L's Jennings, shareholders are told, "you should know that, less than a year ago, Western estimated savings of less than half [of one billion dollars]. It is clear to us that Western manipulated its proposal to create the illusion of value."

a. This statement is, and was at the time made, incorrect because KCPL merely compared the savings numbers to

the preliminary estimates discussed in the past. The earlier estimated were intended only to determine whether the minimum level of savings required for the financial success of a no premium merger between WRI and KCPL could be achieved.

b. In addition, WRI's one billion dollar savings estimate has been supported by a detailed analysis conducted by WRI management and assisted by Deloitte Touche which KCPL knew, or should have known, from the Kansas Corporation Commission filing of April 15, 1996.

D. WRI's Tender Offer

20. Having been rebuffed at every turn by management and directors of KCPL, WRI was left with only one alternative: to make its superior offer directly to KCPL stockholders. On or about April 14, 1996, WRI announced its offer which included, inter alia, the following salient features:

a. WRI and KCPL would merge in a stock-for-stock transaction valued at approximately $1.7 billion, or $28 per KCPL common share, as compared to $26.77 per KCPL share in the initial UCU merger proposal.

b. WRI would pay an initial dividend of $1.92 per share as compared to a dividend of $1.56 per share in the UCU merger.

c. All constituents - shareholders, customers, employees and the community - would benefit from the merger because of the natural synergies arising from, for example,

overlapping service territories. Further, WRI identified more than $1 billion in aggregate cost savings during the first 10 years which would reportedly be achieved without layoffs, and with lower electric rates for both KGE and KCPL customers. WRI also proposed a five-year moratorium on electric rate increases for KCPL, KPL and KGE retail customers.

d. WRI's stronger bond rating (A-), compared to UCU's bond rating (BBB).

e. WRI's national marketing reach through its Westar products.

21. On April 22, 1996, KCPL advised WRI that its Board of Directors unanimously rejected WRI's proposal, stating that KCPL intended to complete the merger with UCU.

22. Following KCPL's rejection of WRI's offer, WRI and certain KCPL shareholders with whom it was aligned, including Robert L. Rives, solicited KCPL shareholders to vote against the approval of the original merger agreement at the May 22, 1996 meeting. WRI also publicly announced its intention to commence an exchange offer for any and all KCPL shares.

23. UCU originally took the position prior to the time that KCPL was required to respond to WRI, that it would not better its proposal in any respect, in light of the WRI proposal. Finally, -- days before the voting deadline - KCPL and UCU announced a modest dividend increase. In response, WRI increased its dividend projection as well.

E. The Possibility Of Defeat For The KCPL/UCU Proposed Merger

24. Many analysts following KCPL stock have consistently held the view that the WRI bid is superior to the UCU proposal.

25. In the days immediately preceding the annual meeting, analyst Mary-Ellen Robinson of Institutional Shareholder Services recommended that large institutional investors reject the proposed merger.

F. The Revised Merger Agreement Disenfranchised KCPL Shareholders

26. On Monday, May 20, 1996, faced with a possible loss at the shareholders meeting scheduled for May 22, KCPL and Utilicorp announced a Revised Merger Agreement and cancelled the vote on the Original Merger Agreement. The Revised Merger Agreement, if culminated, would not require approval of two-thirds of the KCPL Shareholders.

27. The Revised Merger Agreement is structured as a "reverse triangular" merger, meaning that KCPL will establish a nominal subsidiary to act as a conduit through which Utilicorp could be merged into KCPL.

28. By crafting the Revised Merger Agreement in this way, the KCPL Board has eliminated the shareholders' statutory right to select its merger candidate by two-thirds affirmative vote of all outstanding shares or to seek appraisal of the value of their shares if they dissent from the merger. In its place, KCPL has substituted the statutory "short form" merger device under which

KCPL shareholders have no statutory right to vote and no appraisal rights if they vote against the merger. Under New York Stock Exchange rules, only a quorum of shareholders present at a special meeting need vote.

29. Apparently recognizing the questionable nature of their recent restructuring, KCPL has sought to preempt WRI and all affected shareholders by filing a declaratory judgment in this Court seeking a judgment that the Revised Merger Agreement was adopted in accordance with Missouri law and that KCPL and its directors, officers and agents (who are not even named parties in the declaratory judgment proceeding) acted "lawfully and in compliance with all legal and equitable duties in connection with the abandonment of the original Merger Agreement and the adoption of the Revised Merger Agreement."

30. By rejecting WRI's offer out of hand, and, when faced with the possibility of a losing vote on the UCU merger, putting off the vote and restructuring the Initial Merger Agreement in order to deprive shareholders of their statutory rights to select a merger candidate by two-thirds of the outstanding shares and to seek appraisal rights if they dissent, KCPL has foreclosed fundamental shareholders rights without legitimate justification. The delay in the vote and Revised Merger Agreement is an unreasonable and disproportionate response to any threat to KCPL's corporate strategy which was presented by WRI's superior offer.

31. KCPL has also represented in its pleading in this case the Initial Merger Agreement was revised to assuage UCU's

"demands." The plain impetus for restructuring the transaction was to obviate the two-thirds shareholder vote requirement found in Missouri law.

IV. CLASS ACTION ALLEGATIONS

32. Intervenor brings this action on behalf of himself and, under Federal Rule of Civil Procedure 23 as a representative of a class (referred to herein as the "Class" or the "Plaintiff Class"), defined as follows:

> All persons or entities who owned KCPL stock on the record date, April 3, 1996 or their successors in interest. Excluded from the Class are all Defendants, officers and directors of UCU, and the respective subsidiaries and affiliates of either KCPL or UCU.

33. Members of the Class number in excess of 5,000 and joinder is, therefore, impracticable. Because the Class is limited to stockholders during the relevant time period, the Class is readily identifiable from information and records in the possession of the defendants.

34. Intervenor's claims are typical of the members of the Class. Counterclaim Plaintiff and all members of the Class were damaged by the same wrongful conduct by the defendants.

35. Intervenor will fairly and adequately protect and represent the interests of the Class. The interests of

Counterclaim Plaintiff are coincident with, and not antagonistic to, those of the Class.

36. Intervenor is represented by counsel who are experienced and competent in the prosecution of class action litigation.

37. The prosecution of separate actions by or against KCPL shareholders would create a risk of

a. inconsistent or varying adjudication with respect to individual members of the class which would establish incompatible standards of conduct for the party opposing the class, or

b. adjudications with respect to individual members of the class which would as a practical matter be dispositive of the interest of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests.

38. KCPL has acted or refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the class as a whole.

39. Questions of law and fact common to the members of the Class also predominate over questions, if any, that may affect only individual members because defendants have acted on grounds generally applicable to the entire class.

40. Questions of law and fact common to the Class include:

a. whether the defendants breached their fiduciary duties to the shareholders at any time during the review of the WRI recent proposal;

b. whether the defendants exercise their duty of care in appropriately reviewing all of the relevant data necessary to understand and act upon the WRI proposal;

c. whether the long-standing rivalry between Messrs. Hayes and Jennings motivated, affected or impacted, in any way, the KCPL rejection of the WRI proposal;

d. whether the Board, or certain members thereof, in preferring the lower UCU transaction over the higher Western offer were motivated by conflicts of interest;

e. whether the UCU proposal is substantially inferior to the WRI proposal;

f. whether the Revised Merger Agreement was unreasonable and disproportionate with respect to WRI's higher offer;

g. whether the Revised Merger Agreement complies with Missouri law; and

h. whether appraisal rights must be recognized by KCPL under the Revised Merger Agreement and/or applicable law.

41. Class action treatment is the superior method for the fair and efficient adjudication of this controversy, in that, among other things, such treatment will permit a large number of similarly situated persons to prosecute their common claims in a single forum simultaneously, efficiently and without the

unnecessary duplication of evidence, effort, and expense that numerous individual actions would engender. The benefits of proceeding through the class mechanism, including providing injured persons or entities with a method for obtaining redress on claims that it might not be practicable to pursue individually, substantially outweigh any difficulties that may arise in management of this class action.

42. Intervenor knows of no difficulty to be encountered in the maintenance of this action that would preclude its maintenance as a class action.

V. CLAIMS FOR RELIEF

COUNT I
BREACH OF FIDUCIARY DUTY

43. Counterclaim Plaintiff incorporates by reference, as though fully set forth herein, the allegations contained in the paragraphs above.

44. Under Missouri law, directors of a corporation owe fiduciary duties to shareholders and must act in the best interests of the shareholders.

45. By reason of the foregoing, the defendants have violated their fiduciary duties to Counterclaim Plaintiff and the Class by, inter alia, failing to adequately inform themselves of and to consider the WRI offers, in preferring a transaction with UCU for reasons unrelated to the best interests of the KCPL shareholders and other constituent groups, in making material misstatements and

omissions of material fact as set forth herein, in delaying the vote on the merger, and in adopting the Revised Merger Agreement to circumvent statutory voting and appraisal rights of Counterclaim Plaintiff and members of the putative class which is a disproportionate and unreasonable response to any threat posed by WRI's superior offer.

46. As a result of the actions of defendants, Counterclaim Plaintiff and the other members of the Class have been and will be irreparably damaged in that they have not and will not receive their fair proportion of the value of KCPL's assets and businesses nor a fair price for the investment in KCPL, and are being deprived of appropriate safeguards and statutory rights designed to ensure that they will receive a fair price.

47. Unless enjoined by this Court, defendants will continue to breach their fiduciary duties owed to Counterclaim Plaintiff and the other members of the Class, including depriving shareholders of their statutory voting rights and appraisal rights, thereby irreparably harming the members of the Class.

48. Unless enjoined by the Court, the Director Defendants will continue to breach their fiduciary duties owed to Counterclaim Plaintiff and the other members of the Class.

49. Counterclaim Plaintiff and the Class have no adequate remedy of law.

VI. PRAYER FOR RELIEF

WHEREFORE, Counterclaim Plaintiff demands that judgment and preliminary and permanent relief, including injunctive relief, in their favor and in favor of the Class and against counterclaim defendants as follows:

a. an order certifying this Class as a class action and designating Counterclaim Plaintiff and the undersigned counsel as representative and class counsel, respectively;

b. declaring and decreeing that defendants' conduct constituted a breach of fiduciary duties of the Director Defendants to the Class and is therefore unlawful;

c. enjoining the defendants from proceeding with the Revised Merger Agreement as structured and enjoining the defendants from taking any action, including the implementation of any anti-takeover device, with the effect of impeding or eliminating (i) KCPL's shareholders voting rights or (ii) WRI or other interested bidder from presenting its offer to KCPL stockholders;

d. requiring the Director Defendants to fulfill their fiduciary duties to shareholders by exploring appropriate offer(s) and accepting the most reasonable offer obtainable for all constituents including specifically, the public shareholders and by permitting the shareholders to make a merger decision in accordance with statutory rights and with full information;

e. rescinding, to the extent already implemented, any merger agreement or any of the terms thereof;

f. awarding Counterclaim Plaintiff and the Class appropriate compensatory damages;

g. awarding Counterclaim Plaintiff and the costs and disbursements of this action, including reasonable attorneys' and experts' fees and, if applicable, pre and post-judgment interest; and

h. such other equitable and declaratory relief as this Court deems just and proper.

VII. DEMAND FOR JURY TRIAL

50. Intervenor and Counterclaim Plaintiff hereby makes demand for jury trial on all issues which may be properly tried to a jury.

Respectfully submitted,

NIEWALD, WALDECK & BROWN

/s/ Angela K. Green

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IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

FILED 5:00
JUN 27 1996
R. F. CONNOR, CLK.
U. S. DISTRICT COURT
WEST DISTRICT
OF MISSOURI

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KANSAS CITY POWER & LIGHT               )
COMPANY,                                )
                                        )
                 Plaintiff,             )
                                        )
      vs.                               )      Civil Action No. 96-552-CV-W-5
                                        )
WESTERN RESOURCES, INC. and             )
ROBERT T. RIVES,                        )
                                        )
                 Defendants.            )
                                        )
- -----------------------------------------
                                        )
JACK MANSON, individually and on        )
behalf of all individual and/or         )
entities similarly situated,            )
                                        )
              Intervenor Defendant and  )
              Counterclaim Plaintiff,   )
                                        )
      vs.                               )
                                        )
A. DRUE JENNINGS, DR. DAVID L. BODDE,   )
WILLIAM H. CLARK, ROBERT J. DINEEN,     )
ARTHUR J. DOYLE, W. THOMAS GRANT II,    )
GEORGE E. NETTELS, JR., LINDA HOOD      )
TALBOTT, Ph.D., ROBERT H. WEST, and     )
KANSAS CITY POWER & LIGHT CO., a        )
Missouri corporation.                   )
                                        )
                 Counterclaim Defendants.)
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PLAINTIFF'S REPLY TO THE COUNTERCLAIM OF
WESTERN RESOURCES, INC. AND ROBERT L. RIVES
AND COUNTERCLAIM OF KANSAS CITY POWER & LIGHT COMPANY

Plaintiff and Counterclaim Defendant, Kansas City Power & Light Company ("KCPL"), by its attorneys, as and for its Reply to the Counterclaim of Western Resources, Inc. ("Western Resources") and Robert L. Rives, states and alleges as follows:

NATURE OF THE COUNTERCLAIM

1. Denied, except KCPL admits that the Counterclaim purports to seek a declaratory judgment and injunction to enjoin KCPL from continuing to violate Missouri General and Business Corporation Law ("Missouri BCL") and from breaching fiduciary duties owed to KCPL shareholders. It is specifically denied that KCPL and its directors have violated, or will violate, the Missouri General and Business Corporation law and/or fiduciary duties owed to KCPL shareholders.

2. Denied, except KCPL admits that KCPL restructured a proposed business combination with UtiliCorp United Inc. ("UtiliCorp") (the "Merger"), cancelled the vote on the Merger and the announced plans to consummate a restructured business combination with UtiliCorp.

3. Denied. For further answer, KCPL avers that the Revised Merger Agreement speaks for itself.

4. Admitted.

5. Admitted.

6. Admitted.

7. The allegations of PARA 7 of the Counterclaim state conclusions of law to which no responsive pleading is required.

8. Admitted.

9. KCPL admits the first sentence of PARA 9 and denies the second sentence of PARA 9.

10. Admitted.

11. Denied, except admitted that KCPL's Notice of Annual Meeting speaks for itself.

12. KCPL denies the first sentence of PARA 12, except KCPL admits that on April 14, 1996, Western proposed a merger to KCPL. KCPL denies the second sentence of PARA 12 and admits the third and fourth sentence of PARA 12.

13. The first sentence of paragraph 13 is denied, except it is admitted that KCPL issued a press release on April 22, 1996, which speaks for itself. The second sentence of PARA 13 is admitted.

14. Denied, except that KCPL admits that its proxy solicitation expenses exceeded $1 million.

15. KCPL denies the first sentence of PARA 15, is without knowledge or information sufficient to form a belief as to the truth of the allegations of the second sentence of PARA 15, and denies the third sentence of PARA 15.

16. Denied, except KCPL admits that the KCPL/UtiliCorp Joint Proxy Statement did not disclose the actual dollar amounts that Mr. Jennings could be paid if the Merger were consummated. It is specifically denied that KCPL had any duty to state any matter that P. 16 alleges that KCPL failed to disclose.

17. Denied, except KCPL admits that on May 10, 1996, the Wichita Business Journal published an article entitled "Question of Motivation: Jennings' Payout at Issue in Merger," which article speaks for itself.

18. KCPL is without knowledge or information sufficient to form a belief as to the truth of the allegations of the first sentence of PARA 18 of the Counterclaim. KCPL admits the second sentence of PARA 18. KCPL denies the allegations of the third and fourth sentences of PARA 18, except it admits that on May 20, 1996, The Wall Street Journal published an article entitled "UtiliCorp Merger Could Be On The Rocks," which article speaks for itself.

19. Denied, except admitted that Institutional Shareholder Services issued a report on May 15, 1996, which report speaks for itself.

20. Denied, except admitted that on or about May 20, 1996, KCPL disclosed that the shareholder vote on the Original Merger would not be held.

21. Denied, except admitted that KCPL and UtiliCorp entered into a Revised Merger Agreement which speaks for itself, that KCPL and UtiliCorp disclosed that they had done so, and that the Revised Merger Agreement provides for KCPL to issue to UtiliCorp shareholders KCPL shares that were authorized at the 1992 KCPL Annual Meeting.

22. Denied, except KCPL admits that from time to time it has issued press releases, which speak for themselves.

23. Denied.

24. Denied.

25. Denied.

26. Denied, except KCPL admits that KCPL and UtiliCorp cannot consummate the Merger pending regulatory approval which, if granted, would occur sometime in mid-1997.

27. Denied.

28. Denied.

29. The allegations of PARA 29 of the Counterclaim state conclusions of law to which no responsive pleading is required.

30. Denied, except KCPL admits that KCPL's Board of Directors has unanimously approved the Revised Merger Agreement and the proposed transaction.

31. KCPL repeats and realleges paragraphs 1 through 30 as though fully stated herein.

32. Denied.

33. Denied.

34. The allegations of PARA 34 of the Counterclaim state conclusions of law to which no responsive pleading is required. To the extent a responsive pleading is required, the allegations of PARA 34 are denied.

35. KCPL repeats and realleges paragraphs 1 through 34 as if fully stated herein.

36. The allegations of PARA 36 of the Counterclaim state conclusions of law to which no responsive pleading is required. To the extent a responsive pleading is required, KCPL admits the allegations of PARA 36.

37. Denied.

38. Denied.

39. Denied.

40. Denied.

FIRST AFFIRMATIVE DEFENSE

41. Western Resources lacks standing to assert the Counterclaim of Western Resources, Inc. and Robert L. Rives.

SECOND AFFIRMATIVE DEFENSE

42. Western Resources and Rives both failed to comply with the requirements of Federal Rule of Civil Procedure 23.1.

THIRD AFFIRMATIVE DEFENSE

43. Western Resources and Rives both failed to demand of the directors of KCPL that they cause the corporation to bring the claims alleged in the Counterclaim of Western Resources, Inc. and Robert L. Rives.

FOURTH AFFIRMATIVE DEFENSE

44. Western Resources and Rives both failed to demand of the stockholders of KCPL that they cause the corporation to bring the claims alleged in the Counterclaim of Western Resources, Inc. and Robert L. Rives.

FIFTH AFFIRMATIVE DEFENSE

45. Western Resources comes to equity with unclean hands.

SIXTH AFFIRMATIVE DEFENSE

46. Rives comes to equity with unclean hands.

SEVENTH AFFIRMATIVE DEFENSE

47. Western Resources and Rives have an adequate remedy at law.

WHEREFORE, KCPL respectfully requests judgment:

(a) Dismissing the Counterclaim of Western Resources, Inc. and Robert L. Rives in its entirety;

(b) Awarding KCPL its costs and disbursements; and

(c) Awarding KCPL such other and further relief as the Court deems just and proper.

COUNTERCLAIM

Plaintiff Kansas City Power & Light Company ("KCPL"), by its undersigned attorneys, for its counterclaim to the counterclaims of defendants Western Resources and Robert L. Rives, alleges as follows:

1. Plaintiff incorporates the allegations of its Complaint as if fully set forth herein.

Nature of Counterclaim

2. Plaintiff brings this Counterclaim against defendant Western Resources, Inc. ("Western Resources") in response to its violations of the Securities Exchange Act of 1934 and rules and regulations promulgated thereunder. In furtherance of its effort to prevent the creation of a formidable competitor through consummation of the contemplated strategic combination between KCPL and UtiliCorp United, Inc. ("UtiliCorp"), Western Resources has orchestrated and is attempting to execute a campaign of intentionally misleading statements and omissions originally designed to induce KCPL shareholders to vote against the original KCPL/UtiliCorp merger agreement (the "Original Merger Agreement") at the May 22, 1996 Annual Meeting of KCPL shareholders and now intended to disrupt the vote on the Revised Merger Agreement scheduled for August 14, 1996.

3. Specifically, Western Resources has intentionally disseminated public statements designed to create the false impression that its proposal to merge with KCPL, and its yet-to-be-commenced exchange offer, represent a concrete, viable, definitely available, and financially superior alternative to the KCPL/UtiliCorp combination. In fact, both Western Resources' merger proposal and its yet-to-be-commenced exchange offer are highly conditional and subject to substantial risk of non-consummation. None of these conditions and risks have

been adequately disclosed in Western Resources' public statements or proxy materials. Additionally, the purported value of its proposal is dependent upon intentionally inflated merger savings estimates and unreasonable regulatory assumptions, which is a material fact that Western has failed to disclose.

4. Western's illegal actions have caused KCPL to sustain damages in the form of proxy solicitation expenses and other costs, and its continuing illegal conduct will continue to cause such damages.

Jurisdiction and Venue

5. This Court has jurisdiction of the subject matter of this action pursuant to 28 U.S.C. ss.1331 and Section 27 of the Securities Exchange Act of 1994 (the "Exchange Act"), 15 U.S.C. ss.78 aa.

6. Venue is proper in this judicial district pursuant to 28 U.S.C. ss.1391 and 15 U.S.C. ss.78 aa.

Western Resources' Campaign of Misinformation and Manipulation

7. On April 14, 1996, Western Resources sent to Mr. Drue Jennings, KCPL's Chairman and CEO, a letter proposing a merger in which each KCPL shareholder would purportedly receive $28 worth of Western Resources common stock for each KCPL share. The proposal was unsolicited and represented a hostile attempt to frustrate KCPL's and UtiliCorp's previously announced efforts to consummate the strategic combination contemplated by the Original Merger Agreement.

8. Shortly after delivery of the letter, Western Resources made a public announcement regarding the delivery of the April 14 letter and released the letter to the Dow Jones News Service and certain other media outlets. As expected and intended by Western

Resources, the text of the April 14 letter was published and disseminated by the news services to which it was released.

9. The public announcement and dissemination of the Western Resources letter was the first step in a campaign of false and misleading public statements intended by Western Resources as a last-minute attempt to derail the formation of a formidable competitor, i.e., to prevent the combination of KCPL and UtiliCorp. Western Resources' strategy has been to create the false impression among KCPL stockholders that the Western Resources proposal offers a financially superior, viable, and available alternative to the KCPL/UtiliCorp combination. This false impression was originally intended to induce KCPL stockholders to vote against the combination at the May 22, 1996 Annual Meeting of KCPL's stockholders.

10. Further, Western's campaign of misinformation was intended to manipulate the market for KCPL shares by inducing arbitrageurs to purchase KCPL shares from relatively risk-averse KCPL shareholders who wished to realize the cash market value of their shares rather than invest for the long term. Western acted on the belief that arbitrageurs would purchase KCPL shares in response to an offer by Western and would be likely to favor Western's offer.

11. In furtherance of Western's fraudulent and manipulative scheme, the April 14 letter contained, inter alia, the following false and misleading statements:

- The Western Resources proposal represented a 17% premium. In fact, the value of Western Resources stock to be received in the proposed Western Resources merger is dependent upon Western Resources' ability to achieve highly inflated merger cost savings estimates of over $1 billion over ten years and upon its unprecedented assumption that regulators will permit it to retain 70% of such savings. Not surprisingly, the fact that its savings estimates are overstated and that its regulatory allocation assumptions are unprecedented are not mentioned in Western Resources' April 14 letter.

- The Western Resources proposal represented a 27% increase in the dividend rate currently paid to KCPL shareholders. This statement is misleading in that if Western Resources cannot achieve its inflated cost

savings estimates, keep most of them, and avoid adverse regulatory treatment, it will not maintain its dividend at the proposed level. Again, the fact that its savings estimates are inflated and that its proposed regulatory treatment is unprecedented is nowhere mentioned in its April 24, 1996 letter.

Moreover, while the April 14, 1996 letter obliquely referred to "conditions" to the proposal, it nowhere disclosed the unprecedented nature of its proposed regulatory treatment, which is obviously a central condition to the proposal's viability and to its value.

KCPL's Board Rejects Western Resources' Proposal
As Not In The Best Interests of Its Shareholders

12. On April 22, 1996, KCPL issued a press release announcing that its board of directors had unanimously rejected the merger proposal received from Western Resources as not in the best interests of KCPL shareholders. The press release noted that the KCPL board had also reaffirmed its support for KCPL's strategic merger with UtiliCorp.

Western Resources Continues Its
Campaign of Misinformation and Manipulation

13. Shortly after KCPL announced its board's decision on April 22, 1996, Western Resources filed with the SEC preliminary proxy materials with which it would solicit KCPL shareholders to grant proxies to vote against approval of the Original Merger Agreement at the May 22, 1996 Annual Meeting of KCPL's shareholders. At the same time, Western Resources announced its intention to commence an exchange offer for any and all shares of KCPL stock. In such exchange offer, KCPL shareholders would purportedly receive $28 worth of Western Resources stock for each KCPL share.

14. Western Resources' preliminary (and subsequent) proxy materials are materially misleading for numerous reasons, including, inter alia, that they fail adequately to disclose the highly conditional nature of the yet-to-be commenced Western Resources exchange

offer, creating the false impression in the minds of KCPL shareholders who read such proxy materials that the Western Resources exchange offer represents a concrete, viable, and available alternative to the KCPL/UtiliCorp combination.

15. Indeed, this false impression is central to Western Resources proxy solicitation strategy. It is essentially the same strategy initiated by Western Resources through the intentional public dissemination of its April 14 letter: create the false impression that Western Resources is offering a concrete, viable, available, and financially superior alternative to the KCPL/UtiliCorp merger. Thus, the Western Resources preliminary proxy materials made the following false and misleading statements:

> "[T]he KCPL directors . . . have rejected the Western Resources offer, thereby refusing to let you realize the benefits of that offer."
>
> "In order to preserve your opportunity to consider the best available offer, we urge you to vote against the proposed UtiliCorp transaction."
>
> "If you want to accept the financially superior Western Resources offer, I urge you to vote the [color] proxy card against the proposed transaction with UtiliCorp."
>
> "The purpose of the solicitation made by this proxy statement is to enable the KCPL shareholders to decide for themselves which proposal is financially superior and to act accordingly."
>
> "Western Resources urges you to vote against the approval and adoption of the UtiliCorp/KCPL merger agreement and the proposed UtiliCorp/KCPL transaction to preserve your opportunity to accept the financial superior Western Resources offer."
>
> "If you want to accept the offer, vote against the approval and adoption of the UtiliCorp/KCPL merger agreement and the proposed UtiliCorp/KCPL transaction by signing, dating and returning the enclosed [color] proxy card today."

Each of these statements was designed to create the impression that, if the shareholders of KCPL were to reject the proposed UtiliCorp/KCPL combination, the Western Resources exchange offer

would in fact be available to them. This false impression, coupled with Western Resources' repetition of its earlier misleading claims that its offer is financially superior to the UtiliCorp/KCPL transaction, was designed to create pressure on KCPL's shareholders to vote against the UtiliCorp/KCPL combination.

16. The fact that the Western Resources offer is highly conditional was not adequately disclosed in Western Resources' preliminary proxy materials. At most, such materials contain an oblique reference to conditions of the exchange offer, which such materials say are set forth in the preliminary prospectus filed by Western Resources with the SEC.

17. In fact, the Western Resources exchange offer is subject to, inter alia, the following conditions:

> 90 Percent Minimum Tender Condition. The Western Resources exchange offer is conditioned upon the tender of 90% of the outstanding shares of KCPL common stock on a fully diluted basis, compared to a shareholder vote requirement of 2/3 of KCPL's outstanding shares for the original merger and a simple majority of a quorum for the Revised Merger Agreement.
>
> Western Resources Shareholder Approval Condition. The issuance of Western Resources common stock pursuant to the exchange offer and follow-up merger requires approval of Western Resources stockholders who will face the risk of substantial earnings and dividend dilution if the Western Resources offer is approved.
>
> Regulatory Approval Condition. The Western Resources exchange offer is conditioned upon the approval of numerous federal and state regulatory agencies, including the KCC, the Corporation Commission of the State of Oklahoma, the MPSC, the FERC and the NRC. Significantly, Western Resources has further conditioned its exchange offer on having received such regulatory approvals without the imposition of "terms and conditions which, in the aggregate, would have or, insofar as reasonably can be foreseen, could have a material adverse affect on the business assets, financial condition or results of operations of Western Resources, KCPL and their respective subsidiaries taken as a whole." This condition is particularly significant in view of the unprecedented nature of Western Resources' regulatory plan for the combined

Western Resources/KCPL, which is based upon the assumption that stockholders will retain 70% of the estimated merger savings.

Each of these conditions presents a substantial risk of non-consummation of the exchange offer. None of these conditions are disclosed in Western Resources' preliminary proxy materials. Western Resources intended that shareholders of KCPL, when considering whether to sign and return the Western Resources proxy card, would be misled into believing that the Western Resources exchange offer represents a concrete, viable, definitely available, and financially superior alternative to the KCPL/UtiliCorp combination and would therefore be induced to vote against the KCPL/UtiliCorp combination.

18. The preliminary solicitation materials and registration statement of Western Resources also contained, inter alia, the following material misrepresentations and omissions:

Letter to KCPL Stockholders

- Western claimed in its letter to shareholders that its offer provides higher value than the original KCPL/UtiliCorp transaction. This claim is false and misleading because Western fails to disclose that the value of its offer depends upon its inflated savings estimates and unreasonable regulatory assumptions.

- Western claims that its proposed exchange offer will be a tax-free transaction but fails to disclose that this assertion is based on significant assumptions which may not be true. Nor does Western disclose the consequences of failing to receive tax-free treatment.

Preliminary Proxy Statement

- Western's preliminary proxy statement stated that if KCPL shareholders do not approve the UtiliCorp transaction, then Western believes that the directors of KCPL will respect the vote of the shareholders and take all necessary action in accordance with their fiduciary duties to allow Western's offer to proceed. This statement is misleading in that Western has no reasonable basis to suggest that the fiduciary duties of KCPL's directors would require them to "allow Western's offer to proceed," particularly in the event that the UtiliCorp transaction received the support of a majority of KCPL shareholders but not the support of 2/3 of its

outstanding shares. The statement created the false impression that an alternative transaction would be available to KCPL shareholders.

- The Western Preliminary Proxy Statement was materially misleading in that it failed to disclose material developments in Western's business that could adversely impact its forecasts and stock price and its ability to make dividend payments. Western currently has a rate case before the Kansas Corporation Commission ("KCC") in which the KCC staff has stated that Western's current electric rates "are unjust and unreasonable" and has recommended substantial cuts in such rates. See also paragraphs 26-28.

- Western Resources repeats in its proxy materials its purported savings estimate or $1 billion over 10 years. As noted above, this estimate is intentionally inflated by Western. To create the illusion of reliability, Western details certain components of its purported savings estimate in its preliminary proxy statement. Western's purported estimate rests on numerous analytical flaws. For example:

  - Western has estimated labor savings not based on actually achieved labor savings in other utility mergers but rather on savings projections made prior to consummation of such transactions. Western failed to disclose the speculative nature of this methodology.

  - Western estimates that all labor savings will be achieved by January 1, 1998, yet at the same time, Western represents that there will be no employee layoffs. It is false and misleading to assert savings on this basis in conjunction with a no layoff policy.

  - Western has inflated its labor savings by assuming an inflated level of KCPL benefit costs.

  - Western has included in its merger savings analysis savings amounts attributable to best practices, ongoing initiatives and skill transfers. This inclusion is inappropriate because such savings are not causally dependent on a business combination but rather can be achieved on a stand-alone basis. This flawed inclusion contributes to Western's inflated and misleading cost savings estimate.

  - Western's procurement savings are overstated both because the universe of materials upon which savings are calculated is too large and the discount rate applied is too large.

  - Western's regulatory plan allocates only 30% of its estimated cost savings to consumers and retains the remainder for the combined company and its shareholders. This allocation is unprecedented and

Western's assumption is highly unrealistic, as Western knows or should know. If Western does not achieve its proposed regulatory treatment, its earnings, stock price, and dividends would be materially adversely affected.

Registration Statement

- Without basis, Western claimed that its offer could be completed by the second quarter of 1997 but that the UtiliCorp/KCPL transaction could not be completed prior to year-end 1997. This representation is misleading because there exists no basis for it and it is material in that it creates the impression that KCPL stockholders can receive the purported benefits of the Western offer earlier than they would receive the benefits of the KCPL/UtiliCorp merger.

- Western stated that its proposed transaction would qualify for pooling of interests accounting treatment but fails to disclose that cash payments for cancellation of KCPL stock appreciation rights upon a change in control would prohibit such accounting treatment.

- Western's representation that its proposed transaction should be tax free is based upon numerous questionable assumptions, none of which are disclosed. Nor did Western disclose the effect on the proposed combination if tax-free treatment was not available.

These examples are representative of the numerous mistreatments and omissions contained in Western Resources' preliminary proxy materials.

As Western Presses Forward With Its Campaign Of Misinformation And Manipulation, Western President David Wittig Falsely Claims KCPL Is For Sale AndAdmits Western's Strategy Is To Disrupt The KCPL Vote

19. On May 2, 1996, the Kansas City Star quoted Western president David Wittig as claiming that KCPL "already stated to shareholders that they would sell their company to (UtiliCorp chairman) Rick Green." This statement was intended by Western and Wittig to be widely disseminated and reach KCPL shareholders. It was intended to create the false impression that KCPL is conducting an auction for sale of control of KCPL, which impression was intended to manipulate the market for KCPL stock and create pressure on KCPL's board to sell the company. In fact, KCPL is not for sale.

20. On May 3, 1996, Western filed with the SEC definitive proxy solicitation materials, which it thereafter caused to be disseminated widely to KCPL shareholders. Western's May 3 definitive solicitation materials continued the misrepresentations and omissions detailed above with respect to its preliminary materials with insignificant changes in wording in some cases. The Western May 3 definitive solicitation materials continued Western's campaign of misinformation and manipulation by creating the false impression that the Western offer constitutes a real, actually available, and economically superior alternative to a KCPL/UtiliCorp combination when in fact it is highly conditional and is based, intentionally, on inflated cost savings estimates and unreasonable regulatory assumptions.

21. On May 7, 1996, Western issued a press release in which it claimed that it had raised the minimum dividend level in the offer for KCPL shares, stating that KCPL shareholders would receive $2.01 per year in dividends for KCPL shares if the Western offer were to be completed. Western failed to disclose that this dividend claim is based upon Western's inflated savings estimates and unreasonable regulatory assumptions and therefore is illusory. This particular aspect of Western's campaign of misinformation and manipulation -- the dividend promise -- is intended to influence retail investors, who typically invest in utility stocks for dividend income.

22. In addition to these public statements, Western's representatives made numerous additional statements concerning the purported superior value and benefits of the Western offer, which statements were false and misleading due to Western's inflated savings estimates and unreasonable regulatory assumptions.

23. A Kansas City Star article dated May 18, 1996, apparently based upon an interview of Western's Wittig, states that Western's strategy was, in fact, to disrupt the KCPL shareholders' vote and that Wittig was its mastermind:

> Although Western Resources Chairman John E. Hayes sees why his company must snare KCP&L, he counts on Wittig . . . to tell him how. And it's not pretty.
>
> First, bust up the proposed union of KCP&L and UtiliCorp United, Inc. -- a plan to be voted on Wednesday by KCP&L shareholders.

KCPL And UtiliCorp Determine To Improve The Terms of Their Strategic Combination To KCPL Shareholders And Adopt The Revised Merger Agreement

24. By May 20, 1996 -- two days prior to the scheduled vote of KCPL's shareholders -- KCPL turned over to the inspectors of election proxies representing a majority of KCPL's outstanding shares voting in favor of the strategic combination of KCPL and UtiliCorp. However, Western Resources had apparently succeeded in assembling, through its campaign of misinformation and manipulation, a minority coalition of financial institutions and takeover arbitrage speculators sufficient to block approval by an absolute 2/3 of KCPL's outstanding shares, as required by Missouri statute for the transaction structure contemplated by the Original Merger Agreement.

25. On May 20, KCPL and UtiliCorp entered into the Revised Merger Agreement and cancelled the vote on the Original Merger Agreement. The Revised Merger Agreement contemplates improved terms for KCPL's stockholders and a revised transactional structure. The Revised Merger Agreement will be put to a vote of KCPL's and UtiliCorp's shareholders in August, 1996.

Meanwhile, Western Strives To Postpone And Conceal The Impact Of A Likely Adverse Ruling In Its Pending Rate Case

26. Western Resources' revenues, earnings, dividends, and ultimately, its stock price, are dependent in large part upon the electricity rates that it is permitted by state regulators to charge to its utility customers. Western Resources currently has a rate case pending before the Kansas Corporation Commission. Western, recognizing that its rates in Kansas are too high, has proposed rate cuts of $8.7 million a year over seven years.

27. However, the staff of the Kansas Corporation Commission has recommended that Western's rates be reduced by $105 million a year. A Western spokesman, George Norton, has admitted publicly that "[t]he staff's recommendation would eliminate more than 34 percent of Western Resources' and Kansas Gas and Electric's 1995 net income when adjusted for appropriate taxes."

28. Hearings in this rate case were set to begin on July 8, 1996. However, Western requested [and obtained] a 30-day extension "so it can review the KCC staff recommendations." The real purpose of the delay sought by Western is to postpone announcement of a likely adverse ruling until August so that it can continue to claim that its offer would provide superior value to KCPL's shareholders. Its failure to disclose the likely material adverse ruling in its rate case is materially misleading, and its delay tactics are manipulative.

Western Purports To Increase The Value Of Its Offer And Mails False and Misleading Supplemental Proxy Materials

29. On June 17, 1996, Western announced that it would increase the purported value of its offer to $31 worth of Western stock for each KCPL share. As was true with its earlier offer, the purported value of Western's new offer is illusory in that it is dependent upon the same inflated savings estimates and unreasonable regulatory assumptions.

30. On or about June 17, 1996, Western mailed to KCPL shareholders a "Proxy Statement Supplement" in which it touts its new offer and urges KCPL shareholders to vote against the Revised Merger Agreement. Western's Proxy Statement Supplement is a continuation of its campaign of misinformation and manipulation. While it sets forth a minimal description of the conditions to its offer (a disclosure it saw fit to omit prior to its apparent success in disrupting the KCPL shareholder vote on the Original Merger Agreement), Western's Proxy Statement Supplement contains virtually all of the material misstatements and omissions detailed above with respect to Western's preliminary proxy statement and its May 3 definitive proxy statement. It is intended to create the false impression in the minds of KCPL stockholders that Western's offer is real, actually available, and economically superior to the proposed KCPL/UtiliCorp combination. It fails to disclose that Western's offer is, as noted above, based upon inflated savings estimates and unreasonable regulatory assumptions.

31. Section 14(a) of the Exchange Act provides that it is unlawful to use the mails or any means or instrumentality of interstate commerce to solicit proxies in contravention of any rule promulgated by the SEC. 15 U.S.C. ss.78n(a).

32. Rule 14a-9 provides in pertinent part:

> "No solicitation subject to this regulation shall be made by means of any . . . communication, written or oral, containing any statement which, at the time, and in light of the circumstances under which it is made, is false and misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading. . . ." 17 C.F.R. ss.240.14a-9.

33. Each of the false and misleading statements by Western Resources detailed above must be viewed as statements made under circumstances reasonably calculated to result in

the procurement of proxies and/or votes from KCPL stockholders. As such, those statements are subject to the strictures of Rule 14a-9.

34. Each of the false and misleading statements detailed above were and are material to the decisions of KCPL shareholders concerning whether to vote for or against the KCPL/UtiliCorp combination, since such false and misleading statements are intended to suggest, and do suggest, that if KCPL shareholders vote against the KCPL/UtiliCorp combination, a financially superior alternative will be available.

35. Each of the false and misleading statements detailed above were made intentionally and with knowledge of their falsity and misleading nature for the purpose of inducing KCPL shareholders to vote against the KCPL/UtiliCorp combination.

36. Western's illegal conduct has caused damages to KCPL in the form of proxy solicitation expenses and other costs and will continue to cause additional damages.

37. The defendant's false and misleading statements described above are essential links in defendant's efforts to defeat the KCPL/UtiliCorp combination.

38. KCPL has no adequate remedy at law.

WHEREFORE, plaintiff respectfully requests that this Court:

(a) Declare and decree that Western Resources has violated Section 14a of the Exchange Act and Rule 14a-9 promulgated thereunder;

(b) Award KCPL damages for the losses and costs it has sustained and will sustain as a result of the illegal conduct of Western Resources;

(c) Award KCPL the costs and disbursements of this action together with reasonable attorneys' fees; and

(d) Award KCPL such other and further relief as the Court may deem just and proper.

Respectfully submitted,

/S/ David F. Oliver

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COUNTERCLAIM DEFENDANTS

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/S/ David F. Oliver

Attorney for Plaintiff Kansas City Power & Light
and Counterclaim Defendants

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

FILED 5:00
JUN 27 1996
R. F. CONNOR, CLK.
U.S. DISTRICT COURT
WEST DISTRICT
OF MISSOURI

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KANSAS CITY POWER & LIGHT                 )
COMPANY,                                  )
                                          )
                 Plaintiff,               )
                                          )
                                          )
        vs.                               )     Civil Action No. 96-552-CV-W-5
                                          )
WESTERN RESOURCES, INC. and               )
ROBERT T. RIVES,                          )
                                          )
                                          )
                 Defendants.              )
                                          )
- ------------------------------------------
                                          )
JACK MANSON, individually and on          )
behalf of all individual and/or           )
entities similarly situated,              )
                                          )
                 Intervenor Defendant and )
                 Counterclaim Plaintiff,  )
                                          )
                                          )
        vs.                               )
                                          )
                                          )
                                          )
A. DRUE JENNINGS, DR. DAVID L. BODDE,     )
WILLIAM H. CLARK, ROBERT J. DINEEN,       )
ARTHUR J. DOYLE, W. THOMAS GRANT II,      )
GEORGE E. NETTELS, JR., LINDA HOOD        )
TALBOTT, Ph.D., ROBERT H. WEST, and       )
KANSAS CITY POWER & LIGHT CO., a          )
Missouri corporation.                     )
                                          )
                 Counterclaim Defendants. )
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PLAINTIFF'S AND COUNTERCLAIM DEFENDANTS'
REPLY TO INTERVENOR MASON'S COUNTERCLAIM

Plaintiff and Counterclaim Defendant Kansas City Power & Light Company ("KCPL"), and additional counterclaim defendants A. Drue Jennings, Dr. David L. Bodde,

William H. Clark, Robert J. Dineen, Arthur J. Doyle, W. Thomas Grant II, George E. Nettels, Jr., Linda Hood Talbott, Ph.D., and Robert H. West (collectively "Counterclaim Defendants"), by their attorneys, as and for their Reply to Intervenor Manson's Counterclaim in Intervention, state and allege as follows:

1. Counterclaim Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations of PARA 1 of the Counterclaim, except that Counterclaim Defendants admit that Intervenor is now a KCPL stockholder.

2. Admitted.

3. Admitted.

4. The allegations of PARA 4 of the Counterclaim state conclusions of law to which no responsive pleading is required.

5. The allegations of PARA 5 state conclusions of law to which no responsive pleading is required.

6. Admitted.

7. Admitted.

8. Denied, except admitted that UtiliCorp is a Delaware corporation with its principal place of business in Kansas City, that UtiliCorp operates in the energy industry, that Western Resources is a Kansas corporation with its principal place of business in Topeka, and that Western Resources operates in the energy industry.

9. Admitted.

10. Admitted.

11. Admitted.

12. Denied, except (a) admitted that KCPL sent proxy materials seeking approval of the original merger agreement on April 4, 1996, and that KCPL stockholders were originally scheduled to vote on the issue at the annual meeting of KCPL stockholders held on May 22, 1996 and (b) the allegations concerning the requirements of Missouri law state conclusions of law to which responsive pleading is required.

13. Counterclaim Defendants admit PARA 13 to the extent that KCPL sent a proxy statement (the "Proxy Statement") to its shareholders, the content of which speaks for itself and denies the remainder. Specifically, Counterclaim Defendants deny that PARA 13 accurately reflects the Proxy Statement.

14. Admitted, except denied that Mr. Jennings stated that the KCPL board had considered any "break-up" of KCPL.

15. Denied, except Counterclaim Defendants admit that certain members of KCPL's and UtiliCorp United, Inc.'s ("UCU") management and Board of Directors have interests in the Initial Merger Agreement that are in addition to the interests of stockholders of KCPL and UCU generally, which interests were considered, among other matters, when KCPL recommended and approved the Initial Merger Agreement. Counterclaim Defendants further admit that each of KCPL's five most highly compensated executive officers have entered into severance agreements. Counterclaim Defendants specifically deny that such executive officers entered these agreements in connection with the transactions challenged in this action and further specifically deny the suggestion that any KCPL director faced a material conflict of interest in connection with any such transaction.

16. Denied, except admitted that KCPL has publicly stated that it has evaluated its strategic options, that its board of directors believes that the proposed merger with UtiliCorp

is fair to and in the best interests of KCPL's stockholders and admitted that KCPL's board of directors undertook a careful analysis of the options available to the company.

17. Denied, except admitted that KCPL sent the Proxy Statement to its stockholders, the content of which speaks for itself.

18. Denied, except admitted that KCPL sent the Proxy Statement to its stockholders, the content of which speaks for itself.

19. Denied, except admitted that KCPL's letter to shareholders dated April 21, 1996, speaks for itself.

(a) Denied.

(b) Denied, except Counterclaim Defendants admit that KCPL knew from the Kansas Corporation Commission filing of April 15, 1996, the purported basis of WRI's savings claims.

20. Denied, except admitted that on April 14, 1996, Western Resources proposed a merger with KCPL that the contents of such proposal spoke for themselves, and that Western Resources caused news of its proposal to be widely disseminated.

21. Admitted.

22. Admitted.

23. Admitted, except Counterclaim Defendants deny (i) the characterization of the KCPL and UCU dividend increase and (ii) that there was a time when KCPL "was required to respond to WRI."

24. Denied, except Counterclaim Defendants admit that some analysts expressed the view that the WRI bid was superior to the Initial Merger Agreement.

25. Admitted.

26. Admitted.

27. Denied, except admitted that the terms of the Revised Merger Agreement speak for themselves.

28. Denied, except Counterclaim Defendants admit that the Revised Merger Agreement does not require approval from two-thirds of the KCPL shareholders and does not provide appraisal rights to KCPL stockholders. It is further specifically admitted that the Revised Merger Agreement contemplates action explicitly authorized by the "short form" merger provisions of the Missouri Business & General Corporation Law.

29. Denied, except Counterclaim Defendants admit that KCPL filed a declaratory judgment complaint in this Court, which complaint speaks for itself.

30. Denied.

31. Counterclaim Defendants deny the second sentence of PARA 31 and, with respect to its first sentence, respond that KCPL's complaint speaks for itself.

32. Counterclaim Defendants deny knowledge and information sufficient to form a belief as to the truth in the allegations contained in PARA 32.

33. Counterclaim Defendants admit the allegation of the first sentence of PARA 33 and deny the remainder of the allegations of PARA 33.

34. Counterclaim Defendants lack knowledge and information sufficient to form a belief as to the truth or falsity of the allegations contained in PARA 34, except that Counterclaim Defendants specifically deny that any class merger was damaged by their conduct and that such conduct was in any way wrongful.

35. Counterclaim Defendants lack knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in PARA 35.

36. Admitted.

37. (a) Admitted.

(b) Denied.

38. Paragraph 38 states a conclusion of law to which no responsive pleading is required.

39. Paragraph 39 states a conclusion of law to which no responsive pleading is required.

40. Paragraph 40 states a conclusion of law to which no responsive pleading is required.

41. The allegations of PARA 41 state conclusions of law to which no responsive pleading is required.

42. Counterclaim Defendants deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in PARA 42.

43. Counterclaim Defendants incorporate by reference, as though fully set forth herein, the responses contained in the paragraphs above.

44. The allegations of PARA 44 state conclusions of law to which no responsive pleading is required.

45. Denied.

46. Denied.

47. Denied.

48. Denied.

49. Denied.

FIRST AFFIRMATIVE DEFENSE

50. Counterclaim Plaintiff fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

51. Counterclaim Plaintiff failed to comply with the requirements of Federal Rule of Civil Procedure 23.1.

THIRD AFFIRMATIVE DEFENSE

52. Plaintiff failed to demand of the directors of KCPL that they cause the corporation bring the action against the individual defendants.

FOURTH AFFIRMATIVE DEFENSE

53. Plaintiff failed to demand of the stockholders of KCPL that they cause the corporation bring this action against the individual defendants.

WHEREFORE, Counterclaim Defendants respectfully request judgment:

(a) Dismissing the Counterclaim in its entirety;

(b) Awarding Counterclaim Defendants their costs and disbursements; and

(c) Awarding Counterclaim Defendants such other and further relief as the Court deems just and proper.

Respectfully submitted,

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IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

KANSAS CITY POWER & LIGHT COMPANY, Plaintiff, vs. WESTERN RESOURCES, INC. and ROBERT T. RIVES, Defendants,	)	Civil Action No. 96-552-CV-W-5
JACK MANSON, individually and on behalf of all individual and/or entities similarly situated, Intervenor Defendant and Counterclaim Plaintiff, vs. A. DRUE JENNINGS, DR. DAVID L. BODDE, WILLIAM H. CLARK, ROBERT J. DINEEN, ARTHUR J. DOYLE, W. THOMAS GRANT II, GEORGE E. NETTELS, JR., LINDA HOOD TALBOTT, Ph.D., ROBERT H. WEST, and KANSAS CITY POWER & LIGHT CO., a Missouri corporation. Counterclaim Defendants.	)	

KANSAS CITY POWER & LIGHT COMPANY'S MOTION FOR STAY
PENDING DISPOSITION OF A PETITION FOR WRIT OF MANDAMUS

Kansas City Power & Light Company ("KCPL") respectfully moves for a stay, pending disposition of a Petition for Writ of Mandamus from the United States Court of Appeals

for the Eighth Circuit, of this Court's order compelling production by KCPL of KCPL's privileged documents. Suggestions in support are filed with this motion.

Respectfully submitted,

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