KANSAS CITY POWER & LIGHT COMPANY

1983 ANNUAL REPORT

ON THE COVER

Architectural lighting of the Power & Light Tower lantern — changing colors five times a minute — was restored in 1982 to commemorate KCPL's centennial and herald the anticipated rejuvenation of Downtown Kansas City. The Art Deco landmark contrasts with modern lines of City Center Square providing a skyline silce symbolizing the unprecedented urban redevelopment and commercial expansion now emerging Downtown and across the Metropolitan Area — the central theme of this Annual Report.

1984 ANNUAL MEETING

The 1984 Annual Meeting of Stockholders is scheduled for Tuesday, April 24, 1984, at 10:00 a.m., in the 4th floor auditorium of the Company's offices at 1330 Baltimore Avenue, Kansas City, Missouri. A notice of the meeting, proxy statement and form of proxy will be mailed to all shareholders of record as of the close of business March 5, 1984, who will be the shareholders eligible to vote at the meeting.

CORPORATE OFFICES

1330 Baltimore Avenue
Kansas City, Missouri 64105
(816) 556-2200

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FINANCIAL AND STATISTICAL HIGHLIGHTS

	1983	1982	Percent Increase (Decrease)
Total operating revenue (000s)	$ 562,543	$ 485,629	15.8
Earnings available for common (000s)	$ 104,911	$ 62,748	67.2
Average number of shares	25,278,388	22,510,368	12.3
Per common share:			
Earnings	$ 4.15	$ 2.79	48.7
Dividends	$ 2.17	$ 2.01	8.0
Book value	$ 23.53	$ 21.96	7.1
Net AFDC*	$ 3.03	$ 2.50	21.2
Dividend payout (%)	52	72	(27.8)
Construction expenditures (000s)	$ 182,547	$ 153,160	19.2
Total utility plant in service (000s)	$ 1,362,537	$ 1,321,085	3.1
Construction work in progress (000s)	$ 959,423	$ 709,963	35.1
Return on year-end common equity (%)	15.7	11.7	34.2
Capitalization (% total)			
Common equity	39.5	36.0	9.7
Preferred and preference stock	12.7	14.7	(13.6)
Long-term debt	47.8	49.3	(3.0)
Selected Statistics			
Kilowatt hour sales (000s)	8,736,379	8,072,030	8.2
Peak load—summer (kw)	2,324,000	2,167,000	7.2
Peak load—winter (kw)	1,435,000	1,315,000	9.1
Fuel mix (%)			
Coal	97.2	96.0	1.3
Oil	.7	.7	—
Natural gas	2.1	3.3	(36.4)
Average fuel cost ($/million Btu)	$ 1.535	$ 1.389	10.5
Number of employees	2,939	2,957	(.6)
Number of stockholders	53,445	50,048	6.8

*Allowance for funds used during construction net of associated deferred income taxes.

1983 IN BRIEF

- Earnings increase 49% to $4.15
- Industrial comeback and temperature extremes boost kwh sales 8.2%
- Three-for-two common stock split implemented
- Wolf Creek passes 92% completion mark
- Long-range plan modifications reflect new load forecast and generating reserve margins
- Electric rates increase 12% in Kansas and 7.5% in Missouri
- Steam sales expected to triple under contract with CPC International
- Generating unit availability and performance improves, maintenance expenses decrease

TO OUR SHAREHOLDERS

For our Company, 1983 was a year of record operating results, customer usage and peak loads. For Kansas City, mid-year 1983 marked the beginning of a long-awaited economic recovery and a promising future of urban revitalization and commercial growth.

KCPL's per share earnings were $4.15, based on 25.3 million average shares outstanding, up from $2.79 on 2.8 million fewer average shares in 1982. Respective contributions from net AFDC were $3.03 and $2.50. In August, the Board increased the common dividend to $2.24 per share on an annual basis. It was the 24th increase in 26 years. These earnings and dividends reflect the three-for-two split of the Company's common stock in October 1983.

Total kilowatt-hour sales, flat till mid-year, surged to a record 8.7 billion for the year, up 8.2%. Residential sales climbed 14.3% responding to high residential construction and prolonged temperature extremes in August and December. Commercial sales rose 4.8% and a turnaround in industrial production, led by increased steel manufacturing and automobile and truck assembly, was responsible for a 4.1% gain in industrial sales.

In August, our system met a new peak demand of 2,324 mw, up 7.2% over the 1982 peak load and 5.7% over the prior record summer peak in 1980. Also, a new winter peak of 1,435 mw was established in December, up 9% above the prior record winter peak in 1979.

Since the Three Mile Island accident in 1979, there has been a growing concern about the construction and operation of nuclear electric generating units. In recent months that concern has been kindled by reports of cancellations of nuclear units both planned and under construction, assessment of fines by the Nuclear Regulatory Commission for failures to adhere to strict construction and operating regulations and procedures, delays and a denial of operating licenses of nearly completed units. Financial distress of utilities because of construction and licensing delays has resulted in increased completion costs and attendant "rate shock" to customers. There also have been adverse legislative responses to these and other industry problems. All of these factors have evoked and fostered a more hostile anti-nuclear attitude throughout the nation.

We estimate that our Wolf Creek nuclear unit at Burlington, Kansas, is about 92% complete. In November, its estimated cost was raised to $2.67 billion (including AFDC) based on targeted completion and commercial operation in February 1985. This is a very tight schedule. A unit milestone has been met with successful completion of the primary cold hydro test—which was some six weeks late, indicating that such schedule may not be achievable, but we still expect to complete its construction for commercial operation in the spring of 1985. However, in view of the numerous and diverse problems currently impacting nuclear units, no assurance can be given that Wolf Creek will be immune from further delay in its construction, licensing and operation.

There are several positive factors favorable to Wolf Creek. Its standardized SNUPPS design has provided important economies in engineering, purchasing and construction; its presently estimated installed cost of about $2,300 per kilowatt to KCPL is lower, and its expected eight-year construction period is significantly less, than current industry experience on average. After intensive world-wide evaluations of safety, reliability and economy, our SNUPPS design was selected by the United Kingdom's Central Electric Generating Board for its proposed Sizewell unit in Suffolk, England, its first pressurized water nuclear reactor.

Wolf Creek will diversify KCPL's current fuel mix of 97% coal, 2% gas and 1% oil. Our dependence on coal will be reduced to about 70% as Wolf Creek initially provides some 27% of our annual energy needs. That diversification would have been a blessing during the last 16 days of 1983, the coldest December in the recorded history of our area, when prolonged sub-zero temperatures froze coal piles, transportation and handling equipment, and unit trains on broken tracks. This critical situation nearly stranded KCPL and other neighboring utilities dependent upon Powder River Basin coal. With outstanding cooperation from other businesses and a dedicated effort by all our employees, including transmission and distribution personnel who joined with power plant employees in the successful fight to keep our power plants operating, we were able to keep Christmas warm and bright for our customers and furnish emergency electric energy to other systems threatened with curtailment to their customers. Also, we look forward to the completion of Wolf Creek which, in the future, will offer our customers a degree of protection from escalating coal mine and transportation costs and from the potential costly effects of acid rain legislation now pending before the Congress.

In Missouri and Kansas, state law has prohibited rate base inclusion of our Wolf Creek construction work in progress. KCPL's 47% ownership share of Wolf Creek, or 541 mw, is now estimated to cost $1.25 billion, including about $399 million of AFDC, based on February 1985 completion. As commercial operation of Wolf Creek nears, its potential for a substantial rate increase—about 50%—has drawn public concern. In February, KCPL's Board approved a "phase-in" of the rate increase required upon completion of Wolf Creek to help minimize customer

rate shock." We will propose to the Missouri and Kansas Commissions in rate filings later this year, as an alternative to the full amount of the increase required, an initial increase of about one-half of the total, with the balance, including carrying charges on the deferred portions, to be made effective in three annual automatic steps.

With completion of Wolf Creek, KCPL will enjoy a respite from decades of major construction work in progress. During 1983, our Company planners and our 17-member Citizens Advisory Planning Group restudied our long-range system requirements through 2002 and recommended modifications in our KCPLAN adopted in 1981.

Our new KCPLAN 83 was approved by the Board in February 1984. It confirms the strategy of the KCPLAN and demonstrates its inherent flexibility by responding to a reduction in an unmanaged average annual peak load growth from 2.8% to 2.1% during the forecast period through 2002.

As adopted, KCPLAN 83:

- further reduces, through load management, average peak load growth from 2.1% to 1.5%;
- cancels a 325-mw share of new, coal-fired generating capacity originally scheduled for 1994 and defers a similar 325-mw share from 1998 to 2001;
- reduces capital requirements by approximately $1 billion from a conventional system expansion plan; and
- improves system load factor from a current 46.2% to 59% in 2002, with an achievable 1% reduction in electric rates for each one percentage point improvement in load factor.

KCPLAN 83 delays implementation of, but continues to employ, load management techniques, seasonal diversity interchange arrangements and existing unit rehabilitations, all to assure reliable electric service to our customers on a least-cost basis. The flexibility of our KCPLAN and its biannual updating will assure continued response of KCPL's system expansion to economic, social and regulatory changes.

The Company's cash construction program, excluding nuclear fuel, is estimated at $225 million for 1984, as Wolf Creek construction is brought to an end. Thereafter it will dwindle down from an estimated $85 million in 1985 to $60 million in 1988.

At the annual meeting in April, shareholders amended the Articles of Consolidation to permit the size of the Board to be changed pursuant to the By-laws, without specific shareholder action. The Board was enlarged from nine to 11 members and two new directors along with nine incumbents were elected. New members are William H. Clark, president and

The recently restored Folly Theatre and the new Vista International Hotel typify Downtown redevelopment, a blending of historic and new architectural assets. The long-range plan envisions enriching Downtown's finance, commerce, culture, entertainment and convention centers.

Arthur J. Doyle

executive director of the Urban League of Kansas City, and Linda Hood Talbott, executive director of the Clearinghouse for Midcontinent Foundations.

In addition to our improved kilowatt-hour sales, other indicators point to Kansas City's economic recovery. The area's unemployment rate in December was 6.9%, well below the national average and an improvement from 8.2% in 1982. The rate of inflation measured by the December 1982-1983 increase in the Kansas City Consumer Price Index was 4.3%, the lowest year-to-year increase since 1972.

The Kansas City metropolitan area is in the midst of the greatest concentration of commercial development in its history, including a massive revitalization of its downtown district. Largely financed by private capital, the array of projects to be completed through 1985 and on drawing boards for the future, by some reports exceeds $1.5 billion. A review of these activities is contained in the special report, "A Kansas City Renaissance," on the following pages.

March 1, 1984
For the Board of Directors

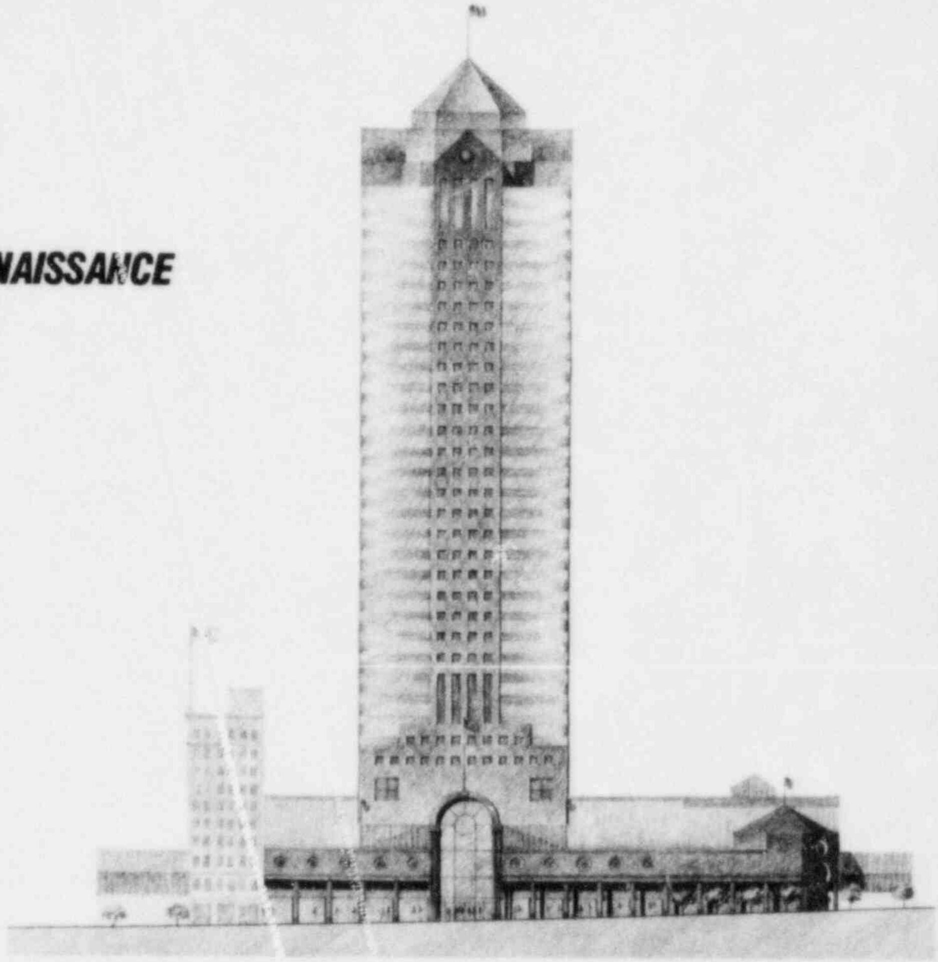
Arthur J. Doyle

Chairman of the Board and President

A KANSAS CITY RENAISSANCE

Kansas City's modern skyline began taking shape in the 1930s. There were other times of exciting growth in the late sixties and early seventies. But, these periods were no match for the unprecedented commercial expansion and growth now taking place. Call it a rebirth. Better yet, call it a renaissance for this city with multistate focus serving a metropolitan population of 1.3 million.

The growing list of major projects recently completed, underway or targeted for the near future now exceeds an estimated $1.5 billion. About one-third of this investment will strengthen the Downtown area. Other projects are spread across the the midtown corridor, the nationally-recognized Country Club Plaza, and office park environments of the south suburbs.



Much of the visionary core area development work fulfills guidelines of "Downtown 2000," a long-range blueprint for urban revitalization by the Kansas City Redevelopment Authority and Downtown Council, adopted in May 1983 after two years of study. This Concept Plan builds upon existing Downtown strength as an employment place for 100,000 people, projecting development of new and refurbished facilities for financial, commercial office, retail, cultural and visitor activities. This plan identifies underutilized clusters of properties. It establishes priorities for redevelopment into productive assets. It calls attention to rehabilitation opportunities in mature neighborhoods. It recognizes that a thriving downtown area provides both work space and suitable living accommodations.

The most ambitious project is a $155 million regional headquarters and retail complex now being built by American Telephone & Telegraph Company. The 1.2 million sq. ft. project's centerpiece is a block square, 38-story office building, and six story retail center rotunda with access atriums and pedestrian bridges to existing retail areas. A nine-story, 2,200-car parking garage will be constructed on an adjacent block.

Also underway are the Vista International Hotel, scheduled for completion in 1985, and four important Downtown office buildings with combined space of almost 1.7 million square feet. These include United Missouri Bancshares' $25-million bank building and a proposed future tower expansion; Twelve Wyandotte Plaza, a $34 million development of Executive Hills, Inc.; an $11.2 million conversion of the former Hotel Continental by Mark Twain Bancshares; and a $40 million, 19-story office tower, retail arcade and parking complex by Commerce Bank, with skywalk links to the bank's two other major Downtown properties.

There are several Downtown targets for restoration. An urban, eclectic neighborhood of townhomes, apartments and professional offices is planned for Quality Hill on the west side. Several "loft" buildings in the former garment district are under reconstruction or being considered for

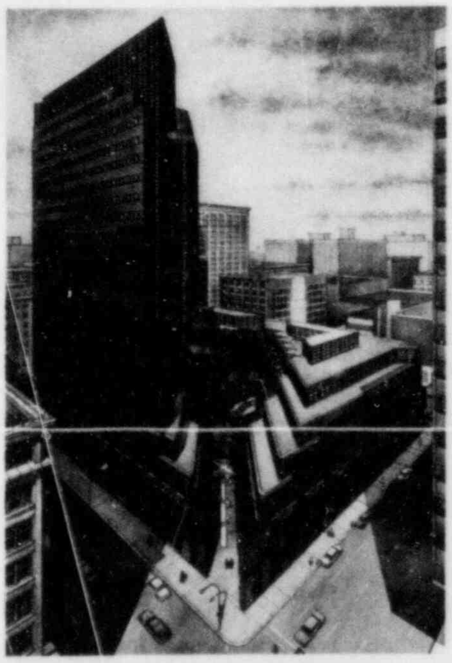
large, open apartments with combined living/working quarters. Kansas City's original commercial district, now called the Market Area and located between the freeway loop and the Missouri River to the north, offers prime redevelopment opportunity. As a focal point, the Mitchell, a retired steam-powered paddle wheel riverboat, is being converted into a river museum and dining facility.

Major projects in the south perimeter include a proposed 22-acre, $130 million Central Square office campus, parking and hotel. The 85-acre Crown Center complex of Hallmark Cards, Inc. is about half finished and the next project includes two connected office towers which will double office space to 1.3 million square feet. Under construction nearby is the $37 million, 365,000 sq. ft. Pershing Grand Associates Building by Mutual Benefit Life Insurance Company.

More than 1.5 million square feet of office additions have been announced for the Country Club Plaza, mainly concentrated in two, four-phase projects. The initial expansion is underway for the Kansas City Board of Trade, with plans for three more buildings. Work has also begun on One Main Plaza, a $140 million, three-office center and hotel development.

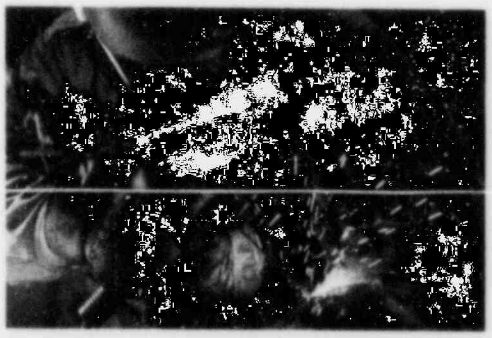
Beyond this, the litany of projects becomes a blur. In the wooded, rolling hills of the Missouri and Kansas metropolitan suburbs to the south, contemporary office parks dominate with elegant work space and carefully planned environments. Some are huge. With the completion of two more buildings in 1984, Corporate Woods will have finished 20 of 29 planned structures. The first phase of the 600-acre Renaissance Office Complex is now underway. There are major developments by Executive Hills, Inc. and the Financial Plaza. Three other hotel developments including the $30 million, 404-room Marriott and $17 million Granada Royale, will bring the south suburbs hotel total to six.

Measured by millions of square feet of construction or dollars of investment, corporate commitment or commercial vitality, these unparalleled metropolitan developments, considered altogether, are providing an accelerated boost to Kansas City's economic recovery. For KCPL, the impressive scenario means service challenges and sales potential. Some 10% of the additions will have district steam service and more than half will have all-electric designs. The bottom line is more efficient year-round usage of the electric system, enabling the growth to benefit all KCPL customers.



Clockwise, from top left: AT&T Office Tower — office and retail complex, scheduled for completion in 1986; United Missouri Bank — first phase, 250,000-sq. ft. of headquarters bank building, scheduled to open in 1986; Commerce Bank Building — 19-story, 378,000-sq. ft. retail/office complex and interior arcade planned for completion in 1986; Twelve Wyandotte Plaza — 350,000-sq. ft., 18-story offices and 50-ft. atrium lobby: scheduled to open in 1985.

FINANCIAL AND CORPORATE REVIEW



Earnings per average common share were $4.15, up from $2.79 in 1982. Operating revenues increased 15.8% to $562.5 million on the strength of an 8.2% increase in kwh sales and rate increases effective during the year.

Operating expenses rose $50.4 million, or 12.4% in 1983, and totaled $458.1 million. Major contributing factors were a $10.8 million increase in fuel expense; a net decrease of $22.3 million in interchange sales, and a $23.3 million increase in tax expense largely related to higher income. These increases were offset by a $9.1 million decline in maintenance expense.

Net AFDC totaled $76.5 million, or $3.03 per share, as compared to $56.3 million, or $2.50 per share for 1982, reflecting an increase in construction work in progress for the Wolf Creek nuclear project.

Construction expenditures excluding AFDC and nuclear fuel, totaled $186 million in 1983. The five-year construction budget of $511 million includes annual expenditures of $225 million for 1984; $85 million, 1985; $71 million, 1986; $70 million, 1987 and $60 million, 1988.

The Company's 1983 financing requirements were met with $51.2 million of internally generated funds and the remainder from outside sources.

In January 1983, the Company sold $60 million of first mortgage bonds, 13% series, due 2013. A total of $122.5 million was raised through several issues of pollution control revenue bonds offered during 1983 through the City of Burlington, Kansas, for the Company's share of Wolf Creek pollution control facilities. They included $43 million of variable rate series bonds issued in June to refund a $25.5 million issue, and in December, the private placement of $60 million and a public offering of $19.5 million. Two million shares of common stock were sold in October at a per share price to the public of $32.625, prior to the three shares for two stock split. The sale price adjusted for the stock split was $21.75 a share. Issuance of 951,980 new common shares under the Dividend Reinvestment and Stock Purchase Plan, and the Employees' Stock Ownership Plan added funds of $17.7 million.

Vista International Hotel will be Kansas City's fourth world class hotel when it opens in 1985. The $54 million, 600-room facility will significantly expand Downtown's conference capability and should boost the area's convention attendance, now ranked sixth nationally. The Vista will be heated with steam from Grand Avenue Station (below). Grand Avenue continues a partnership with the Downtown economy established in 1888 by providing district steam service for buildings and a competitive energy source to attract expanding enterprise.

A welder joins sections (far left) of 18-inch, mile-long steam line to CPC International's North Kansas City facilities.

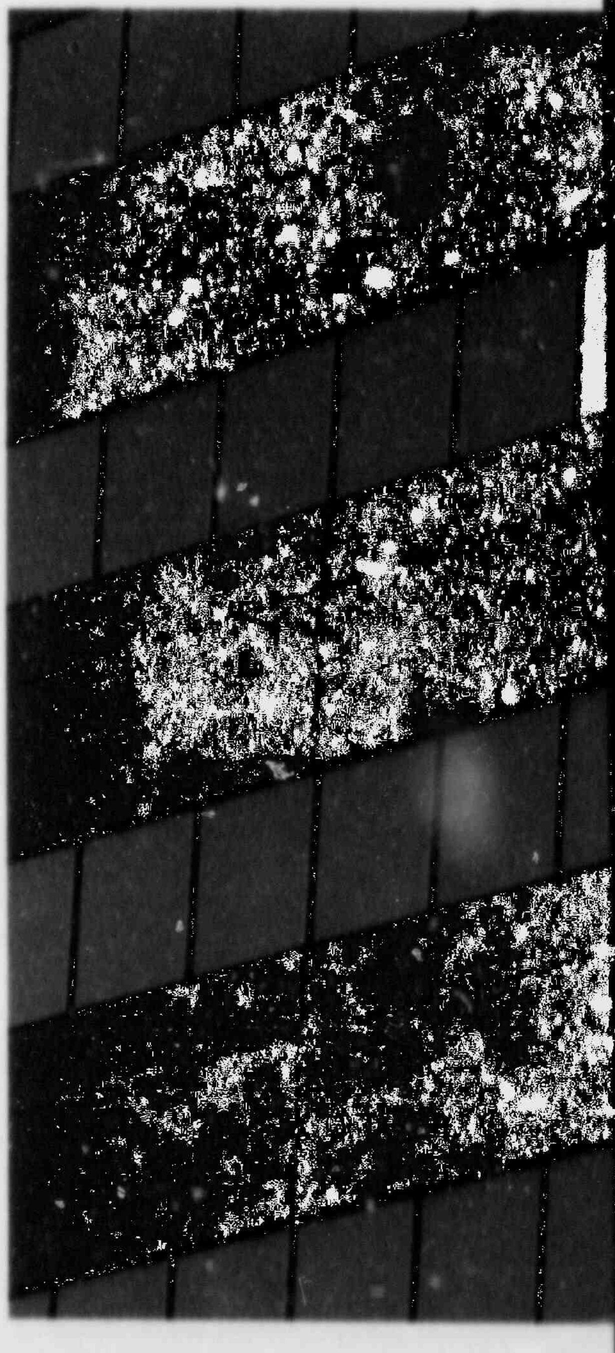
At the end of 1983, total capitalization was $1,686 million. Common equity represented 39.5% of this total, nearly reaching the goal of 40% reported in our 1979 annual report. Long-term debt represented 47.8% of total capitalization and preferred and preference stock, 12.7%.

Electric retail rate increases were approved in both Missouri and Kansas in 1983. Effective April 1, the Kansas Corporation Commission granted a $16.1 million annual increase, or 12%. The Missouri Public Service Commission approved permanent increases in July 1983 of $20.2 million and an additional $2.9 million in January 1984 for a 7.5% total increase in Missouri annual electric revenue. The July order raised the allowed return on common equity from 15.85% to 16.25% due to demonstrated management efficiency.

The Missouri Commission approved our request to apply the electric heating rate to add-on heat pump customers, but both the commissions denied our requests to reduce the electric heating rate to 3¢/kwh, increasing that rate to 3.47¢/kwh in Missouri and retaining the 3.74¢/kwh in Kansas.

In September, a contract was finalized with CPC International for annual deliveries of an estimated 2.1 million pounds of steam to its Corn Products division, which is expected to triple steam sales. Upon completion by CPC of an 18-inch, mile-long pipeline to our Grand Avenue Station in early 1984, deliveries to CPC for its North Kansas City manufacturing facility are expected to begin by April. The anticipated reduction in unit steam production costs enabled us to withdraw a requested $965,000 revenue increase, filed with the MPSC in January 1983.

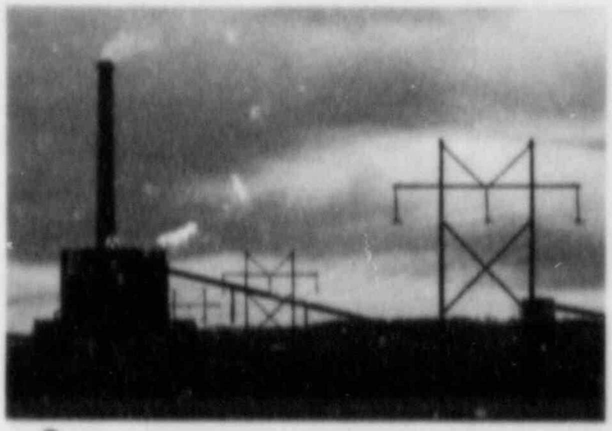
Wolf Creek was more than 92% complete and at year-end, three fourths of the project's 282 systems had been turned over to the start-up team for testing. The plant is situated on a 10,000-acre site near Burlington, Kansas, some 90 miles southwest of Kansas City. KCPL and Kansas Gas and Electric Company each own 47% of the 1,150-megawatt unit and Kansas Electric Power Cooperative, Inc., owns the remaining six percent. Wolf Creek operating license hearings before the Atomic Safety and Licensing Board began in January 1984 and have been completed.



Curvilinear design is characteristic of the sprawling Corporate Woods complex located on 300 acres of rolling hills in Johnson County, Kansas, with over six miles of jogging trails and 18 acres of parkland. By 1985 the complex will encompass some 1.6 million square feet of office space. It has sparked commercial and residential expansions for more than a decade in the corridor south of Interstate 435 in both Kansas and Missouri.

Ample capacity for support of continued area growth will come from Wolf Creek Station (top) when it begins commercial operation in 1985.

OPERATING REVIEW



Commencement of economic recovery and prolonged hot summer and cold winter weather caused new peaks in 1983 and contributed to record kwh sales. The previous demand peak of 2,198 mw was exceeded 11 times during the sustained heat in August and the new high of 2,324 mw was set on August 17. A new winter record of 1,435 mw was reached on December 19 during a severe siege of cold weather which covered much of the country.

The frigid weather curtailed for more than a week deliveries of low-sulfur Western coal from mines in Wyoming. Because of the difficulty in obtaining alternate coal supplies and in utilizing coal from frozen inventory piles, the Iatan, La Cygne and Hawthorn stations were operated at partial capacity. Fortunately, the Company carried its own load and supplied emergency power to neighboring systems. This was made possible by the outstanding performance of our employees at the power plants, as assisted by 160 transmission and distribution system employees who worked temporarily for several days in unfamiliar jobs manually moving coal into power plant boilers. Our remaining requirements were met with peaking combustion turbines and interchange purchases. Substantial purchases from Omaha Public Power District were possible because its Ft. Calhoun Nuclear unit was not affected by the sub-zero weather and enabled KCPL to conserve limited fresh coal and still help other utilities.

Long-term coal contracts cover about three quarters of the Company's anticipated coal requirements over the next 20 years, with spot purchases making up the balance. Long range commitments are maintained at levels which provide stability of coal quality and supply, but allow for flexibility in responding to changes in electricity consumption, fuel mix, supply conditions and the legislative environment. As a result of long-term contracts and continual assessment of competitive coal supplies and transportation, our 1983 average coal cost of $1.452/million Btu remained well below the national average.

Effective January 1, 1984, agreement was reached with Atlantic Richfield Company on a 20-year coal supply for Iatan Station. The contract calls for annual deliveries of approximately two million tons from the Black Thunder mine in Wyoming.

Significant performance improvements were achieved in generating unit productivity and efficiency during the year. Three of the Company's base-load units operated at an annual availability above 90%. Of these, La Cygne 2 established a new KCPL record for large coal-fired units at 94.9% availability; Iatan's annual availability factor of 91.7% was its second highest since it began operating in 1980, and the 25-year old Montrose 1 recorded 90.7%, its highest in the last 11 years.

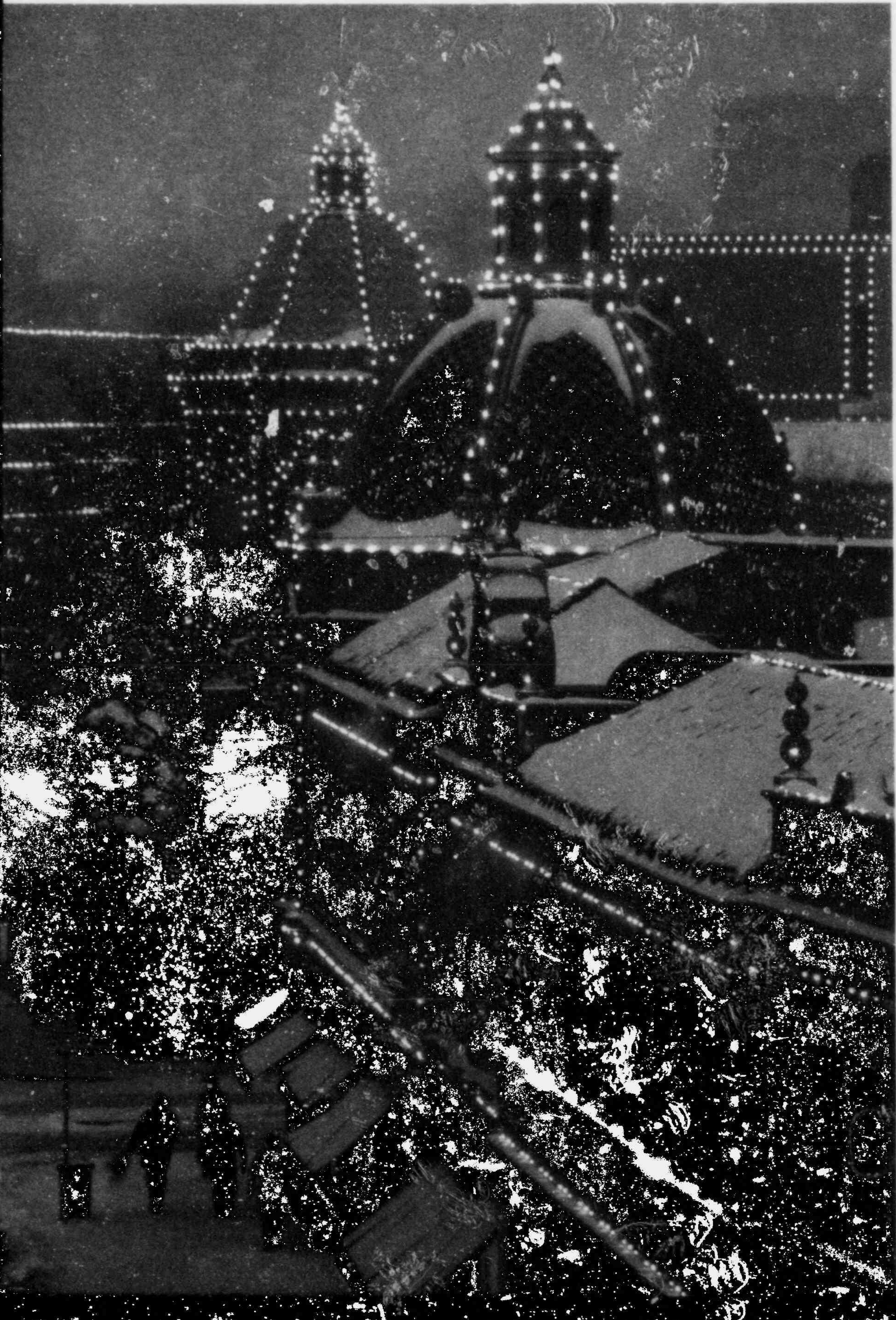
Another important production improvement was a reduction in the average system heat rate, which is the amount of heat used to generate a kwh of electricity. The system average of 10,874 Btu/kwh was the lowest since 1967, and represented an improvement of 264 Btu/kwh from 1982.

Our system-wide availability, which was reduced by La Cygne 1, averaged 72.2% in 1983. The 740-mw La Cygne unit burns low-grade local coal. While the unit was available for the summer period, it was down much of the year for major repairs and a boiler overhaul.

The operating status of Hawthorn units 1 and 2 is being changed from peaking to inactive reserve in 1984, joining Hawthorn units 3 and 4 so designated in 1983. These units are between 29 and 33 years of age and have become more expensive to operate and maintain for peaking purposes than purchasing interchange capacity and energy.

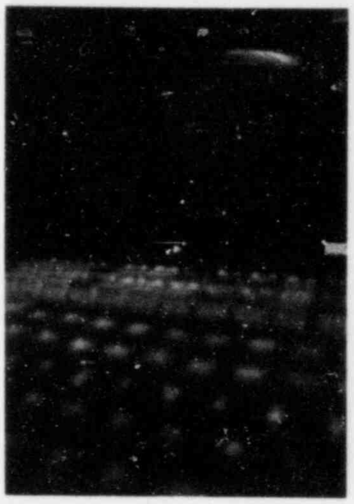
The system reserve margin of accredited capacity dropped to 15% in 1983; preliminary studies being conducted by Ebasco Services Incorporated in conjunction with the KCPLAN 83 revision, indicate a minimum system reserve requirement of 22%.

A sizeable decrease in production maintenance expense for the year resulted from changes in the



The blue cold of record December weather veils this holiday scene at Kansas City's Country Club Plaza with its internationally famous adornment of Christmas lights. Established in the 1920s and recognized as the nation's first shopping city, the Plaza's distinctive Spanish architectural style now covers 55 acres of elegant retail environment. The area is a magnet for significant commercial and office projects now underway.

Three baseload, coal-fired generating units achieved availability factors above 90% for 1983, including Iatan (far left); its sister unit, La Cygne 2, and Montrose 1.



operating status of the Hawthorn units 1-4, a shortened maintenance schedule for La Cygne 2, and a reduction in overtime labor at all generating stations.

The Company's generating units burned 5.2 million tons of coal in 1983, down from 5.3 million tons in 1982. Natural gas requirements of 2.1 million mcf, were 1.2 million less than in 1982 and oil burned increased to 130,578 barrels from 121,025 last year. The average cost of fuel per million Btu increased to $1.535 from $1.389, and included average cost increases of 13.1% for coal and freight and 11.4% for natural gas, while average oil prices remained level.

A storm restoration plan was adopted in early 1983 to establish procedures for a more rapid and efficient restoration of electrical service following storm related outages. The plan outlines Company responses to storm conditions in categories from routine to severe, while allowing for flexibility in dealing with each storm's unique problems. The action plan expands manpower and equipment involvement throughout the Company as needed. The plan calls for an improved two-way flow of information with customers by enlarging the telephone capacity for incoming calls.

A key to the storm plan's efficiency is a computer program which helps dispatchers identify problem locations using the customer's "electrical address." Continued computerization of other transmission and distribution functions is under way to help improve work scheduling and inventory control. Installation of remote terminal units at substations will centralize control over substation functions using the dispatch computer.

Existing contracts with IBEW Locals No. 412, representing production workers, and No. 1613, representing clerical and office personnel, will remain effective through June 30, 1984. We have no contract with Local No. 1464, which represents linemen and outside workers and have been operating under work rules and procedures put into effect by the Company in October 1982. It is anticipated that negotiations will commence this spring.

Participation in the Electric Power Research Institute maximizes our research investment through a pooling of resources by some 600 electric utilities. Of EPRI's six major technical divisions, we expect direct benefits from research projects pertaining to coal, energy management, electrical systems and energy analysis.

Of our $2 million EPRI assessment for 1983, the Company retained about $400,000 for local research projects, including support of five other research organizations. Our participation in these projects multiplies the impact of our research investment by combining research funds. These organizations represent research into fuel cells, fusion power, electric vehicles and improved power generation methods.

Our major in-house projects focus on experiments using flyash as soil replacement and filler in construction, testing state-of-the art heating and cooling systems, developing energy efficient construction methods and evaluating productivity enhancing computer software packages.

Through the turn of the century, the Company's marketing approach will be tied closely to the twin targets of KCPLAN: to reduce the rate of peak load growth and build off-peak electricity usage. Over the next 20 years as planned load management actions are implemented, our comprehensive strategy is projected to reduce the average growth in peak load from the unmanaged 2.1% to 1.5%, as controlled, less than half of the average 3.1% annual growth in kwh sales. The resulting improvement in load factor from 46.2% in 1983 to 59% in 2002, would benefit all customers through lower electric rates.

Implementation of demand control programs has been held up due to delays in equipment deliveries and operating problems involving tests of the Two-Way Automatic Control System. This system will link our central office computer with each customer location by using KCPL's own electric lines for transmission of electronic signals. The TWACS system will provide multi-functions which can effect significant operating economies when fully implemented. These include not only the air conditioner compressor cycle control available through common systems, but also enhanced metering capability essential for new rate designs; automatic meter reading; monitoring security to eliminate tampering; and storm damage restoration assistance. Fortunately, the reduced peak load forecast will provide necessary time to accommodate full testing requirements with implementation scheduled to begin in 1988.

The action thrust of the marketing plan has involved building off-peak winter electric sales through aggressive promotion of electric heating. This program began in 1982 with an educational effort to increase consumer awareness — now above 90% according to opinion surveys — of various heating and cooling options provided by the electric heat pump. The Company shifted in 1983 to a com-

Like a gem set in stone, the Crystal Pavilion restaurant highlights the precast concrete of Crown Center, and marks the half-way point in development of this privately-financed "city within a city." Begun in 1968, the 25-block project of Hallmark Cards, Inc. now includes two major world class hotels, a 10-acre central square for community events, a huge retail complex, a childrens art center and 250 apartment and condominium units. Still to come are a doubling of office space and additional residential, recreation, retail and cultural facilities, and parking.

Patricia A. Brown, dispatch system coordinator (left), tests operation of a remote terminal unit which links substation information to the central dispatch computer (far left).

prehensive sales effort concentrating on heat pump and add-on heat pump applications for both the new construction market and the broader market for conventional system replacement.

This comprehensive program builds upon active participation of member firms of the Heat Pump Dealers Association, organized to provide sales focus, proper installation and service. Dealer activities are supported by Company-supplied information, incentive programs and cooperative advertising. The vital relationship with area building contractors is strengthened by the Company's involvement in the Home Builders Association. The number of electrically heated homes on display grows each year in the HBA sponsored spring and fall home tours.

On the commercial side, KCPL marketing representatives maintain frequent contacts with architects, consulting engineers and developers of commercial properties to emphasize the advantages of electric space heating for buildings of all sizes.

The first results of the aggressive sales phase of our marketing activities were tabulated in 1983. In the residential arena, the Company exceeded its goal of 1,000 electrically heated residential connections for the year. Builders equipped 743 new homes and apartments with electric heating and cooling systems and 306 replacement systems were installed on existing residential units. This represented 24% of 1983 new residential connections and was nearly three times the 1982 residential experience.

Commercial electric space heating load increased by 6.2 mw during the year, as compared with 1.2 mw in 1982 and the five-year high of 4.5 mw added in 1980. This substantial improvement was part of dynamic activity in the commercial sector across KCPL's service area which contributed to an increase of 46 mw of commercial/industrial load in 1983, some 61% above the 1982 addition and the highest since the 59-mw gain in 1980. Of these commercial projects, about 40% or more than 1.5 million square feet was opened in Kansas City, Missouri. Two major all electric office buildings accounted for nearly 20% of this space.

Kansas City's crossroads position and excellent transportation hook-ups, make the area a prime location for accommodating commercial enterprise with regional and national marketing, distribution or service interests. Visitors find beautiful residential areas are also an important Kansas City asset.

This Williamsburg Colonial upper-bracket home is located within 30 minutes of Downtown close to Interstate access, and was among 3,153 new residential connections 1983. Of course, it's heated electrically with two heat pumps.

Company Market Representative Bill Hidlebaugh reviews blueprints with Gary Roach, president of Blue Springs Heating and Air Conditioning Company concerning a heat pump installation. Mr. Roach also served as first president of the Heat Pump Association of Greater Kansas City in 1983.

Trenching equipment (far left) expedites underground service to new residential subdivisions.

STATEMENTS OF INCOME

		Year Ended December 31		
		1983	1982 (thousands)	1981
Operating Revenues	Electric	**$ 553,370**	$ 475,802	$ 465,825
	Steam heat	**9,173**	9,827	5,886
	Total	**562,543**	485,629	471,711
Operating Expenses	Operation			
	Fuel	**160,653**	149,868	156,761
	Interchange power (net)	**1,345**	(20,906)	(48,179)
	Other	**81,078**	79,012	71,892
	Maintenance	**53,358**	62,496	54,305
	Depreciation	**46,319**	45,215	44,962
	Taxes (See statements)			
	Income	**61,962**	39,946	45,577
	General	**53,345**	52,075	51,908
	Total	**458,060**	407,706	377,226
Operating Income		**104,483**	77,923	94,485
Other Income and Deductions	Allowance for equity funds used during construction	**53,809**	36,089	29,073
	Miscellaneous—net of income taxes	**25**	(63)	327
	Total	**53,834**	36,026	29,400
Income Before Interest Charges		**158,317**	113,949	123,885
Interest Charges	Long-term debt	**70,126**	65,260	55,232
	Short-term notes	**4,332**	6,021	3,896
	Miscellaneous	**1,271**	1,397	10,489
	Allowance for borrowed funds used during construction—credit	**(43,893)**	(39,670)	(24,878)
	Total	**31,836**	33,008	44,739
Yearly Results	Net income	**126,481**	80,941	79,146
	Preferred and preference stock dividend requirements	**21,570**	18,193	13,749
	Earnings available for common stock	**$ 104,911**	$ 62,748	$ 65,397
	Average number of common shares outstanding*	**25,278,388**	22,510,368	20,302,723
	Earnings per common share*	**$ 4.15**	$ 2.79	$ 3.22
	Cash dividends per common share*	**$ 2.17**	$ 2.01	$ 1.88

*The amounts for 1982 and 1981 have been restated to reflect the October, 1983, 3-for-2 common stock split.

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

BALANCE SHEETS

Assets

		December 31 1983 (thousands)	1982
Utility Plant at original cost (Notes 5 and 6)	Electric	$ 1,357,477	$ 1,315,105
	Steam heat	5,060	5,980
	Total	1,362,537	1,321,085
	Less—Reserves for depreciation	452,174	417,779
	Net utility plant in service	910,363	903,306
	Construction work in progress	959,423	709,963
	Total	1,869,786	1,613,269
Investments and Nonutility Property		16,854	16,610
Construction Funds Held by Trustee		21,345	—
Current Assets	Cash	2,916	1,916
	Special deposits	281	162
	Receivables		
	Customer accounts receivable, less reserves of $1,348,000 and $911,000	38,969	31,745
	Accrued unbilled revenues	22,332	19,422
	Other receivables	11,785	17,205
	Fuel inventories, at average cost	45,280	54,118
	Materials and supplies, at average cost	24,015	22,846
	Prepayments	1,388	803
	Total	146,966	148,217
Deferred Charges		16,064	14,131
	Total	$ 2,071,015	$ 1,792,227

Liabilities

		1983	1982
Capitalization (See statements)	Common stock—authorized 60,000,000 shares without par value—28,320,580 and 24,368,600 shares outstanding*—stated value	$ 401,534	$ 319,920
	Retained earnings (Note 3)	259,915	210,402
	Capital surplus	4,824	4,870
	Total	666,273	535,192
	Cumulative preferred stock	112,000	112,000
	Cumulative preferred stock (redeemable)	56,156	56,316
	Cumulative preference stock (redeemable)	45,833	50,000
	Long-term debt	805,644	732,610
	Total	1,685,906	1,486,118
Current Liabilities	Notes payable to banks (Note 2)	27,000	—
	Current maturities of long-term debt	—	35,006
	Accounts payable	47,067	45,280
	Dividends declared	5,399	5,401
	Accrued taxes	9,796	5,449
	Deferred income taxes	10,841	9,624
	Accrued interest	11,298	7,906
	Accrued payroll and vacations	9,674	8,606
	Other	4,253	3,405
	Total	125,328	120,677
Deferred Credits	Deferred income taxes	172,089	115,300
	Deferred investment tax credits	85,811	68,096
	Other	1,881	2,036
	Total	259,781	185,432
Commitments and Contingencies (Note 7)			
	Total	$ 2,071,015	$ 1,792,227

*The number of shares for 1982 have been restated to reflect the October, 1983, 3-for-2 common stock split.

STATEMENTS OF TAXES

Income Tax Expense

	Year Ended December 31 1983	1982 (thousands)	1981

Total income tax expense was less than the amount computed by applying the statutory federal income tax rate of 46% to income before taxes. The reasons for these differences are as follows:

	1983	1982	1981
Taxes computed at statutory rate on income before income taxes	**$ 86,574**	$ 55,491	$ 57,335
Increase (decrease) in taxes resulting from:			
Allowance for equity funds used during construction	**(24,752)**	(16,601)	(13,374)
Differences between book and tax depreciation not normalized	**1,359**	1,142	1,032
Removal costs	**(2,510)**	(1,080)	(797)
Amortization of investment tax credit	**(2,134)**	(2,181)	(1,754)
State income taxes	**3,496**	2,088	2,773
Other	**(310)**	832	281
Total income tax expense	**$ 61,723**	$ 39,691	$ 45,496

Components of Income Tax Expense

		1983	1982	1981
Currently Payable	Federal	**$ 3,798**	$ 921	$ 4,704
	State	**3,594**	1,135	2,634
	Total	**7,392**	2,056	7,338
Deferred	Federal (net)	**30,775**	28,862	22,198
	State (net)	**2,880**	2,731	2,500
	Total	**33,655**	31,593	24,698
Investment Tax Credit	Provision	**22,810**	8,223	15,214
	Amortization	**(2,134)**	(2,181)	(1,754)
	Total	**20,676**	6,042	13,460
	Total income tax expense	**61,723**	39,691	45,496
Less:	Income taxes applicable to other income and deductions	**(239)**	(255)	(81)
	Income tax expense applicable to operating income	**$ 61,962**	$ 39,946	$ 45,577

Deferred Income Tax Expense

	1983	1982	1981
Depreciation differences	**$ 8,852**	$ 8,468	$ 11,409
Debt component of AFDC	**21,159**	19,503	12,039
Repair allowance	**(824)**	(810)	(549)
Unbilled revenues	**1,204**	1,559	1,093
Taxes and pension costs capitalized	**3,134**	2,165	1,465
Other	**130**	708	(759)
Total	**$ 33,655**	$ 31,593	$ 24,698

General Tax Expense

	1983	1982	1981
Property and real estate	**$ 18,954**	$ 20,924	$ 22,526
Gross receipts	**29,413**	26,479	25,243
Other	**4,978**	4,672	4,139
Total	**$ 53,345**	$ 52,075	$ 51,908

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

STATEMENTS OF SOURCES OF FUNDS FOR GROSS PROPERTY ADDITIONS

		1983	1982	1981
		Year Ended December 31 (thousands)		
Funds Provided From Operations	Net income	**$ 126,481**	$ 80,941	$ 79,146
	Less dividends declared	**76,968**	64,495	51,966
	Total	**49,513**	16,446	27,180
	Items not requiring current use of funds			
	Depreciation	**46,319**	45,215	44,962
	Deferred income taxes (net)—non-current portion	**32,438**	29,977	23,665
	Investment tax credit (net)	**20,676**	6,042	13,460
	Allowance for funds used during construction (AFDC)	**(97,702)**	(75,759)	(53,951)
	Total	**51,244**	21,921	55,316
Funds Provided From Outside Sources	Issuance of long-term debt	**185,469**	47,003	75,000
	Construction funds held by trustee	**(21,345)**	—	—
	Issuance of preferred stock	**—**	55,080	—
	Issuance of common stock (3,951,980, 3,723,774 and 530,331 shares, respectively)	**81,614**	57,561	7,231
	Net payment received on sale of a portion of Wolf Creek	**—**	—	(39,128)
	Temporary refunding of loan agreements	**(54,000)**	—	—
	Retirement of long-term debt	**(35,006)**	—	(25,000)
	Preference stock sinking fund	**(4,167)**	—	—
	Increase (decrease) in short-term borrowings (including portion to be refinanced)	**(31,500)**	(30,600)	51,100
	Total	**121,065**	129,044	69,203
Decrease (Increase) In Working Capital	(Exclusive of short-term borrowings and current maturities)	**13,908**	5,980	7,603
Other		**(3,670)**	(3,785)	1,858
Total Funds Used for Gross Property Additions		**182,547**	153,160	133,980
	AFDC net of related deferred income taxes included in utility plant (including a reclassification in 1983, Note 1)	**122,089**	53,878	39,438
Gross Property Additions		**$ 304,636**	$ 207,038	$ 173,418
Decrease (Increase) In Working Capital	Cash	**$ (1,000)**	$ 5,265	$ 1,096
	Special deposits	**(119)**	20	663
	Receivables	**(4,714)**	(8,424)	(1,337)
	Fuel inventories	**8,838**	(5,370)	18,130
	Materials and supplies	**(1,169)**	(77)	(2,262)
	Accounts payable	**1,787**	12,793	(10,036)
	Accrued and current deferred income taxes	**5,564**	190	(1,116)
	Accrued interest	**3,392**	46	(57)
	Other	**1,329**	1,537	2,522
	Total	**$ 13,908**	$ 5,980	$ 7,603

STATEMENTS OF CUMULATIVE PREFERRED AND PREFERENCE STOCK AND LONG-TERM DEBT

		December 31 1983	1982
		(thousands)	
Cumulative Preferred Stock (Note 4)			
$100 Par Value	3.80% — 100,000 shares	**$ 10,000**	$ 10,000
	4.50% — 100,000 shares	**10,000**	10,000
	4.20% — 70,000 shares	**7,000**	7,000
	4.35% — 120,000 shares	**12,000**	12,000
	7.72% — 130,000 shares	**13,000**	13,000
No Par	$10.70 — 200,000 shares	**20,000**	20,000
	$ 2.33 — 800,000 shares	**20,000**	20,000
	$ 2.20 — 800,000 shares	**20,000**	20,000
	Total	**$ 112,000**	$ 112,000
Cumulative Preferred Stock (Redeemable) (Note 4)			
$100 Par Value	4% — 33,557 and 35,157 shares	**$ 3,356**	$ 3,516
No Par	$17.05 — 228,000 shares	**22,800**	22,800
	$13.25 — 300,000 shares	**30,000**	30,000
	Total	**$ 56,156**	$ 56,316
Cumulative Preference Stock (Redeemable) (Note 4)			
No Par	$ 8.00 — 208,333 and 250,000 shares	**$ 20,833**	$ 25,000
	$12.75 — 250,000 shares	**25,000**	25,000
	Total	**$ 45,833**	$ 50,000
Long-Term Debt (excluding current maturities) (Note 5)			
First Mortgage Bonds	3¼% series due 1985	**$ 16,000**	$ 16,000
	5% series due 1990	**20,000**	20,000
	10¾% series due 1993*	**7,500**	—
	9.2% series due 1994*	**60,000**	—
	4¾% series due 1995	**15,000**	15,000
	5¾% series due 1997	**30,000**	30,000
	6¼% series due 1998	**25,000**	25,000
	7⅛% series due 1999	**26,000**	26,000
	9⅛% series due 2000	**35,000**	35,000
	7¾% series due 2001	**27,000**	27,000
	7⅝% series due 2002	**30,000**	30,000
	8⅞% series due 2006	**40,000**	40,000
	8⅛% series due 2006	**30,000**	30,000
	5⅞% series due 2007*	**21,940**	21,940
	5⅞% series due 2007*	**20,000**	20,000
	8½% series due 2007	**30,000**	30,000
	9¼% series due 2008	**25,000**	25,000
	6⅞% series "A" due 2008*	**9,200**	9,200
	6⅞% series "B" due 2008*	**21,800**	21,800
	12% series due 2009	**50,000**	50,000
	16½% series due 2011	**50,000**	50,000
	13% series due 2013	**60,000**	—
	12% series due 2013*	**11,980**	—
Guaranty of Pollution Control Bonds	5¾% series due 2003	**15,000**	15,000
	Variable rate series due 2013 (6.65% at December 31, 1983)	**43,000**	—
Loan Agreements		**40,000**	94,000
Nuclear Fuel Lease	(10.83% at December 31, 1983)	**47,992**	45,003
Short-Term Debt to be Refinanced		**—**	58,500
Unamortized Premium and Discount (net)		**(1,768)**	(1,833)
	Total	**$ 805,644**	$ 732,610

*Pledged In Support Of Pollution Control Bonds

STATEMENTS OF RETAINED EARNINGS

		Year Ended December 31		
		1983	1982 (thousands)	1981
Beginning Balance		**$ 210,402**	$ 193,956	$ 166,776
Net Income		**126,481**	80,941	79,146
		336,883	274,897	245,922
Dividends Declared	Preferred and preference stock (at required annual rates)	**21,598**	19,502	13,748
	Common stock—			
	$1.88 per share*			38,218
	$2.01 per share*		44,993	
	$2.17 per share	**55,370**		
		76,968	64,495	51,966
Ending Balance (Note 3)		**$ 259,915**	$ 210,402	$ 193,956

*The amounts for 1982 and 1981 have been restated to reflect the October, 1983, 3-for-2 common stock split.

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

System of Accounts: The accounting records of the Company are maintained in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC) and generally accepted accounting principles.

Utility Plant: Utility plant is stated at historical costs of construction. These costs include taxes, payroll related costs including pensions and other fringe benefits, and an allowance for funds used during construction.

Allowance for Funds Used During Construction (AFDC): AFDC includes the cost of borrowed funds used for construction purposes and a reasonable rate upon other (equity) funds. The allowance for borrowed funds represents an allocation of interest costs to construction, while the allowance for equity funds is a non-cash item of income. AFDC is charged to construction work in progress during the period of construction. When a construction project is placed in service, the related AFDC becomes a part of the original cost of the completed plant which is used to establish rates for utility charges under established regulatory rate practices. The rates used to compute AFDC, before associated deferred income taxes, are compounded semi-annually and averaged 12.1% for 1983, 12.1% for 1982 and 11.0% for 1981.

Depreciation and Maintenance: Provisions for depreciation are computed on a straight-line basis pursuant to rates ordered by the Missouri Public Service Commission (MPSC). Approximate annual composite rates were 3.62% in 1983, 3.61% in 1982 and 3.63% in 1981.

The Company charges to maintenance expense the repairs of property and replacement and renewals of items determined to be less than units of property, except for such costs which are charged to clearing accounts and redistributed to various operating, construction and other accounts. The costs of renewals and betterments of units of property are charged to the utility plant accounts. Property units retired or otherwise disposed of in the normal course of business are charged to the reserves for depreciation, along with removal costs, net of salvage.

The amounts of maintenance and depreciation expense other than those set forth in the Statements of Income are not significant. Rents and lease payments for railroad cars, computer equipment, buildings and similar items are also not significant.

Retirement Plans: The Company has group annuity plans for all its regular employees, including officers, providing for benefits upon retirement, normally at age 65. Under the requirements of the Employee Retirement Income Security Act of 1974 (ERISA) the Company is obligated to fund the benefits of the plan. The Company's policy is to fund pension costs accrued. Liability for past service costs is not significant. The annual costs of the plans were $9.2 million in 1983, $9.3 million in 1982 and $8.1 million in 1981.

At the annual valuation date of October 1, the actuarial present value of accumulated plan benefits was approximately $126 million for 1983 and $118 million for 1982, including $6 million and $3 million of non-vested benefits, respectively. Plan net assets were approximately $148 million for 1983 and $129 million for 1982. Rates of return of 6% to 7% were assumed in determining benefits.

Revenue Recognition: The Company utilizes cycle billing and accrues the amount of revenue for sales unbilled at the end of each reporting period.

Income Taxes: The Company generally normalizes the effects of the use of accelerated tax depreciation methods. Deferred income taxes have been provided for the differences between book and tax depreciation except for the effect of accelerated depreciation on Missouri property acquired prior to 1972. Accelerated depreciation methods include the use of the Asset Depreciation Range System and Accelerated Cost Recovery System which permit shorter lives. Taxes deferred on property additions for certain prior years are now being restored to income as the timing differences reverse.

The tax effect of the interest component of AFDC is normalized and the related accumulated deferred income taxes are credited to construction work in progress rather than deferred income taxes on the balance sheet. This procedure was followed for all jurisdictions until June 1983 when, in connection with a rate order, the Missouri Public Service Commission required the Company to no longer credit deferred income taxes against construction work in progress on the Missouri jurisdictional portion of Wolf Creek unit costs and to reclassify such accumulated balance ($32 million at December 31, 1982) from construction work in progress to deferred income taxes on the balance sheet.

The Company normalizes for all jurisdictional purposes, including Kansas after December 1, 1981, the tax effects of pension costs, payroll taxes and property taxes which are capitalized on the books but deducted currently for income tax purposes. The effects of the current deduction of removal costs are flowed through.

Investment tax credits have been deferred when utilized and are being amortized to income over the service lives of the related properties. At December 31, 1983, the Company had unused and unrecorded investment tax credits of approximately $32 million, which will be available to reduce Federal income taxes payable through 1998.

Subsidiary: The Company has a wholly-owned subsidiary, WYMO Fuels, Inc., organized for the acquisition and development of coal properties. The Company has accounted for its investment in WYMO Fuels, Inc., under the equity method and has not prepared consolidated financial statements because the effect of consolidation upon the accompanying financial statements would not be significant.

2. Short-Term Borrowings

The Company borrows short-term funds from banks and through the sale of commercial paper as needed between financings. Under minimal fee arrangements the Company has bank lines-of-credit of $100 million which are back-up for such borrowings.

3. Dividend Restrictions

Retained earnings at December 31, 1983, included $11.6 million which was not available for cash dividends on common stock under the provisions of the Indenture of Mortgage.

4. Preferred and Redeemable Preferred and Preference Stock

The outstanding preferred stock of $112 million may be redeemed at the option of the Company at prices which in the aggregate total $122 million, except that the $10.70 series may not be redeemed at the current redemption price of $110.70 prior to June 1, 1985, through a refunding, directly or indirectly, by or in anticipation of the incurring of any debt or the issuance of preferred stock which has interest or dividend costs to the Company lower than 10.84%.

The Company's Cumulative Preferred and Preference Stock (Redeemable) may be redeemed, in whole or in part, ratably from each of the holders of the outstanding shares, at times and prices specified in the purchase agreement for the individual issue. Redemption and sinking fund dates and amounts are as follows:

		Optional Redemption		Annual Sinking Fund		
Series	Date Issued	Initial Date	Current Price	Initial Date	Price	Shares
Cumulative Preferred						
4%	1948	Currently	$102.25	Currently	$100(a)	1,600
$17.05	1982(b)	1987	127.05	1988	110	11,400(c)
$13.25	1982	Currently(d)	113.25	1988	100(a)	60,000(e)
Cumulative Preference						
$ 8.00	1978	Currently	100.00	Currently	100	41,667
$12.75	1980	Currently(d)	106.375	1985	100	41,667

(a) May be satisfied by open market purchases in lieu of sinking fund redemption.

(b) Premium at time of issue of $2,280,000 was recorded in capital surplus.

(c) Company has non-cumulative option to redeem up to 11,400 additional shares each year at $110 per share plus dividends.

(d) The $13.25 and $12.75 series may not be refunded prior to August 31, 1987, and June 1, 1985, respectively through refunding at an interest cost or dividend rate which is less than the dividend rate of such series.

(e) Company has an option to purchase each year an additional 60,000 shares beginning in 1988 up to a maximum of 150,000 of such additional shares.

At December 31, 1983, the Company had authorized but unissued 553,557 shares of Cumulative Preferred Stock at a par value of $100 per share, 4,000,000 shares of Cumulative No Par Preferred Stock and 4,000,000 shares of Cumulative Preference Stock without par value.

Scheduled redemption and sinking fund requirements for outstanding redeemable preferred and preference stock for the next five years are as follows: 1984, $4,327,000, for 1985 through 1987, $8,493,000 each year, and $15,747,000 for 1988.

If any dividends on its preferred or preference stock are not declared and paid when scheduled, the Company could not declare or pay dividends on its common stock or acquire any shares thereof for consideration. If the amount of any such unpaid dividends equals four or more full quarterly dividends, the holders of preferred or preference stock, as the case may be, voting by the classes prescribed for this purpose, could elect representatives on the Company's Board of Directors.

5. Long-Term Debt

First Mortgage Bonds: The amount of First Mortgage Bonds authorized by the Indenture of Mortgage and Deed of Trust dated as of December 1, 1946, as supplemented, is unlimited. The amount of additional bonds which may be issued is subject to certain restrictive provisions of the Indenture. Substantially all of the Company's utility plant is pledged under the terms of the Indenture. The 3¼% series due 1985 has an annual sinking fund requirement of $160,000 which will be met by pledging property additions taken at 60% of cost or fair value to the Company, whichever is less.

In January 1983, the proceeds of the $60 million of 13% First Mortgage Bonds due in 2013 were used primarily to refinance short-term borrowings.

Loan Agreements: The Company has a $100 million line-of-credit, expiring June 30, 1985, with a group of international banks which provides for the use of unsecured funds at interest rates adjusted quarterly based on the three-month London Inter-Bank Offered Rate. No loans were outstanding at December 31, 1983.

The Company has a financing arrangement with a bank, expiring January 16, 1986, which enables the Company to borrow up to $50 million by collateralizing its coal and fuel oil inventories at rates based upon the current bankers' acceptance discount rate plus an acceptance charge. At December 31, 1983, $40 million at 10.55% was outstanding.

Nuclear Fuel Lease: The Company has a lease expiring in April, 1988, which provides for the financing of the costs of up to $80 million of the Company's nuclear fuel. The lessor will obtain, through the issuance of commercial paper backed by letters of credit from commercial banks, or from revolving credit loans, the necessary funds to purchase the fuel and make interest payments when due. The Company is obligated to reimburse the lessor for all expenditures for nuclear fuel, interest and related costs as the fuel is consumed in the plant. The Company is capitalizing the cost, including related interest costs, of the leased nuclear fuel.

Scheduled Maturities: The aggregate amount of maturities during the next five years of long-term debt outstanding at December 31, 1983, (exclusive of the loan agreements, which the Company expects will be extended, and the nuclear fuel lease) is $16 million in 1985.

6. Jointly Owned Electric Utility Plants

The Company has, under joint ownership agreements with other utilities, undivided interests at December 31, 1983, in generating units as follows:

	Wolf Creek Unit	La Cygne Units	Iatan Unit
Company's share	47.0%	50.0%	70.0%
		(thousands)	
Utility plant in service	—	$ 239,220	$ 236,686
Utility plant under construction	$ 938,078	$ 1,781	$ 224
Accumulated depreciation (Production plant only)	—	$ 71,122	$ 31,078
Company's accredited capacity—MW	541	685	469

Each participant must provide its own financing. The Company's share of direct expenses is included in the corresponding operating expenses on the Statements of Income.

7. Commitments and Contingencies—Nuclear Plant

At December 31, 1983, the Company's shares of Wolf Creek's total construction and nuclear fuel commitments were approximately $58 million and $194 million, respectively. Nuclear fuel commitments include approximately $92 million for uranium concentrates, enrichment and conversion through 1997 and $102 million for fabrication through 2010. See Management's Discussion for additional information regarding Wolf Creek construction costs.

An application is pending before the Nuclear Regulatory Commission for an operating license for the Wolf Creek Unit. Without such a license, the Company assumes a risk of loss in proceeding with the construction of the Wolf Creek Unit.

AUDITORS' REPORT

To the Stockholders and the Board of Directors of Kansas City Power & Light Company

We have examined the balance sheets and statements of cumulative preferred and preference stock and long-term debt of Kansas City Power & Light Company (a Missouri corporation) as of December 31, 1983 and 1982, and the related statements of income, taxes, retained earnings and sources of funds for gross property additions for each of the three years in the period ended December 31, 1983. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Kansas City Power & Light Company as of December 31, 1983 and 1982, and the results of its operations and the sources of its funds for gross property additions for each of the three years in the period ended December 31, 1983, in conformity with generally accepted accounting principles applied on a consistent basis.

ARTHUR ANDERSEN & CO.

Kansas City, Missouri,
January 27, 1984.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

KWH Sales and Operating Revenues

Kwh sales increased 8.2% in 1983 and decreased 3% in 1982 compared with the prior years. The 1983 increase reflects higher residential usage due primarily to prolonged summer and winter temperature extremes and an upturn in the local manufacturing economy. Since April 1983, kwh sales to a steel manufacturer have increased 26% over the same 1982 period. In accordance with new rate case procedures, the Company reclassified municipal firm power sales from interchange power to other sales. This accounted for a 13.4% ($2 million) increase in other kwh sales for 1983 compared to 1982. The 3% decrease in 1982 was mainly due to the effect of the recession on the local economy.

Sales data for the years:

	Increase (Decrease) Over Prior Year			
	1983		1982	
	KWH	Revenues (Millions)	KWH	Revenues (Millions)
Sales				
Residential	14.3%	$ 39	1.4 %	$ 6
Commercial	4.8	23	2.7	11
Industrial (exclusive of a steel manufacturer)	3.3	5	(4.7)	—
Other	21.4	7	(.2)	—
Total	8.4	74	.7	17
Steel manufacturer	5.9	2	(32.7)	(7)
Total	8.2%	76	(3.0)%	10
Other Revenues		1		4
Total		$ 77		$ 14

The components of changes in operating revenues:

	Increase (Decrease) Over Prior Year	
	1983	1982
	(Millions)	
Revenues (exclusive of steel manufacturer)		
Kwh sales and steam usage	$ 38	$ 4
Increases in base rates	33	33
Fuel cost recovery through fuel adjustment clauses	4	(16)
Total	75	21
Steel manufacturer	2	(7)
Total	$ 77	$ 14

Fuel Costs

The average fuel cost per million Btu increased to $1.535 in 1983 from $1.389 in 1982 and $1.239 in 1981 reflecting the higher prices for coal, freight and natural gas. The 1983 increase also reflects the low availability of a generating unit due to a major overhaul. This generating unit has historically had the lowest average fuel cost per million Btu. The majority of the costs of the overhaul were capitalized. Approximately 30% of the fuel cost increases have been recovered through the fuel adjustment clauses applicable to the Company's Kansas and wholesale sales.

The components of change in fuel costs:

	Increase (Decrease) Over Prior Year	
	1983	1982
	(Millions)	
Generation for customers and interchange sales	$ (4)	$ (24)
Average fuel cost	15	17
Total	$ 11	$ (7)

Interchange Power (Net)

Expenses increased because of changes in interchange power (net) of $22.3 million in 1983 and $27.3 million in 1982. The changes occurred primarily because a capacity sale agreement with another utility, which commenced June 1, 1980, expired May 31, 1982. The increase also occurred because of increased power purchases made necessary during the hot weather and record sales in 1983, and the purchase of power when it was available at costs lower than the costs of operating certain of the Company's available units. The level of interchange sales in the future will depend upon the Company's system requirements and other factors such as fuel costs, maintenance requirements and the availability of generating units to the Company and potential purchasing utilities.

Maintenance

Maintenance expense decreased 14.6% in 1983 compared to 1982 reflecting decreased maintenance required at several generating stations and changes in the operating status of certain units to summer peaking, emergency use, or inactive reserve. Maintenance expense increased in 1982 compared to 1981 reflecting increased maintenance required at several generating stations and increased transmission and distribution maintenance.

Interest Expense

Interest expense continues to increase because of increased amounts of outstanding long-term debt. This increase was partially offset by a decrease in interest on short-term notes and the lower market rates of interest applicable to the variable rate long-term debt. Miscellaneous interest expense in 1982 was less than 1981 because of interest expense incurred in 1981 for advance payments received prior to the December 1981 sale of an interest in Wolf Creek.

Net AFDC

Net AFDC represents the net effect upon the Company's net income of capitalized allowance for funds used during construction (AFDC) and is equal to allowance for equity funds used during construction, plus allowance for borrowed funds used during construction, less deferred income taxes on the borrowed funds component.

The continuing increases in the amount of construction work in progress at Wolf Creek and higher AFDC rates caused net AFDC to increase 36% in 1983 and 34% in 1982. Net AFDC will continue to increase until commercial operation of Wolf Creek. At that time, without rate relief to adequately reflect inclusion of Wolf Creek in rate base, net income and earnings per share would decline.

Earnings Per Share

Earnings per common share were significantly impacted by net AFDC as follows:

	1983	1982	1981
Net AFDC (millions)	$76.5	$56.3	$41.9
Net AFDC Per Share	$ 3.03	$ 2.50	$ 2.07
Earnings Per Share (EPS)	$ 4.15	$ 2.79	$ 3.22
Net AFDC Per Share as a Percent of EPS	73%	90%	64%
EPS excluding net AFDC	$ 1.12	$ .29	$ 1.15

Earnings per share, excluding net AFDC, decreased from 1981 to 1982 because of inadequate rate relief and the effect of the recession on the local economy. The increase from 1982 to 1983 reflects mainly an upturn in the economy, rate increases, and extreme winter and summer weather.

Projected Construction Expenditures

Projected five-year construction expenditures, excluding AFDC, are:

	Construction Expenditures					
	1984	1985	1986	1987	1988	Total
			(Millions)			
Generating facilities	$166.3	$ 26.8	$15.5	$14.8	$14.5	$237.9
Nuclear fuel	9.7	20.8	12.7	18.5	14.1	75.8
Transmission facilities	23.2	16.4	18.0	17.2	4.0	78.8
Distribution and general facilities	35.8	41.4	37.6	37.6	41.7	[illegible]
Total	$235.0	$105.4	$83.8	$88.1	$74.3	$586.6

The timing of construction and cost estimates are subject to continuing review and adjustments, and actual construction expenditures may vary from such estimates. After completion of Wolf Creek, construction expenditures are expected to drop to significantly lower levels.

Wolf Creek Construction Costs

Based on the targeted February 1985 commercial operation date, the total construction cost of Wolf Creek, excluding nuclear fuel, is presently estimated to be $2.67 billion, including $854 million of AFDC. This time schedule is less than that of the average experienced by other nuclear units currently being completed. Current construction progress now indicates that such schedule may not be achievable. The Nuclear Regulatory Commission's case-load forecast, made nearly one year ago, which incorporates a wide base of industry experience, estimates fuel load eight months later than the current August 1984 target, in which case the commercial in-service date could be lengthened by a like period. However, the Company expects to complete its construction for commercial operation in the spring of 1985. In view of the numerous and diverse problems currently impacting nuclear units, no assurance can be given that Wolf Creek will be immune from further delay in its construction, licensing and operation.

Any delay in commercial operation of Wolf Creek would result in an increase in its total cost; including AFDC accruals of approximately $27 million per month and such labor costs as may be required to finish the project. The Company's share of the above-estimated $2.67 billion construction cost of Wolf Creek is $1.25 billion (including $399 million of AFDC), of which the Company has incurred through December 31, 1983, $927 million (including $260 million of AFDC). This estimate is based on the latest available information and does not reflect the increase in costs that would result from a delay.

Effect of Wolf Creek on Electric Rates

The Company plans to propose a "phase in" tariff in each retail rate jurisdiction, to be effective coincidental with the commercial operation date of the Wolf Creek Plant. Such tariffs if approved by the regulatory commissions would result in lower electric rates during the first years of the phase-in period than otherwise would have been realized under traditional rate making procedures with full cost recovery commencing in the first year of commercial operation of the Wolf Creek Plant. However, such tariffs would result in slightly higher rates in the last years of the phase-in period than if no phase-in was implemented.

Financing Requirements

In addition to financing construction expenditures, the Company will require cash during the five years ending December 31, 1988, to retire $16 million of maturing long-term debt, exclusive of payments on the nuclear fuel lease, and to redeem $45.6 million of preferred and preference stock pursuant to sinking fund obligations.

It is expected that 1984 financing requirements will be met through sales of debt and equity securities and various other financing arrangements. The amounts, timing and methods of financing will be dependent upon market conditions prevailing at the time the financings are required. It is anticipated that funds for the remaining capital needs will be provided from operations. Short-term borrowings will be utilized between financings. The Company expects to seek regulatory approval in 1984 to increase its total short-term borrowing limits from $200 to $300 million.

Uncertainties which affect the degree to which financing requirements will be met by funds provided from operations include other such items as the impact of inflation on operating expenses, the level of kwh sales, the level of interchange transactions with other utilities and the Company's ability to receive adequate rate increases.

See Supplementary Financial Information for Financial Data Adjusted for Changing Prices.

SUPPLEMENTARY FINANCIAL INFORMATION

Quarterly Operating Results

	1st Quarter 1983	1st Quarter 1982	2nd Quarter 1983	2nd Quarter 1982	3rd Quarter 1983	3rd Quarter 1982	4th Quarter 1983	4th Quarter 1982
	(thousands)							
Operating revenues	$114,533	$115,347	$124,795	$111,416	$185,853	$140,683	$137,362	$118,183
Operating income	16,296	19,273	21,127	14,360	42,453	26,071	24,607	18,219
Net income	20,429	16,930	25,512	12,643	47,857	29,195	32,683	22,173
Earnings per common share*	$ .61	$ .63	$ .82	$ .39	$ 1.71	$ 1.03	$ 1.00	$ .69

The business of the Company is subject to seasonal fluctuations with peak periods occurring during summer months.

*The earnings per share have been restated to reflect the October, 1983, 3-for-2 common stock split.

Financial Data Adjusted for Changing Prices

(Thousands)

	Year Ended December 31, 1983 Constant Dollar Average 1983 Dollars	Current Cost Average 1983 Dollars
Net income before book depreciation of $46,319	$ 172,800	$ 172,800
Adjusted depreciation	106,320	114,009
Income*	$ 66,480(a)	$ 58,791
Increase in specific prices (current cost) of property, plant and equipment held during the year		$ 132,679
Decrease to net recoverable cost	$ (4,607)	(10,328)
Effect of increase in general price level		(119,269)
Total	(4,607)	3,082(b)
Gain from decline in purchasing power of net amounts owed	40,130	40,130
Net	$ 35,523	$ 43,212

(a) Including the decrease to net recoverable cost, the gain on a constant dollar basis would have been $61,873 for 1983.

(b) At December 31, 1983, current cost of utility plant net of accumulated depreciation was $3,368,000 while historical cost or net cost recoverable through depreciation was $1,872,000.

CERTAIN FINANCIAL DATA ADJUSTED FOR CHANGING PRICES

(In Thousands of Average 1983 Dollars)

	Year Ended December 31				
	1983	1982	1981	1980	1979
Average consumer price index (national)	**298.4**	289.1	272.4	246.8	217.4
General information					
Operating revenues	**$562,543**	$501,251	$516,735	$539,206	$509,056
Gain from decline in purchasing power of net amounts owed	**$ 40,130**	$ 38,298	$ 88,464	$123,566	$136,956
Cash dividends declared per common share**	**$ 2.17**	$ 2.07	$ 2.06	$ 2.17	$ 2.41
Market price per common share at year-end**	**$ 18.43**	$ 18.88	$ 15.54	$ 15.59	$ 19.15
Historical cost information adjusted for— General inflation					
income*	**$ 66,480**	$ 23,944	$ 27,640	$ 28,390	$ 4,560
Income (loss)* per common share**	**$ 1.78**	$ .23	$ .62	$ .69	$ (.60)
Net assets at year-end at net recoverable cost	**$655,077**	$546,174	$486,888	$490,619	$484,428
Current cost information					
Income*	**$ 58,791**	$ 14,734	$ 16,431	$ 14,809	$(12,684)
Income (loss)* per common share**	**$ 1.47**	$ (.18)	$ .07	$ (.01)	$ (1.65)
Excess of increase in general price level over increase in specific prices after reduction to net recoverable cost	**$ (3,082)**	$ (9,436)	$ 64,899	$117,038	$143,935
Net assets at year-end at net recoverable cost	**$655,077**	$546,174	$486,888	$490,619	$484,428

*Excluding adjustment to net recoverable cost. The year 1979 is before cumulative effect of change in revenue recognition.

**The amounts for 1979-1982 have been restated to reflect the October, 1983, 3-for-2 common stock split.

Notes to the Financial Data Adjusted for Changing Prices

The information presented above is supplied in accordance with the requirements of FASB Statement No. 33, "Financial Reporting and Changing Prices," for the purpose of providing certain information about the effects of changing prices. It should be viewed as an estimate of the approximate effect of inflation, rather than as a precise measure.

Constant dollar amounts represent historical costs stated in terms of dollars of equal purchasing power, as measured by the Consumer Price Index for All Urban Consumers (CPI-U). Current cost amounts reflect the changes in specific prices of plant from the date the plant was acquired to the present, and differ from constant dollar amounts to the extent that specific prices have increased more or less rapidly than prices in general. The current cost of plant was determined by indexing the surviving plant by the Handy-Whitman Index of Public Utility Construction Costs. Since utility plant is not expected to be replaced precisely in kind, current cost does not necessarily represent the replacement cost of the Company's productive capacity. The current year's provision for depreciation on the constant dollar and current cost amounts of depreciable plant was determined by applying the Company's composite depreciation rate to the average, depreciable plant amount calculated on a constant dollar and current cost basis.

Since regulation limits a recovery of fuel costs in base rate schedules to actual costs, fuel inventories are effectively monetary assets and have, therefore, not been restated from their historical cost in nominal dollars. Also, preferred stock has been treated as a monetary item.

Since only historical costs are deductible for income tax purposes, income tax expense has not been adjusted.

Under the ratemaking prescribed by the regulatory commissions to which the Company is subject, only the historical cost of plant is recoverable in revenues as depreciation. Therefore, the excess of the cost of plant stated in terms of constant dollars or current costs that exceed the historical cost of plant is not presently recoverable in rates as depreciation, and is reflected as a reduction to net recoverable cost. To properly reflect the economics of rate regulation in the determination of income, the reduction of net plant to net recoverable cost has been offset by the gain from the decline in purchasing power of net amounts owed.

STOCKHOLDER INFORMATION

Dividends and Stock Prices

Common Stock Price Range*

	1983		1982	
Quarter	**High**	**Low**	**High**	**Low**
First	$19⅞	$18⅜	$16	$14½
Second	20⅛	18⅛	17⅛	15⅜
Third	21½	18	17⅜	15⅛
Fourth	22½	16¾	18¾	16½

Common stock is listed on the New York Stock Exchange and the Midwest Stock Exchange.

Common Stock Dividends*

Common Stock dividends were declared as follows:

Quarter	1984	1983	1982
First	$0.560	$0.527	$0.493
Second		0.527	0.493
Third		0.560	0.493
Fourth		0.560	0.527

Preferred and Preference Stock Dividends

Quarterly dividends on Preferred and Preference Stock were declared in each quarter of 1983 and 1982 as follows:

Cumulative Preferred Stock

Series	Amount
3.80%	$0.95
4.00%	1.00
4.20%	1.05
4.35%	1.0875
4.50%	1.125
7.72%	1.93

Cumulative No Par Preferred Stock

Series	Amount
$10.70	$2.675
$ 2.33	0.5825
$ 2.20	0.55

Cumulative Preference Stock

Series	Amount
$ 8.00	$2.00
$12.75	3.1875

Quarterly dividends on Cumulative Preferred Stock issued in 1982 were declared as follows:

		Quarter			
	Series	**1st**	**2nd**	**3rd**	**4th**
1983	$17.05	$4.2625	$4.2625	$4.2625	$4.2625
1982	$17.05	5.0676	4.2625	4.2625	4.2625
1983	$13.25	3.3125	3.3125	3.3125	3.3125
1982	$13.25	—	—	2.3188	3.3125

All dividends paid by the Company in 1983 were determined to be dividend income and no portion was considered to be return of capital.

*Adjusted for the October 1983 3-for-2 common stock split.

Transfer Agents and Registrars

Common Stock
Manufacturers Hanover Trust Company
New York, New York 10015

United Missouri Bank of Kansas City, N.A.
Kansas City, Missouri 64141

Preferred Stock
Manufacturers Hanover Trust Company
New York, New York 10015

United Missouri Bank of Kansas City, N.A.
Kansas City, Missouri 64141

Preference Stock and $17.05 Preferred Stock
Kansas City Power & Light Company
Kansas City, Missouri 64141

Annual Report on Form 10-K

Copies of the Company's annual report to the Securities and Exchange Commission on Form 10-K will be provided without charge to any shareholder or beneficial owner of shares of the Company's stock upon written request to Samuel P. Cowley, Senior Vice President and Secretary, Kansas City Power & Light Company, 1330 Baltimore Avenue, Kansas City, Missouri 64195.

Dividend Reinvestment and Stock Purchase Plan

A Dividend Reinvestment and Stock Purchase Plan is available to all holders of KCPL stock. Under the plan, shareholders may invest in new common shares through automatic reinvestment of dividends on common, preferred or preference stock and/or invest cash in amounts up to $1,000 quarterly. All stock purchases are free of brokerage commissions. Stock is purchased with reinvested dividends at a five percent discount from market price and at market price with cash. Under the Economic Recovery Tax Act of 1981, shareholders may defer federal income taxes on reinvested dividends of up to $750 annually ($1,500 for joint returns) until the stock is sold. The tax benefit is available through 1985. A prospectus for the plan is available by writing to the Secretary of the Company.

This report, including the financial statements contained herein, has been prepared for the general information of shareholders of Kansas City Power & Light Company, and is not intended to induce, or for use in connection with, any sale, offer for sale, or solicitation of an offer to buy, any securities of the Company.

ELEVEN-YEAR SUMMARIES OF FINANCIAL AND SELECTED STATISTICAL DATA

Summary of Earnings	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973
Operating Revenues (000's)											
Electric	**$ 553,370**	$ 475,802	$ 465,825	$ 440,182	$ 365,084	$ 313,787	$ 266,053	$ 234,297	$ 207,813	$ 170,249	$ 155,403
Steam heat	**9,173**	9,827	5,886	5,783	5,791	4,876	4,609	2,867	2,505	1,799	1,736
Total	**562,543**	485,629	471,711	445,965	370,875	318,663	270,662	237,164	210,318	172,048	157,139
Operating Expenses (000's)											
Operation	**243,076**	207,974	180,474	174,661	186,134	135,450	110,510	92,945	83,555	58,837	55,950
Maintenance	**53,338**	62,496	54,305	52,680	54,315	30,359	29,496	22,275	19,194	14,550	13,890
Depreciation	**46,319**	45,215	44,962	41,733	34,868	33,174	30,356	24,629	21,867	20,648	18,560
Taxes											
Income	**61,962**	39,946	45,577	42,088	9,569	26,137	18,455	19,841	16,495	15,204	10,633
General	**53,345**	52,075	51,908	47,956	41,914	38,511	35,519	31,822	28,537	25,207	22,959
Total	**458,060**	407,706	377,226	359,118	326,800	263,631	224,336	191,512	169,648	134,446	121,992
Operating Income (000's)	**104,483**	77,923	94,485	86,847	44,075	55,032	46,326	45,652	40,670	37,602	35,147
Other Income and Deductions (000's)											
Allowance for equity funds used during construction	**53,809**	36,089	29,073	19,775	19,467	12,543	7,592	3,983	2,119	511	1,006
Miscellaneous (net)	**25**	(63)	327	(122)	304	(874)	(39)	185	1,715	642	214
Total	**53,834**	36,026	29,400	19,653	19,771	11,669	7,553	4,168	3,834	1,153	1,220
Income before Interest Charges (000's)	**158,317**	113,949	123,885	106,500	63,846	66,701	53,879	49,820	44,504	38,755	36,367
Interest Charges (000's)											
Long term debt	**70,126**	65,260	55,232	48,864	40,612	32,217	26,856	23,553	19,968	17,884	17,473
Short term notes	**4,332**	6,021	3,896	4,781	3,408	1,969	1,066	412	1,085	1,592	343
Miscellaneous	**1,271**	1,397	10,489	7,151	2,486	341	268	255	203	128	147
Allowance for borrowed funds used during construction—credit	**(43,893)**	(39,670)	(24,878)	(22,997)	(19,211)	(10,750)	(5,904)	(4,022)	(3,356)	(1,062)	(1,554)
Total	**31,836**	33,008	44,739	37,799	27,295	23,777	22,286	20,198	17,900	18,542	16,409
Income before Cumulative Effect (000's)	**126,481**	80,941	79,146	68,701	36,551	42,924	31,593	29,622	26,604	20,213	19,958
Cumulative Effect of Change in Revenue Recognition (000's)	**—**	—	—	—	7,202	—	—	—	—	—	—
Net Income (000's)	**126,481**	[illegible]941	79,146	68,701	43,753	42,924	31,593	29,622	26,604	20,213	19,958
Preferred and Preference Stock Dividend Requirements (000's)	**21,570**	[illegible]	[illegible],749	12,418	10,573	8,719	7,545	5,124	4,019	2,842	2,848
Applicable to Common Stock (000's)	**$ 104,91[illegible]**	[illegible]	$ 65,397	$ 56,283	$ 33,180	$ 34,205	$ 24,048	$ 24,498	$ 22,585	$ 17,371	$ 17,110
Earnings Per Common Share*	**$ 4.15**	$ 2.79	$ 3.22	$ 2.91	$ 2.01	$ 2.36	$ 1.95	$ 2.26	$ 2.41	$ 1.95	$ 1.92
Ratio of Earnings to Fixed Charges	**3.43**	2.62	2.75	2.80	1.99	3.01	2.78	3.04	3.09	2.82	2.68
Return on Year-end Equity	**15.7%**	11.7%	14.2%	13.2%	7.0%	10.5%	8.5%	10.0%	10.5%	9.2%	9.3%
Capitalization Data											
Common Stock Equity (000's)	**$ 666,273**	$ 535,192	$ 459,313	$ 423,852	$ 373,224	$ 327,260	$ 282,106	$ 244,938	$ 215,512	$ 189,336	$ 183,934
Average shares outstanding*	**25,278,388**	22,510,368	20,302,723	19,373,655	16,514,110	14,466,481	12,324,198	10,817,304	9,370,638	8,920,638	8,920,638
Cash dividends per share*	**$ 2.17**	$ 2.01	$ 1.88	$ 1.79	$ 1.76	$ 1.71	$ 1.64	$ 1.56	$ 1.51	$ 1.47	$ 1.47
Preferred Stock (000's)	**$ 112,000**	$ 112,000	$ 112,000	$ 112,000	$ 112,000	$ 112,000	$ 112,000	$ 92,000	$ 72,000	$ 52,000	$ 52,000
Dividend requirements (000's)	**$ 8,414**	$ 8,414	$ 8,414	$ 8,414	$ 8,414	$ 8,414	$ 7,372	$ 4,945	$ 3,834	$ 2,650	$ 2,650
Average dividend rate	**7.5%**	7.5%	7.5%	7.5%	7.5%	7.5%	7.4%	6.7%	6.0%	5.1%	5.1%
Preferred Stock (Redeemable) (000's)	**$ 56,156**	$ 56,316	$ 3,676	$ 3,836	$ 3,996	$ 4,156	$ 4,316	$ 4,476	$ 4,636	$ 4,796	$ 4,956
Dividend requirements (000's)	**$ 7,997**	$ 4,592	$ 148	$ 153	$ 159	$ 166	$ 173	$ 179	$ 185	$ 192	$ 198
Average dividend rate	**14.2%**	14.7%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Preference Stock (Redeemable) (000's)	**$ 45,833**	$ 50,000	$ 50,000	$ 50,000	$ 25,000	$ 25,000	—	—	—	—	—
Dividend requirements (000's)	**$ 5,159**	$ 5,187	$ 5,187	$ 3,851	$ 2,000	$ 139	—	—	—	—	—
Average dividend rate	**10.39%**	10.38%	10.38%	9.73%	8.00%	8.00%	—	—	—	—	—
Long-term Debt (including current maturities) (000's)	**$ 805,644**	$ 767,616	$ 662,050	$ 612,477	$ 588,876	$ 503,044	$ 436,372	$ 384,118	$ 343,738	$ 324,541	$ 299,797
Interest on debt (000's)	**$ 70,126**	$ 65,260	$ 55,232	$ 48,864	$ 40,612	$ 32,217	$ 26,856	$ 23,553	$ 19,968	$ 17,884	$ 17,473
Average interest rate	**9.13%**	9.40%	8.88%	8.27%	7.58%	6.98%	6.78%	6.35%	6.12%	5.88%	5.86%
Other Data and Ratios											
Utility Plant—Gross additions (000's)	**$ 304,636**	$ 207,038	$ 173,418	$ 156,867	$ 234,818	$ 188,721	$ 168,285	$ 126,014	$ 89,818	$ 63,179	$ 38,355
Total Assets (000's)	**2,071,015**	1,792,227	1,617,781	1,538,978	1,391,038	1,166,760	1,008,814	841,502	736,530	662,592	604,930
Book Value per share*	**$ 23.53**	$ 21.96	$ 22.25	$ 21.12	$ 21.30	$ 21.90	$ 21.75	$ 21.64	$ 21.29	$ 21.11	$ 20.62
Common Stock Equity Ratio	**39.5%**	36.0%	35.7%	36.1%	34.2%	33.7%	34.2%	33.8%	35.5%	33.1%	34.0%
Common Stock Price*											
High	**$ 22½**	$ 18¾	$ 16½	$ 15⅝	$ 18⅜	$ 19⅝	$ 21⅝	$ 20	$ 17⅞	$ 18⅞	$ 22⅜
Low	**$ 16¾**	$ 14½	$ 13	$ 12⅜	$ 14⅝	$ 16	$ 18¾	$ 16⅝	$ 12⅜	$ 10⅜	$ 15⅝

*The amounts have been restated to reflect the October, 1983, 3 for 2 common stock split.

Electric Sales Statistics	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973
Revenues (000's)											
Residential	**$ 199,713**	$ 160,364	$ 154,916	$ 161,973	$ 121,170	$ 111,972	$ 93,343	$ 84,202	$ 79,507	$ 62,314	$ 58,280
Commercial	**227,286**	203,904	192,526	176,505	148,120	124,083	107,738	94,306	83,416	68,273	62,043
Industrial	**93,963**	86,953	94,168	80,821	76,956	61,489	50,914	43,105	34,478	30,927	27,570
Public street and highway lighting	**11,015**	9,616	9,332	8,325	7,043	6,221	6,398	5,888	5,205	4,506	3,949
Public authorities—power and lighting	**89**	86	82	75	69	74	65	60	56	55	49
Other electric utilities	**17,678**	12,631	12,648	10,638	9,994	8,369	6,186	5,315	3,765	2,968	2,355
Total	**549,744**	473,554	463,672	438,337	363,352	312,208	264,544	232,876	206,427	169,043	154,246
Other electric revenues	**3,626**	2,248	2,153	1,845	1,732	1,579	1,409	1,421	1,386	1,206	1,157
Total	**$ 553,370**	$ 475,802	$ 465,825	$ 440,182	$ 365,084	$ 313,787	$ 266,053	$ 234,297	$ 207,813	$ 170,249	$ 155,403
Sales in Kilowatt Hours (000's)											
Residential	**2,719,062**	2,378,647	2,345,646	2,689,467	2,254,962	2,465,782	2,284,029	2,193,859	2,300,432	2,070,855	2,113,326
Commercial	**3,498,936**	3,339,673	3,251,235	3,338,185	3,183,710	3,182,675	3,080,589	2,889,888	2,846,031	2,651,817	2,677,697
Industrial	**2,039,736**	1,959,431	2,326,664	2,141,924	2,383,204	2,302,619	2,147,363	1,980,230	1,768,308	1,952,711	1,985,799
Public street and highway lighting	**66,744**	66,625	66,308	67,172	66,561	68,248	68,286	66,814	65,260	65,276	64,158
Public authorities—power and lighting	**1,563**	1,657	1,634	1,693	1,876	2,710	2,702	2,657	2,914	3,513	3,599
Other electric utilities	**410,338**	325,997	327,022	355,154	328,072	336,916	317,516	302,842	264,497	235,488	236,309
Total	**8,736,379**	8,072,030	8,318,509	8,593,595	8,218,385	8,358,950	7,900,485	7,436,290	7,247,442	6,979,660	7,080,888
Average Number of Customers											
Residential	**309,909**	306,756	304,613	301,417	298,413	293,402	288,376	284,296	281,708	278,973	273,532
Commercial	**40,550**	40,065	39,758	38,984	38,372	38,713	38,343	38,024	37,709	37,575	37,401
Industrial	**2,488**	2,476	2,359	2,215	2,142	2,121	2,084	2,065	2,049	2,063	2,112
Public street and highway lighting	**120**	120	122	123	123	123	122	125	126	128	128
Public authorities—power and lighting	**11**	11	11	11	11	12	11	11	11	12	12
Other electric utilities	**19**	13	13	14	14	16	16	15	13	13	13
Total	**353,097**	349,441	346,876	342,764	339,075	334,387	328,952	324,536	321,616	318,764	313,198
Residential Sales											
Average kwh per customer	**8,774**	7,754	7,700	8,923	7,556	8,404	7,920	7,717	8,166	7,423	7,726
Average revenue per kwh—cents	**7.345**	6.742	6.604	6.023	5.373	4.541	4.087	3.838	3.456	3.009	2.758
Load Statistics											
Generated (net)—kwh (000's)	**9,191,352**	9,158,284	10,762,030	10,095,801	7,535,591	8,581,224	8,446,189	7,667,221	7,203,748	7,225,580	7,212,592
Purchased—kwh (000's)	**12,559**	11,146	11,051	11,761	79,993	211,991	188,082	194,250	190,198	161,600	141,759
Interchanged (net)—kwh (000's)	**193,436**	(539,933)	(1,908,379)	(902,501)	1,196,104	218,421	(182,695)	164,936	463,542	169,272	243,921
Total—kwh (000's)	**9,397,327**	8,609,497	8,864,702	9,205,061	8,811,688	9,011,636	8,451,576	8,026,407	7,857,488	7,556,452	7,598,272
Maximum net hourly demand in kilowatts (winter)	**1,435,000**	1,315,000	1,304,000	1,299,000	1,317,000	1,286,000	1,255,000	1,165,000	1,161,000	1,106,300	1,090,900
Maximum net hourly demand in kilowatts (summer)	**2,324,000**	2,167,000	2,123,000	2,198,000	1,964,000	2,097,000	1,980,000	1,920,000	1,902,700	1,907,200	1,757,300
Net generating capability in kilowatts (summer)	**2,634,000**	2,774,000	2,884,000	2,838,000	2,560,000	2,560,000	2,641,000	2,361,000	2,334,000	2,218,000	2,224,000
Net capacity in kilowatts (sold) purchased (summer)	**—**	—	(200,000)	(150,000)	—	95,000	(101,000)	118,000	100,000	148,000	(25,000)
Btu per net kwh generated	**10,874**	11,138	11,119	11,158	11,633	11,266	11,518	11,331	11,585	11,364	11,521
Employee Data											
Salaries and wages (000's)	**$ 89,246**	$ 87,907	$ 80,239	$ 73,602	$ 68,465	$ 54,693	$ 56,380	$ 49,644	$ 45,305	$ 38,614	$ 40,068
Pensions and benefits (000's)	**15,060**	14,473	12,759	11,670	9,947	6,861	7,878	7,132	6,487	5,358	5,870
	$ 104,306	$ 102,380	$ 92,998	$ 85,272	$ 78,412	$ 61,554	$ 64,258	$ 56,776	$ 51,792	$ 43,972	$ 45,938
Number of employees, December 31	**2,939**	2,957	2,928	2,856	2,868	2,726	2,572	2,522	2,484	2,477	2,556
Employee Data—Adjusted **											
Salaries and wages (000's)	**$ 81,058**	$ 80,194	$ 72,627	$ 66,469	$ 62,569	$ 49,755	$ 51,716	$ 46,491	$ 42,748	$ 36,272	$ 39,130
Pensions and benefits (000's)	**13,792**	13,281	11,610	10,751	9,282	6,287	7,359	6,754	6,174	5,087	5,729
	$ 94,850	$ 93,475	$ 84,237	$ 77,220	$ 71,851	$ 56,042	$ 59,075	$ 53,245	$ 48,922	$ 41,359	$ 44,859
Number of employees, December 31	**2,708**	2,720	2,694	2,628	2,659	2,577	2,414	2,382	2,379	2,375	2,473

**Excludes data related to employees allocated to other participants in jointly-owned units operated by KCPL.

BOARD OF DIRECTORS

Arthur J. Doyle *
Chairman of the Board,
President and Chief Executive
Officer

William H. Clark
President and Executive
Director
Urban League of
Kansas City
— Community Service
Agency

Cyrus S. Eaton, Jr.
Chairman of the Board
Cyrus Eaton World Trade
Cleveland, Ohio
— international trade

William D. Grant *
Chairman of the Board and
Chief Executive Officer
Business Men's Assurance
Company of America
— insurance

George E. Nettels, Jr.
President and Chief Executive
Officer
McNally Pittsburg, Inc.
President
Midwest Minerals, Inc.
Pittsburg, Kansas
-- engineering, manufacturing, construction
mineral processing and
quarry operations

Louis C. Rasmussen
Senior Vice President-Finance
and Commerce and Chief
Financial Officer

Eugene M. Strauss *
Chief Executive
The Strauss Companies
— insurance and related
insurance corporations

Linda Hood Talbott
Executive Director
Clearinghouse for
Midcontinent Foundations
— information exchange
for philanthropic
activities

Willis C. Theis *
Chairman of the Board
Simonds-Shields-Theis
Grain Company
— grain merchants and
warehousemen

Robert H. West *
President, Chief Operating
Officer and Director
Butler Manufacturing
Company
— manufacturer and marketer
of pre-engineered buildings
systems, agricultural equipment and energy management systems

Robert K. Zimmerman
Honorary Chairman
of the Board

Advisory Director
Robert A. Olson
Retired Chairman
of the Board

COMPANY OFFICERS**

Arthur J. Doyle, 60
Chairman of the Board,
President and Chief Executive
Officer, 1973

Samuel P. Cowley, 49
Senior Vice President-
Corporate Affairs, Secretary
and Chief Legal Officer, 1979

Donald T. McPhee, 64
Senior Vice President-System
Power Operations, 1969

J. Robert Miller, 59
Senior Vice President-
Transmission and Distribution
Operations, 1971

Louis C. Rasmussen, 55
Senior Vice President-Finance
and Commerce and Chief
Financial Officer, 1974

J. Michael Evans, 38
Vice President-System Power
Operations, 1983

A. Drue Jennings, 37
Vice President and General
Counsel, 1980

Donald M. Landes, 52
Vice President-
Communications, 1975

John A. Mayberry, 56
Vice President-Commercial
Operations, 1971

William H. Miller, 49
Vice President-Administration,
1980

Ronald G. Wasson, 38
Vice President-Purchasing,
1983

Lee E Miller, 62
Treasurer, 1975

Neil A. Roadman, 38
Controller, 1980

*Member Executive Committee

**Listing includes age, title and year promoted to officer.

THE COMPANY

Kansas City Power & Light Company is a medium-sized electric utility and the corporate successor to one of the world's first electric companies, generating electricity since 1882. Headquartered in downtown Kansas City, Missouri, the Company generates and distributes electricity to about 356,000 customers in a 4,700-square-mile area located in all or portions of 23 counties in western Missouri and eastern Kansas. Population of the service area is about 825,000. Customers include 313,000 residences, 40,000 commercial firms, and 2,600 industries, muncipalities and other electric utilities. About 73% of total kwh sales and 70% of total revenue is derived from customers in Missouri and the remainder from Kansas.

Steam is generated and distributed to about 175 businesses in downtown Kansas City and accounts for about two percent of total revenue.

Generating Capacity and the MOKAN Pool

Most of the electricity supplied to customers is generated from six power stations with a total 1983 accredited capacity of 2,634 mw. KCPL is one of 11 members of the MOKAN Pool, formed in 1962 to share reserve capacity, coordinate planning for additional generating units and expand transmission lines. Transmission connections with numerous utilities in Missouri, Kansas, Nebraska, Iowa and Minnesota enhance the Company system reliability and have made Kansas City a key center in the national power grid which enables bulk power transactions among the interconnected utility systems.

Economy of the Service Territory

Most of the Company's business is derived from Metropolitan Kansas City, which is considered to be the world's agribusiness capital, centered around the Kansas City Board of Trade. Kansas City leads the nation in farm equipment distribution and hard winter wheat marketing; ranks second in wheat flour production and grain elevator storage capacity and is the nation's third largest feeder cattle market.

The metro area has developed into a major retail market, ranking seventh among the thirty largest metropolitan areas in per capita retail sales. The city is the nation's largest producer of greeting cards and envelopes, and is a major center for automobile and truck assembly, rail and truck transportation, storage, and distribution and for regional wholesale and service companies. Kansas City is also a rapidly growing convention and entertainment center, ranking among the top ten cities in number of conventions and dollars spent.

Location of several foreign trade zones in the area has established Kansas City as an international trade center.

The area's location midway between the geographic and population centers of the country will continue to play an important role in the area's economic development. A review of Fortune's 500 largest firms shows that 200 have operations in Metropolitan Kansas City.

KCPL
Tomorrow's Energy Since 1882

KANSAS CITY POWER & LIGHT COMPANY
1330 Baltimore Avenue
Kansas City, Missouri 64105