

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported) July 24, 1997

WESTERN RESOURCES, INC.  
(Exact Name of Registrant as Specified in Its Charter)

KANSAS (State or Other Jurisdiction of Incorporation or Organization)	1-3523 (Commission File Number)	48-0290150 (Employer Identification No.)
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818 KANSAS AVENUE, TOPEKA, KANSAS (Address of Principal Executive Offices)	66612 (Zip Code)
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Registrant's Telephone Number Including Area Code (785) 575-6300

WESTERN RESOURCES, INC.

Item 5. Other Events

Western Resources herein files the following:

Exhibit 99.1 - Unaudited Pro Forma Combined Financial Information of Western Resources, Inc. and Kansas City Power & Light Company

Exhibit 99.2 - March 31, 1997 Quarterly Report on Form 10-Q for Kansas City Power & Light Company

AVAILABLE INFORMATION

The reader's attention is directed to additional filings of Western Resources, Inc. (Western Resources) and Kansas City Power & Light Company (KCPL).

Western Resources and KCPL are subject to the informational requirements of the Exchange Act, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the Commission). Reports, proxy statements and other information filed by Western Resources and KCPL with the Commission may be inspected and copied at

the public reference facilities maintained by the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, Washington D.C. 20549 and at the public reference facilities in the Commission's Regional Offices at Seven World Trade Center, 13th Floor, New York, New York 10048 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of information may be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Because Western Resources and KCPL each file certain documents electronically with the Commission, reports, proxy and information statements and other information regarding Western Resources and KCPL may also be obtained at prescribed rates from the Commission at the Commission's Web Site, <http://www.sec.gov>. The Western Resources Common Stock and the KCPL Common Stock are listed and traded on the NYSE. The KCPL Common Stock is also listed on the Chicago Stock Exchange. Reports, proxy statements and other information filed by Western Resources and KCPL with the Commission may be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005 and, concerning KCPL only, at the offices of the CSE, 440 South LaSalle Street, Chicago, Illinois 60605.

#### INFORMATION ON KCPL INCLUDED IN UNAUDITED PRO FORMA FINANCIAL INFORMATION.

On February 7, 1997, KCPL and Western Resources entered into an agreement whereby KCPL would be merged with and into Western Resources.

While Western Resources has included in Exhibit 99.1 filed beneath information concerning KCPL insofar as it is known or reasonably available to Western Resources, Western Resources is not affiliated with KCPL. Western Resources has not examined KCPL's books and records for the purpose of preparing this document. Therefore, information concerning KCPL which has not been made public was not available to Western Resources for the purpose of preparing this document. Although Western Resources has no knowledge that would indicate that statements relating to KCPL contained or incorporated by reference in Exhibit 99.1 in reliance upon publicly available information are inaccurate or incomplete, Western Resources was not involved in the preparation of such information and statements and, for the foregoing reasons, is not in a position to verify any such information or statements. In addition, Western Resources was not involved in the preparation of Exhibit 99.2, and therefore is not in a position to verify any of the information contained therein.

SIGNATURES

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

Western Resources, Inc.

Date	July 24, 1997	By	/s/ Jerry D. Courington Jerry D. Courington, Controller
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## UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

On February 7, 1997, Kansas City Power & Light Company (KCPL) and Western Resources, Inc. (Western Resources) entered into an agreement whereby KCPL would be merged with and into Western Resources (Merger).

The following unaudited pro forma combined financial information presents the consolidated balance sheet as of March 31, 1997 and the consolidated statement of income for the 12 months ended March 31, 1997 for Western Resources and KCPL, assuming the Merger is accounted for as a pooling-of-interests.

The unaudited pro forma combined financial statements were prepared utilizing the historical unaudited interim financial statements, including the notes thereto, of Western Resources and KCPL. The information shown below should be read in conjunction with the consolidated historical financial statements of Western Resources and KCPL as filed with the Securities and Exchange Commission. The following information is being presented for illustrative purposes only and is not necessarily indicative of the financial position or operating results that would have occurred had the Merger been consummated at the beginning of the periods for which the Merger is being given effect, nor is it necessarily indicative of future operating results or financial position.

## The Merger

The Merger Agreement provides that each share of KCPL Common Stock will be exchanged for \$32.00 of Western Resources Common Stock, subject to certain limitations, as set forth more fully herein. Pro forma shares outstanding and related earnings and dividends per share information have been calculated assuming a Conversion Ratio of 0.95694 based on a closing price of \$33.44 per share of Western Resources Common Stock on July 23, 1997. The actual Conversion Ratio will be a twenty day average of the closing price of Western Resources Common Stock calculated for a period beginning on the twenty-ninth business day prior to closing the Merger and ending on the tenth business day prior to closing the Merger.

The Merger is assumed to generate substantial cost savings. The assumed cost savings have not been reflected in the pro forma combined balance sheet and statements of income. Transaction costs associated with the Merger including fees for advisors, attorneys and other consultants and incremental direct costs of completing the Merger are estimated to approximate \$48 million.

There are no material changes anticipated in either Western Resources' or KCPL's accounting policies as a result of the Merger. Both companies accrue unbilled revenue for energy delivered at the end of each reporting period, use composite depreciation methods at group rates specified pursuant to regulation and have certain other accounting policies which differ from each other as well as from other commercial enterprises due to the nature of how regulators have allowed certain costs to be recovered from customers.

Western Resources has joint interests with KCPL in the LaCygne Station and Wolf Creek electric generating facilities. These generating facilities represent approximately 23% of Western Resources' total generating capacity, 39% of KCPL's total generating capacity and 29% of the combined company's total generating capacity.

## Other Transactions

In December 1996, Western Resources and ONEOK announced the formation of a proposed strategic alliance. Under the terms of the agreement, Western Resources and ONEOK will each contribute essentially all of their natural gas assets to a new company controlled by ONEOK. Following the completion of the transaction, Western Resources will have a 45% equity interest in the combined new company. The net natural gas assets and earnings from this business unit will be replaced by equity investments, equity earnings and preferred dividends after this transaction closes. The cash flows from the strategic alliance are expected to exceed the cash flows historically provided to Western Resources by these assets. The proposed transaction is expected to close following approval by ONEOK's shareholders and appropriate regulatory approvals in the second half of 1997.

PAGE

March 31, 1997  
(in thousands)

ASSETS

	Western (Historical)	KCPL (Historical)	Pro Forma Adjustments	Total Combined
<b>Current Assets:</b>				
Cash and cash equivalents . . . . .	\$ 2,289	\$ 25,112	\$ 57,000(a)	\$ 84,401
Accounts receivable and unbilled revenues (net). . . . .	271,542	37,311	-	308,853
Other current assets. . . . .	141,854	75,464	-	217,318
Total current assets. . . . .	415,685	137,887	57,000	610,572
Property, Plant and Equipment, net . . . . .	4,347,240	2,339,362	-	6,686,602
<b>Deferred Charges and Other Assets:</b>				
Goodwill, net . . . . .	-	-	-	-
Deferred future income taxes. . . . .	217,257	126,000	-	343,257
Other assets. . . . .	1,608,488	370,337	(35,000)(b)	1,943,825
Total deferred charges and other assets . . . . .	1,825,745	496,337	(35,000)	2,287,082
Total Assets . . . . .	\$6,588,670	\$2,973,586	\$ 22,000	\$9,584,256

LIABILITIES AND CAPITALIZATION

	Western (Historical)	KCPL (Historical)	Pro Forma Adjustments	Total Combined
<b>Current Liabilities:</b>				
Short-term debt . . . . .	\$1,226,737	\$ 80,452	\$ -	\$1,307,189
Accounts payable. . . . .	115,186	36,745	-	151,931
Other current liabilities . . . . .	224,706	73,656	13,000(b)	311,362
Total current liabilities . . . . .	1,566,629	190,853	13,000	1,770,482
<b>Other Liabilities and Deferred Credits:</b>				
Deferred income taxes . . . . .	1,107,213	638,508	-	1,745,721
Deferred investment tax credits . . . . .	123,848	66,051	-	189,899
Other . . . . .	450,845	106,490	-	557,335
Total other liabilities and deferred credits. . . . .	1,681,906	811,049	-	2,492,955
<b>Capitalization:</b>				
Long-term debt, net . . . . .	1,407,450	925,136	-	2,332,586
Refinanced Short Term Borrowings. . . . .	-	93,000	(93,000)(a)	-
Company-obligated mandatorily redeemable preferred securities. . . . .	220,000	-	150,000 (a)	370,000
Preferred and preference stock. . . . .	74,858	89,062	-	163,920
Common equity . . . . .	1,637,827	864,486	(48,000)(b)	2,454,313
Total Capitalization. . . . .	3,340,135	1,971,684	9,000	5,320,819
Total Liabilities and Capitalization. . . . .	\$6,588,670	\$2,973,586	\$ 22,000	\$9,584,256



## WESTERN RESOURCES AND KCPL

## UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME

For the Twelve Months Ended March 31, 1997  
(in thousands except per share data)

	Western (Historical)	KCPL (Historical)	Pro Forma Adjustments	Total Combined
Operating Revenues	\$2,117,394	\$ 892,039	\$ -	\$3,009,433
Operating Expenses:				
Fuel	\$ 628,445	\$ 144,654	-	\$ 773,099
Purchased power	25,392	49,716	-	75,108
Other operations	656,668	181,143	-	837,811
Maintenance	100,219	70,282	-	170,501
Depreciation and amortization	208,340	116,435	-	324,775
Taxes:				
Income	89,003	63,272	-	152,275
General	96,962	95,579	-	192,541
Total Operating Expenses	1,805,029	721,081	-	2,526,110
Operating Income	312,365	170,958	-	483,323
Other Income (Expenses), net	18,043	(43,171)	-	(25,128)
Income Before Interest Charges	330,408	127,787	-	458,195
Interest Charges	165,214	59,271	-	224,485
Net Income	165,194	68,516	-	233,710
Preferred and Preference Dividends	12,714	3,788	-	16,502
Earnings Applicable to Common Stock	\$ 152,480	\$ 64,728	\$ -	\$ 217,208
Earnings Per Average Common Share	\$ 2.37	\$ 1.05	\$ -	\$ 1.76
Average Common Shares Outstanding	64,238	61,900	(2,666)(c)	123,472

(a) In April 1997 KCPL Financing I, a wholly-owned subsidiary of KCPL, issued \$150 million of 8.3% mandatorily redeemable preferred securities. KCPL used \$93 million of the proceeds from this issuance to repay short-term obligations.

(b) To reflect Western Resources' estimated direct merger costs of \$48 million as a reduction to equity.

(c) To reflect the issuance of Western Resources Common Stock to KCPL shareholders in connection with the Merger using an exchange ratio for Western's closing price on July 23, 1997 of \$33.44. Pro forma shares and related earnings per share have been calculated assuming a Conversion Ratio of 0.95694 based on the closing price per share of Western Resources Common Stock on July 23, 1997 of \$33.44. The actual Conversion Ratio will be based on a 20-day average of the price of Western Resources Common Stock calculated for a period beginning on the 29th business day prior to Closing and ending on the tenth business day prior to Closing.

WESTERN RESOURCES AND KCPL SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

Twelve Months Ended March 31, 1997

Pro Forma Combined (unaudited)

Ratio of earnings to fixed charges (1). . . . . 2.05x (2)

(1) Earnings are deemed to consist of net income to which has been added income taxes (including net deferred investment tax credit) and fixed charges. Fixed charges consist of all interest on indebtedness, amortization of debt discount and expense, and the portion of rental expense which represents an interest factor.

(2) The ratio includes a one-time payment during the first quarter of 1997 of \$53 million from KCPL to UtiliCorp United Inc. This payment was made as a result of KCPL's announcement of its agreement to combine with Western Resources. Excluding this one-time payment, the ratio would have been 2.23x on a proforma combined basis.







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

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

For the quarterly period ended March 31, 1997

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-707

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

Missouri  
(State or other jurisdiction of  
incorporation or organization)

44-0308720  
(I.R.S. Employer  
Identification No.)

1201 Walnut, Kansas City, Missouri  
(Address of principal executive offices)

64106-2124  
(Zip Code)

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

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

Yes (X)      No ( )

The number of shares outstanding of the registrant's Common stock at May 7, 1997, was 61,895,819 shares.

PART I - FINANCIAL INFORMATION  
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

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

	March 31, 1997	December 31, 1996
ASSETS		
UTILITY PLANT, at original cost		
Electric	\$3,479,539	\$3,472,607
Less-accumulated depreciation	1,261,837	1,238,187
Net utility plant in service	2,217,702	2,234,420
Construction work in progress	84,863	69,577
Nuclear fuel, net of amortization of \$89,655 and \$84,540	36,797	39,497
Total	2,339,362	2,343,494

REGULATORY ASSET - RECOVERABLE TAXES	126,000	126,000
INVESTMENTS AND NONUTILITY PROPERTY	306,419	231,874
CURRENT ASSETS		
Cash and cash equivalents	25,112	23,571
Customer accounts receivable, net of allowance for doubtful accounts of \$1,360 and \$1,644	15,679	27,093
Other receivables	21,632	36,113
Fuel inventories, at average cost	17,717	19,077
Materials and supplies, at average cost	47,297	47,334
Deferred income taxes	3,672	2,737
Other	6,778	5,055
Total	137,887	160,980
DEFERRED CHARGES		
Regulatory assets		
Settlement of fuel contracts	9,358	9,764
KCC Wolf Creek carrying costs	684	1,368
Other	25,114	26,615
Other deferred charges	28,762	14,417
Total	63,918	52,164
Total	\$2,973,586	\$2,914,512
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common stock-authorized 150,000,000 shares without par value-61,908,726 shares issued- stated value	\$449,697	\$449,697
Retained earnings	414,774	455,934
Unrealized gain on securities available for sale	1,681	6,484
Capital stock premium and expense	(1,666)	(1,666)
Common stock equity	864,486	910,449
Cumulative preferred stock	89,000	89,000
Cumulative redeemable preferred stock	62	62
Refinanced short-term borrowings	93,000	0
Long-term debt	925,136	944,136
Total	\$1,971,684	\$1,943,647
CURRENT LIABILITIES		
Notes payable to banks	1,361	0
Commercial paper	8,000	0
Current maturities of long-term debt	71,091	26,591
Accounts payable	36,745	55,618
Accrued taxes	11,087	18,443
Accrued interest	19,863	21,054
Accrued payroll and vacations	21,395	25,558
Accrued refueling outage costs	9,280	7,181
Other	12,031	11,980
Total	190,853	166,425
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred income taxes	638,508	643,189
Deferred investment tax credits	66,051	67,107
Other	106,490	94,144
Total	811,049	804,440
COMMITMENTS AND CONTINGENCIES (note 4)		
Total	\$2,973,586	\$2,914,512

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

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

	Year to Date March 31		Twelve Months Ended March 31	
	1997	1996	1997	1996
ELECTRIC OPERATING REVENUES	\$ 194,744	\$ 206,624	\$ 892,039	\$ 893,673
OPERATING EXPENSES				
Operation				
Fuel	34,922	30,773	144,654	135,425
Purchased power	11,246	13,985	49,716	46,036

Other	43,923	43,499	181,143	177,653
Maintenance	16,816	18,029	70,282	75,790
Depreciation	27,842	24,716	107,038	97,802
Taxes				
Income	8,530	13,413	63,272	78,858
General	22,692	24,361	95,579	97,325
Deferred Wolf Creek costs amortization	684	2,904	9,397	12,235
Total	166,655	171,680	721,081	721,124
OPERATING INCOME	28,089	34,944	170,958	172,549
OTHER INCOME				
Allowance for equity funds used during construction	260	660	1,968	2,704
Miscellaneous income	3,893	741	7,995	1,123
Miscellaneous deductions	(62,161)	(3,785)	(113,548)	(13,213)
Income taxes	30,233	6,221	60,414	16,816
Total	(27,775)	3,837	(43,171)	7,430
INCOME BEFORE INTEREST CHARGES	314	38,781	127,787	179,979
INTEREST CHARGES				
Long-term debt	14,516	13,424	55,031	53,275
Short-term debt	839	118	1,972	687
Miscellaneous	875	1,106	4,609	3,600
Allowance for borrowed funds used during construction	(784)	(390)	(2,341)	(1,805)
Total	15,446	14,258	59,271	55,757
PERIOD RESULTS				
Net income (loss)	(15,132)	24,523	68,516	124,222
Preferred stock dividend requirements	955	957	3,788	3,942
Earnings (Loss) applicable to common stock	(16,087)	23,566	64,728	120,280
Average number of common shares outstanding	61,896	61,902	61,900	61,902
Earnings (Loss) per common share	(\$0.26)	\$0.38	\$1.05	\$1.94
Cash dividends per common share	\$0.405	\$0.390	\$1.605	\$1.550

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



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

	Year to Date March 31		Twelve Months Ended March 31	
	1997	1996	1997	1996
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income (loss)	\$(15,132)	\$ 24,523	\$ 68,516	\$124,222
Adjustments to reconcile net income (loss) to net cash from operating activities:				
Depreciation	27,842	24,716	107,038	97,802
Amortization of:				
Nuclear fuel	5,115	1,197	20,012	12,464
Deferred Wolf Creek costs	684	2,904	9,397	12,235
Other	1,362	1,409	5,460	7,533
Deferred income taxes (net)	(2,885)	5,731	(17,278)	7,278
Deferred investment tax credit amortization and reversals	(1,056)	(1,024)	(4,195)	(4,242)
Deferred storm costs	0	0	(8,885)	0
Deferred merger costs	(4,787)	(5,383)	596	(5,383)
Allowance for equity funds used during construction	(260)	(660)	(1,968)	(2,704)
Cash flows affected by changes in:				
Receivables	25,895	17,810	9,547	(9,863)
Fuel inventories	1,360	5,083	(697)	4,047
Materials and supplies	37	1,503	(1,625)	(805)
Accounts payable	(18,873)	(465)	(15,296)	10,211
Accrued taxes	(7,356)	1,543	(30,182)	(17,084)
Accrued interest	(1,191)	4,885	(1,928)	11,765
Wolf Creek refueling outage accrual	2,099	(13,006)	8,723	(4,743)
Pension and postretirement benefit obligations	(532)	(519)	(97)	(2,290)
Other operating activities	(2,238)	1,878	7,730	12,864
Net cash from operating activities	10,084	72,125	154,868	253,307
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Utility capital expenditures	(27,402)	(29,549)	(98,800)	(136,962)
Allowance for borrowed funds used during construction	(784)	(390)	(2,341)	(1,805)
Purchases of investments	(77,241)	(17,589)	(95,014)	(67,893)
Purchases of nonutility property	(1,611)	0	(22,006)	0
Other investing activities	(4,397)	(1,804)	(3,524)	3,936
Net cash from investing activities	(111,435)	(49,332)	(221,685)	(202,724)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Issuance of long-term debt	32,000	11,827	155,614	118,719
Repayment of long-term debt	(6,500)	0	(80,730)	(33,428)
Net change in short-term borrowings	102,361	(9,000)	92,361	(31,500)
Dividends paid	(26,028)	(25,112)	(103,119)	(99,925)
Other financing activities	1,059	(149)	(946)	2,834
Net cash from financing activities	102,892	(22,434)	63,180	(43,300)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,541</b>	<b>359</b>	<b>(3,637)</b>	<b>7,283</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>23,571</b>	<b>28,390</b>	<b>28,749</b>	<b>21,466</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$25,112</b>	<b>\$28,749</b>	<b>\$25,112</b>	<b>\$28,749</b>
<b>CASH PAID DURING THE PERIOD FOR:</b>				
Interest (net of amount capitalized)	\$17,019	\$8,962	\$60,514	\$42,354
Income taxes	\$0	\$5,072	\$53,272	\$68,150

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





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

	Year to Date		Twelve Months Ended	
	March 31		March 31	
	1997	1996	1997	1996
Beginning balance	\$455,934	\$449,966	\$449,377	\$425,080
Net income (loss)	(15,132)	24,523	68,516	124,222
	440,802	474,489	517,893	549,302
Dividends declared				
Preferred stock - at required rates	960	970	3,772	3,977
Common stock	25,068	24,142	99,347	95,948
Ending balance	\$414,774	\$449,377	\$414,774	\$449,377

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

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

#### 1. AGREEMENT AND PLAN OF MERGER WITH WESTERN RESOURCES

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

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

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

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

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

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

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

During the first quarter of 1997, \$4.8 million of merger-related costs were deferred by KCPL and are included in Other deferred charges. These costs will be expensed in the first reporting period subsequent to closing of the merger.

## 2. SECURITIES AVAILABLE FOR SALE

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

The cost of securities available for sale held by KLT Inc. (KLT), a wholly-owned subsidiary of KCPL, was \$5 million as of March 31, 1997 and December 31, 1996. Unrealized gains, net of deferred income taxes, decreased to \$1.7 million at March 31, 1997, from \$6.5 million at December 31, 1996.

## 3. CAPITALIZATION

From January 1 to March 31, 1997, KCPL repaid \$6.5 million of medium-term notes. KCPL is authorized to issue up to \$300 million in unsecured medium-term notes under an indenture dated December 1, 1996. As of March 31, 1997, no unsecured medium-term notes had been issued.

In April 1997 KCPL Financing I (Trust), a wholly-owned subsidiary of Kansas City Power & Light Company, issued \$150,000,000 of 8.3% preferred securities. The sole asset of the Trust is subordinated debentures, due 2037, issued by KCPL. The terms and interest payments on these debentures correspond to the terms and dividend payments on the preferred securities. KCPL guarantees the payment of distributions on the preferred securities to the extent that KCPL has made payments of interest or principal on the debentures. These payments will be reflected as Miscellaneous Interest Charges in the Consolidated Statement of Income and will be tax deductible by KCPL. KCPL may elect to defer interest payments on the debentures for a period up to 20 consecutive quarters, causing dividend payments on the preferred securities to be deferred as well. In case of a deferral, interest and dividends will continue to accrue, along with quarterly compounding interest on the deferred amounts. KCPL may redeem all or a portion of the debentures after March 31, 2002, requiring an equal amount of preferred securities to be redeemed at face value plus accrued and unpaid distributions. KCPL used \$93,000,000 of the proceeds from this issuance to repay short-term obligations. This amount is reflected in the consolidated balance sheet at March 31, 1997, as "Refinanced short-term borrowings".

From April 1 through May 7, 1997, KLT's long-term debt, including current maturities, increased \$6.6 million.

## 4. LEGAL PROCEEDINGS

Jack R. Manson (Manson), as a representative of KCPL's shareholders, alleged in a District Court proceeding, that KCPL and its directors breached their fiduciary duties in adopting the Amended Merger Agreement with UtiliCorp (Agreement). Manson also alleged their actions 1) were illegal, 2) illegally deprived KCPL shareholders of voting and appraisal rights under Missouri law, and 3) were a disproportionate response to Western Resources' acquisition offer. Also, on June 7, 1996, Western Resources and Robert L. Rives each alleged against KCPL in the same court proceeding, that the Agreement was illegal under Missouri law and the directors had breached their fiduciary duties by adopting the Agreement.

By order dated November 25, 1996, the District Court allowed Manson to amend his allegation to allege that the directors breached their fiduciary duties by refusing to negotiate a merger with Western Resources and committed reckless, grossly negligent, or negligent waste of corporate assets by pursuing the merger with UtiliCorp. Manson seeks monetary damages in an unspecified amount for the waste of corporate assets. KCPL filed a motion on December 9, 1996, to dismiss Manson's amendment; it is currently pending before the District Court. The Company cannot predict the outcome of these proceedings at this time.

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

### REGULATION AND COMPETITION

As competition develops throughout the electric utility industry, we are positioning Kansas City Power & Light Company (KCPL) to excel in an open market. We are improving the efficiency of KCPL's core utility operations, lowering prices and offering new services. KCPL now offers customized energy packages to larger customers, including options offering natural gas contracts. We are also creating growth through our unregulated subsidiary (see Nonregulated Opportunities below). As competition presents new opportunities, we will consider various strategies including partnerships, acquisitions, combinations, additions to or dispositions of service territory, and restructuring wholesale and retail businesses. We have entered an Agreement and Plan of Merger with Western Resources, Inc. (Western Resources). This agreement was reached after nine months of defending against an unsolicited exchange offer (see Note 1 to the Consolidated Financial Statements).

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

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

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

Competition through retail wheeling could result in market-based rates below current cost-based rates. This would provide growth opportunities for low-cost producers and risks for higher-cost producers, especially those with large industrial customers. Lower rates and the loss of major customers could result in under-utilized assets (stranded investment) and place an unfair burden on the remaining customer base or shareholders. If an adequate and fair provision for recovery of these lost revenues is not provided, certain generating assets may have to be evaluated for impairment and appropriate charges recorded against earnings. In addition to lower profit margins, market-based rates could also require generating assets to be depreciated over shorter useful lives, increasing operating expenses.

Although Missouri and Kansas have not yet authorized retail wheeling, we believe KCPL is positioned well to compete in an open market with its diverse customer mix and pricing strategies. About 22% of KCPL's retail mwh sales are to industrial customers compared to the utility industry average of about 35%. KCPL has a flexible rate structure with industrial rates that are competitively priced within our region. In addition, long-term contracts are in place or under negotiation for a large portion of KCPL's industrial sales. There has not been direct competition for retail electric service in our service territory although there has been competition in the bulk power market and between alternative fuels.

Increased competition could also force utilities to change accounting methods. Financial Accounting Standards Board (FASB) Statement No. 71 \_ Accounting for Certain Types of Regulation, applies to regulated entities whose rates are designed to recover the costs of providing service. An entity's operations could stop meeting the requirements of FASB 71 for various reasons, including a change in regulation or a change in the competitive environment for a company's regulated services. For those operations no longer meeting the requirements of regulatory accounting, regulatory assets would be written off. KCPL's regulatory assets, totaling \$161 million at March

31, 1997, will be maintained as long as FASB 71 requirements are met.

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

#### NONREGULATED OPPORTUNITIES

KLT Inc. (KLT) is a wholly-owned subsidiary pursuing nonregulated, mainly energy-related business ventures. KLT's strategy capitalizes on new market opportunities by combining our expertise in energy-related fields with the knowledge of our joint venture partners. Existing ventures include investments in domestic and international nonregulated power production, energy services, oil and gas reserves, telecommunications, and affordable housing limited partnerships.

We had a total equity investment in KLT of \$99 million as of March 31, 1997, and expect that investment to grow to about \$210 million within the next five years. KLT's consolidated assets at March 31, 1997, totaled \$293 million. Within the next five years we expect KLT consolidated assets of about \$800 million, generated through the \$210 million of equity investment, subsidiary retained earnings and borrowings. The growth of KLT accounts for the majority of the increase in KCPL's consolidated investments and nonutility property.

#### RESULTS OF OPERATIONS

Three-month period: three months ended March 31, 1997, compared with three months ended March 31, 1996

Twelve-month period: twelve months ended March 31, 1997, compared with twelve months ended March 31, 1996

#### EARNINGS OVERVIEW

##### Earnings Per Share (EPS) For the Periods Ended March 31,

	1997	1996	Decrease
Three months ended	\$(0.26)	\$0.38	\$(0.64)
Twelve months ended	\$1.05	\$1.94	\$(0.89)

KCPL's pursuit of its strategic options resulted in the September 1996 termination of a merger agreement with UtiliCorp United Inc. (UtiliCorp) and the February 1997 announcement of our agreement to combine with Western Resources. These actions triggered KCPL's payment of \$53 million to UtiliCorp under provisions of that agreement, lowering EPS for the three-month period by \$0.52. Continued implementation of rate reductions approved by the MPSC in July 1996 also lowered EPS for the three-month period by an estimated \$0.11.

The decrease in EPS for the twelve-month period reflects the payment to UtiliCorp (\$0.52), the estimated twelve-month impact of the Missouri rate reduction (\$0.14), and merger costs expensed in the second and third quarters of 1996 (\$0.31). Mild summer temperatures and an increase in depreciation expense also had a negative impact on EPS for the twelve-month period. Factors contributing positively to EPS for the twelve-month period included continued load growth and an increase in bulk power sales.

#### MEGAWATT-HOUR (MWH) SALES AND OPERATING REVENUES

Sales and revenue data:

	Increase (Decrease) from Prior Year	
	Three-Month Period	Twelve-Month Period

	Mwh	Revenues	Mwh	Revenues
	(	millions)	(	millions)
Retail sales:				
Residential	0%	\$ (3)	(2%)	\$ (9)
Commercial	1%	(8)	3%	(3)
Industrial	(1%)	(3)	5%	-
Other	(1%)	-	(3%)	-
Total retail	0%	(14)	2%	(12)
Sales for resale:				
Bulk power sales	19%	2	14%	13
Other	32%	-	35%	-
Total		(12)		1
Other revenues		-		(3)
Total electric operating revenues		\$ (12)		\$ (2)

During 1996 the MPSC approved a new stipulation and agreement authorizing a \$20 million revenue reduction in two phases, and an increase in depreciation and amortization expense by \$9 million per year. In July 1996 we implemented phase one of the revenue reduction designed to reduce revenues from commercial and industrial customers by an estimated \$9 million per year. This decrease is achieved with an increase in summer revenues offset by a larger decrease in winter revenues. This design more closely follows our increased costs of generating electricity in the summer. The second phase of this stipulation, implemented January 1, 1997, further reduces Missouri residential, commercial and industrial revenues by an estimated \$11 million per year. The effect of the stipulation lowered revenues for the three-month period by about \$11 million, and the twelve-month period by about \$14 million.

These rate reductions, combined with seasonally lower sales in March 1997 versus December 1996, resulted in a lower accounts receivable balance at March 31, 1997, compared with December 31, 1996.

These rate reductions are the main reason retail revenues decreased 7% for the three-month period on relatively flat mwh sales, and decreased 1% for the twelve-month period despite a 2% increase in mwh sales. Milder weather also decreased retail sales revenue for the three- and twelve-month periods, but this decrease was largely offset by continued load growth.

KCPL has long-term sales contracts with certain major industrial customers. These contracts are tailored to meet customers' needs in exchange for their long-term commitment to purchase energy. Long-term contracts are in place for a large portion of KCPL's industrial sales and more contracts are under negotiation. For the current twelve-month period additional contracts reduced the average mwh price of industrial sales.

Bulk power sales vary with system requirements, generating unit and purchased power availability, fuel costs and the requirements of other electric systems. Wolf Creek's spring 1996 refueling outage (see Wolf Creek section) contributed to lower bulk power sales in the prior three- and twelve-month periods.

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

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

#### FUEL AND PURCHASED POWER

Combined fuel and purchased power expenses for the three-month period increased only 3% while total mwh sales (total of retail and sales for resale) increased 5%. The difference is due mainly to additional replacement power expense incurred in the prior three-month period during Wolf Creek's spring 1996 refueling outage. That outage began one month early and lasted 19 days longer than planned (see Wolf Creek section).

Combined fuel and purchased power expenses for the twelve-month

period increased 7% while total mwh sales increased only 5%. The additional increase in expense is due mainly to a \$6 million increase in capacity purchases. Capacity purchases provide a cost effective alternative to constructing new capacity. This increase is partially offset by a \$2 million decrease in expense from coal inventory adjustments. In addition, the prior twelve-month period includes the additional costs incurred for Wolf Creek's 1996 refueling outage (discussed above) and a 1995 forced generating station outage. During July 1995 a fire forced an outage at LaCygne I, a low-cost, coal-fired generating unit. We replaced the power by increasing the usage of higher-cost, coal-fired units and purchasing power on the wholesale market. Damage to the unit was covered by insurance, but uninsured, incremental fuel and purchased power costs were about \$4 million.

The MMBTU price of nuclear fuel remains substantially less than the MMBTU price of coal, despite increasing 27% for the twelve-month period. Nuclear fuel costs averaged 61% of the price of coal during the current twelve months compared with 46% during the prior twelve-month period. We expect this relationship and the price of nuclear fuel to remain fairly constant through the year 2001. During both twelve-month periods, coal represented about 75% of generation and nuclear fuel about 25%.

The MMBTU price of coal decreased 4% for the twelve month period. Our coal procurement strategies continue to provide coal costs well below the regional average. We expect coal costs to remain fairly consistent with current levels through 2001.

#### OTHER OPERATION AND MAINTENANCE EXPENSES

Combined other operation and maintenance expenses for the three- and twelve-month periods varied slightly, due largely to the timing of scheduled maintenance programs.

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

#### DEPRECIATION AND AMORTIZATION

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

The Kansas portion of Deferred Wolf Creek costs will be fully amortized in the second quarter of 1997, removing all regulatory assets created from the completion of Wolf Creek construction in 1985. Amortization of the Kansas portion of this asset totaled about \$3 million per year.

#### INCOME TAXES

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

#### OTHER INCOME

##### Miscellaneous Income

Miscellaneous income for the prior twelve-month period included an adjustment to reduce a 1995 gain from the sale of steelrailcars by \$3 million. The adjustment was based on a re-calculation of the cars' net cost. Miscellaneous income for the current three- and twelve-month periods includes increased revenues from subsidiary operations.

##### Miscellaneous Deductions

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

The twelve-month period also reflects \$31 million in merger related costs incurred in the second and third quarters of 1996; these costs consist of \$13 million in previously deferred merger costs expensed as a result of terminating the merger agreement with UtiliCorp, a \$5 million termination fee paid upon termination, and \$13 million in costs to defend against Western Resources' unsolicited exchange offer.

Both periods reflect increased subsidiary operating and investing activities. Total subsidiary expenses, including interest charges discussed below, are substantially offset by related tax benefits.

#### Income Taxes

Income tax reductions for the three- and twelve-month periods increased primarily due to the increases in miscellaneous deductions discussed above. Additionally, during the first quarter of 1997 we accrued tax credits of \$6 million, or one-fourth of the total expected 1997 credits, related to affordable housing partnership investments and oil and gas investments.

This is an increase of \$3 million compared with the tax credits accrued during the first quarter of 1996. Tax credits from the investments in affordable housing more than offset the increase in interest expense incurred from these investments. Non-taxable increases in the cash surrender value of corporate-owned life insurance contracts also affected the relationship between miscellaneous deductions and income taxes.

#### INTEREST CHARGES

The increase in long-term interest expense for the three- and twelve-month periods reflect higher average levels of long-term debt outstanding. The higher levels of debt resulted mainly from additional financing by KLT to support expanding subsidiary operations and new investments in unregulated ventures.

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

#### WOLF CREEK

Wolf Creek is one of KCPL's principal generating units representing about 18% of accredited generating capacity. The plant's operating performance has remained strong, contributing about 25% of annual mwh generation while operating at an average capacity of 88% over the last three years. It has the lowest fuel cost per MMBTU of any of KCPL's generating units.

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

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



regulatory commissions could consider reducing rates by excluding the Wolf Creek investment from rate base.

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

#### CAPITAL REQUIREMENTS AND LIQUIDITY

See Note 3 to the Consolidated Financial Statements regarding \$150 million in financing obtained by KCPL in April 1997. Other liquid resources of KCPL at March 31, 1997, included cash flows from operations; \$300 million of registered but unissued, unsecured medium-term notes and \$359 million of unused bank lines of credit. The unused lines consisted of KCPL's short-term bank lines of credit of \$296 million and KLT's long-term revolving line of credit of \$63 million.

KCPL continued to generate positive cash flows from operating activities despite the significant decreases in net income for the three- and twelve-month periods. Cash flow variances from changes in working capital items vary with normal business cycles and operations including the timing of receipts and payments. The timing of the Wolf Creek outage affects the refueling outage accrual, deferred income taxes and amortization of nuclear fuel.

The decrease in accrued taxes from December 31, 1996, to March 31, 1997, mainly reflects the decrease in taxable income during the first three months of 1997. This decrease is partially offset by the loss of accelerated depreciation on significant plant assets. Accelerated depreciation lowers tax payments in the earlier years of an asset's life while increasing deferred tax liabilities; this relationship reverses in the later years of an asset's life. Our last significant generating plant addition was the completion of Wolf Creek in 1985. We expect property tax requirements to decrease about \$3 million in 1997 based on changes in Kansas laws.

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

Cash used in investing activities varies with the timing of utility capital expenditures and KLT's purchases of investments and nonutility properties. KLT closed several investments during the first three months of 1997, increasing Investments and Nonutility Property on the Consolidated Balance Sheet by approximately \$76 million. These include a 12% ownership interest in the largest fossil-fuel generator in Argentina and an ownership interest in Digital Teleport, Inc. (DTI). DTI is constructing a state of the art, fiber optic network throughout the region in anticipation of increased local and long distance telephone competition. As part of the DTI transaction, KLT converted a \$9 million note receivable to the investment in DTI, lowering Other Receivables on the Consolidated Balance Sheet. The increase in nonutility properties in the twelve-month period resulted mainly from KLT's purchase of certain oil and gas projects during 1996.

As discussed in Note 2 to the Consolidated Financial Statements, the market value of KLT's investment in securities available for sale decreased during the first three months of 1997. This decrease is reflected in the Unrealized Gain on Securities Available for Sale in the Consolidated Balance Sheet.

The \$53 million payment to UtiliCorp and KLT's purchases of investments and nonutility properties were financed mostly through additional long-term and short-term borrowings. As discussed in Note 3 to the Consolidated Financial Statements, a majority of the short-term borrowings during the first three months of 1997 were refinanced with long-term obligations during April 1997.

KCPL's common dividend payout ratio was 153% for the current twelve-month period and 80% for the prior twelve-month period. The increase in the payout ratio is due mainly to the significant merger related expenses in the current twelve-month period.

Day-to-day operations, utility construction requirements and dividends are expected to be met with internally-generated funds. Uncertainties affecting our ability to meet these requirements with

internally-generated funds include the effect of inflation on operating expenses, the level of mwh sales, regulatory actions, compliance with future environmental regulations, the availability of generating units, and the outcome of pending legal proceedings (see Note 4 to the Consolidated Financial Statements). The funds needed for the retirement of \$386 million of maturing debt through the year 2001 will be provided from operations, refinancings or short-term debt. We might incur additional debt and/or issue additional equity to finance growth or take advantage of new opportunities.

## PART II - OTHER INFORMATION

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

#### (a) Exhibits

4-a Amended and Restated Declaration of Trust of KCPL Financing I dated April 15, 1997

4-b Indenture dated as of April 1, 1997 between the Company and The First National Bank of Chicago, Trustee

4-c First Supplemental Indenture dated as of April 1, 1997 to the Indenture dated as of April 1, 1997 between the Company and The First National Bank of Chicago, Trustee

4-d Preferred Securities Guarantee Agreement dated April 15, 1997

27 Financial Data Schedule (for the three months ended March 31, 1997)

#### (b) Reports on Form 8-K

A report on Form 8-K was filed with the Securities and Exchange Commission on February 11, 1997, with attached copy of the Agreement and Plan of Merger dated as of February 7, 1997, between the Company and Western Resources, Inc.

A report on Form 8-K was filed with the Securities and Exchange Commission on April 3, 1997, with attached copies of the following: 1) Statement re Computation of Ratios of Earnings to Fixed Charges and Ratios of Earnings to Fixed Charges and Preferred Dividend Requirements; 2) Western Resources Annual Report on Form 10-K for the year ended December 31, 1996; 3) Western Resources Current Report on Form 8-K dated April 1, 1997; 4) Western Resources Proxy Statement dated March 27, 1996 for the 1996 Annual Meeting of Shareholders held on May 7, 1996.

SIGNATURES

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

KANSAS CITY POWER & LIGHT COMPANY

Dated: May 9, 1997

/s/ Drue Jennings  
(Drue Jennings)  
(Chief Executive Officer)

Dated: May 9, 1997

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