

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

FORM 10-K

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

For the fiscal year ended **December 31, 2018**

or

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

For the transition period from _____ to _____



Commission File Number	Exact name of registrant as specified in its charter, state of incorporation, address of principal executive offices and telephone number	I.R.S. Employer Identification Number
001-38515	EVERGY, INC. (a Missouri Corporation) 1200 Main Street Kansas City, Missouri 64105 (816) 556-2200	82-2733395
001-03523	WESTAR ENERGY, INC. (a Kansas Corporation) 818 South Kansas Avenue Topeka, Kansas 66612 (785) 575-6300	48-0290150
000-51873	KANSAS CITY POWER & LIGHT COMPANY (a Missouri Corporation) 1200 Main Street Kansas City, Missouri 64105 (816) 556-2200	44-0308720

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

Registrant

Evergy, Inc.

Title of each class

Common Stock, without par value

Securities registered pursuant to Section 12(g) of the Act: Westar Energy, Inc. Common Stock \$0.01 par value and Kansas City Power & Light Company Common Stock without par value.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Evergy, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Westar Energy, Inc.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Kansas City Power & Light Company	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Evergy, Inc.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Westar Energy, Inc.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Kansas City Power & Light Company	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

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

Evergy, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Westar Energy, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Kansas City Power & Light Company	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Evergy, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Westar Energy, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Kansas City Power & Light Company	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to the Form 10-K.

Evergy, Inc.	<input checked="" type="checkbox"/>
Westar Energy, Inc.	<input checked="" type="checkbox"/>
Kansas City Power & Light Company	<input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

	Large Accelerated Filer	Accelerated Filer	Non-accelerated Filer	Smaller Reporting Company	Emerging Growth Company
Evergy, Inc.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Westar Energy, Inc.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kansas City Power & Light Company	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Evergy, Inc.	<input type="checkbox"/>
Westar Energy, Inc.	<input type="checkbox"/>
Kansas City Power & Light Company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Evergy, Inc.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Westar Energy, Inc.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Kansas City Power & Light Company	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

The aggregate market value of the voting and non-voting common equity held by non-affiliates of Evergy, Inc. (based on the closing price of its common stock on the New York Stock Exchange on June 30, 2018) was approximately \$15,236,578,926. All of the common equity of Westar Energy, Inc. and Kansas City Power & Light Company is held by Evergy, Inc.

On February 15, 2019, Evergy, Inc. had 254,630,033 shares of common stock outstanding.

On February 15, 2019, Westar Energy, Inc. and Kansas City Power & Light Company each had one share of common stock outstanding and held by Evergy, Inc.

Westar Energy, Inc. and Kansas City Power & Light Company meet the conditions set forth in General Instruction (I)(1)(a) and (b) of Form 10-K and are therefore filing this Form 10-K with the reduced disclosure format.

Documents Incorporated by Reference

Portions of the 2019 annual meeting proxy statement of Evergy, Inc. to be filed with the Securities and Exchange Commission are incorporated by reference in Part III of this report.

This combined annual report on Form 10-K is provided by the following registrants: Evergy, Inc. (Evergy), Westar Energy, Inc. (Westar Energy) and Kansas City Power & Light Company (KCP&L) (collectively, the Evergy Companies). Information relating to any individual registrant is filed by such registrant solely on its own behalf. Each registrant makes no representation as to information relating exclusively to the other registrants.

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CAUTIONARY STATEMENTS REGARDING CERTAIN FORWARD-LOOKING INFORMATION

Statements made in this report that are not based on historical facts are forward-looking, may involve risks and uncertainties, and are intended to be as of the date when made. Forward-looking statements include, but are not limited to, statements relating to the expected financial and operational benefits of the merger of Great Plains Energy Incorporated (Great Plains Energy) and Westar Energy that resulted in the creation of Evergy (including cost savings, operational efficiencies and the impact of the merger on earnings per share), cost estimates of capital projects, dividend growth, share repurchases, balance sheet and credit ratings, rebates to customers, the outcome of regulatory and legal proceedings, employee issues and other matters affecting future operations.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the Evergy Companies are providing a number of important factors that could cause actual results to differ materially from the provided forward-looking information. These important factors include: future economic conditions and any related impact on sales, prices and costs; prices and availability of electricity in wholesale markets; market perception of the energy industry and the Evergy Companies; changes in business strategy or operations; the impact of unpredictable federal, state and local political, legislative, judicial and regulatory actions or developments, including deregulation, re-regulation and restructuring of the electric utility industry; decisions of regulators regarding rates that Westar Energy and KCP&L (or other regulated subsidiaries of Evergy) can charge for electricity; changes in applicable laws, regulations, rules, principles or practices, or the interpretations thereof, governing tax, accounting and environmental matters, including air and water quality and waste management and disposal; changes in the energy trading markets in which the Evergy Companies participate, including retroactive repricing of transactions by regional transmission organizations and independent system operators; the impact of climate change, including reduced demand for coal-based energy because of actual or perceived climate impacts and the development of alternate energy sources; financial market conditions and performance, including changes in interest rates and credit spreads and in availability and cost of capital and the effects on derivatives and hedges, nuclear decommissioning trust and pension plan assets and costs; impairments of long-lived assets or goodwill; credit ratings; inflation rates; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of terrorist acts, including cyber terrorism; ability to carry out marketing and sales plans; weather conditions, including weather-related damage and the impact on sales, prices and costs; cost, availability, quality and timely provision of equipment, supplies, labor and fuel; the inherent uncertainties in estimating the effects of weather, economic conditions, climate change and other factors on customer consumption and financial results; ability to achieve generation goals and the occurrence and duration of planned and unplanned generation outages; delays in the anticipated in-service dates and cost increases of generation, transmission, distribution or other projects; the Evergy Companies' ability to successfully manage their transmission and distribution development plans and transmission joint ventures; the inherent risks associated with the ownership and operation of a nuclear facility, including environmental, health, safety, regulatory and financial risks; workforce risks, including increased costs of retirement, health care and other benefits; the possibility that the expected value creation from the merger will not be realized, or will not be realized within the expected time period; difficulties related to the integration of the two companies; disruption from the merger making it more difficult to maintain relationships with customers, employees, regulators or suppliers; the diversion of management time; and other risks and uncertainties.

This list of factors is not all-inclusive because it is not possible to predict all factors. Part I, Item 1A, Risk Factors included in this report should be carefully read for further understanding of potential risks for the Evergy Companies. Other sections of this report and other periodic reports filed by the Evergy Companies with the Securities and Exchange Commission (SEC) should also be read for more information regarding risk factors. Each forward-looking statement speaks only as of the date of the particular statement. The Evergy Companies undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

GLOSSARY OF TERMS

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

<u>Abbreviation or Acronym</u>	<u>Definition</u>
AEP	American Electric Power Company, Inc.
AFUDC	Allowance for Funds Used During Construction
Amended Merger Agreement	Amended and Restated Agreement and Plan of Merger, dated as of July 9, 2017, by and among Great Plains Energy, Westar Energy, Monarch Energy Holding, Inc. and King Energy, Inc.
AMT	Alternative Minimum Tax
ARO	Asset Retirement Obligation
ASC	Accounting Standards Codification
ASR	Accelerated share repurchase
ASU	Accounting Standards Update
CCRs	Coal combustion residuals
CAA	Clean Air Act Amendments of 1990
CO₂	Carbon dioxide
COLI	Corporate-owned life insurance
CPP	Clean Power Plan
CWA	Clean Water Act
DOE	Department of Energy
EIRR	Environmental Improvement Revenue Refunding
EPA	Environmental Protection Agency
EPS	Earnings per common share
ERISA	Employee Retirement Income Security Act of 1974, as amended
Evergy	Evergy, Inc. and its consolidated subsidiaries
Evergy Board	Evergy Board of Directors
Evergy Companies	Evergy, Westar Energy, and KCP&L, collectively, which are individual registrants within the Evergy consolidated group
Exchange Act	The Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FERC	The Federal Energy Regulatory Commission
FMBs	First mortgage bonds
GAAP	Generally Accepted Accounting Principles
GHG	Greenhouse gas
GMO	KCP&L Greater Missouri Operations Company, a wholly-owned subsidiary of Evergy
GPETHC	GPE Transmission Holding Company LLC, a wholly-owned subsidiary of Evergy
Great Plains Energy	Great Plains Energy Incorporated
KCC	State Corporation Commission of the State of Kansas
KCP&L	Kansas City Power & Light Company, a wholly-owned subsidiary of Evergy, and its consolidated subsidiaries
KDHE	Kansas Department of Health & Environment
KGE	Kansas Gas and Electric Company, a wholly-owned subsidiary of Westar Energy
King Energy	King Energy, Inc., a wholly-owned subsidiary of Evergy
kWh	Kilowatt hour

<u>Abbreviation or Acronym</u>	<u>Definition</u>
LTISA	Long-Term Incentive and Share Award plan
MEEIA	Missouri Energy Efficiency Investment Act
MMBtu	Millions of British thermal units
Monarch Energy	Monarch Energy Holding, Inc.
MPSC	Public Service Commission of the State of Missouri
MW	Megawatt
MWh	Megawatt hour
NAAQs	National Ambient Air Quality Standards
NAV	Net Asset Value
NO₂	Nitrogen dioxide
NRC	Nuclear Regulatory Commission
PISA	Plant-in service accounting
PM	Particulate matter
Prairie Wind	Prairie Wind Transmission, LLC, 50% owned by Westar Energy
RSU	Restricted share unit
RTO	Regional transmission organization
SEC	Securities and Exchange Commission
SO₂	Sulfur dioxide
SPP	Southwest Power Pool, Inc.
TCJA	Tax Cuts and Jobs Act
TCR	Transmission Congestion Rights
TFR	Transmission formula rate
Transource	Transource Energy, LLC and its subsidiaries, 13.5% owned by GPETHC
WACC	Weighted average cost of capital
VIE	Variable interest entity
Westar Energy	Westar Energy, Inc., a wholly-owned subsidiary of Evergy, and its consolidated subsidiaries
WIIN	Water Infrastructure Improvements for the Nation
Wolf Creek	Wolf Creek Generating Station
WOTUS	Waters of the United States

PART I

ITEM 1. BUSINESS

General

Evergy, Inc., Westar Energy, Inc. and Kansas City Power & Light Company are separate registrants filing this combined annual report on Form 10-K. The terms "Evergy," "Westar Energy," "KCP&L" and "Evergy Companies" are used throughout this report. "Evergy" refers to Evergy, Inc. and its consolidated subsidiaries, unless otherwise indicated. "Westar Energy" refers to Westar Energy, Inc. and its consolidated subsidiaries, unless otherwise indicated. "KCP&L" refers to Kansas City Power & Light Company and its consolidated subsidiaries, unless otherwise indicated. "Evergy Companies" refers to Evergy, Westar Energy, and KCP&L, collectively, which are individual registrants within the Evergy consolidated group.

Information in other Items of this report as to which reference is made in this Item 1 is hereby incorporated by reference in this Item 1. The use of terms such as "see" or "refer to" shall be deemed to incorporate into this Item 1 the information to which such reference is made.

EVERGY, INC.

Evergy is a public utility holding company incorporated in 2017 and headquartered in Kansas City, Missouri. Evergy operates primarily through the following wholly-owned direct subsidiaries:

- Westar Energy is an integrated, regulated electric utility that provides electricity to customers in the state of Kansas. Westar Energy has one active wholly-owned subsidiary with significant operations, Kansas Gas and Electric Company (KGE).
- KCP&L is an integrated, regulated electric utility that provides electricity to customers primarily in the states of Missouri and Kansas.
- KCP&L Greater Missouri Operations Company (GMO) is an integrated, regulated electric utility that provides electricity to customers in the state of Missouri.
- GPE Transmission Holding Company, LLC (GPETHC) owns 13.5% of Transource Energy, LLC (Transource) with the remaining 86.5% owned by AEP Transmission Holding Company, LLC, a subsidiary of American Electric Power Company, Inc. (AEP). Transource is focused on the development of competitive electric transmission projects. GPETHC accounts for its investment in Transource under the equity method.

Westar Energy also owns a 50% interest in Prairie Wind Transmission, LLC (Prairie Wind), which is a joint venture between Westar Energy and affiliates of AEP and Berkshire Hathaway Energy Company. Prairie Wind owns a 108-mile, 345 kV double-circuit transmission line that provides transmission service in the Southwest Power Pool, Inc. (SPP). Westar Energy accounts for its investment in Prairie Wind under the equity method.

Evergy assesses financial performance and allocates resources on a consolidated basis (i.e., operates in one segment). Evergy serves approximately 1,588,300 customers located in Kansas and Missouri. Customers include approximately 1,392,500 residences, 188,700 commercial firms and 7,100 industrials, municipalities and other electric utilities. Evergy is significantly impacted by seasonality with approximately one-third of its retail revenues recorded in the third quarter.

The table below summarizes the percentage of Evergy's revenues by customer classification.

	2018	2017	2016
Residential	37%	32%	33%
Commercial	32%	28%	29%
Industrial	12%	16%	16%
Wholesale	10%	12%	12%
Transmission	7%	11%	9%
Other	2%	1%	1%
Total	100%	100%	100%

The table below summarizes the percentage of Evergy's retail electricity sales by customer class.

	2018	2017	2016
Residential	37%	32%	33%
Commercial	41%	38%	39%
Industrial	22%	30%	28%
Total	100%	100%	100%

Merger of Great Plains Energy and Westar Energy

Evergy was incorporated in 2017 as Monarch Energy Holding, Inc. (Monarch Energy), a wholly-owned subsidiary of Great Plains Energy Incorporated (Great Plains Energy). Prior to the closing of the merger transactions, Monarch Energy changed its name to Evergy and did not conduct any business activities other than those required for its formation and matters contemplated by the Amended and Restated Agreement and Plan of Merger, dated as of July 9, 2017, by and among Great Plains Energy, Westar Energy, Monarch Energy and King Energy, Inc. (King Energy), a wholly-owned subsidiary of Monarch Energy (Amended Merger Agreement).

On June 4, 2018, Evergy completed the mergers contemplated by the Amended Merger Agreement. As a result of the mergers, Great Plains Energy merged into Evergy, with Evergy surviving the merger and King Energy merged into Westar Energy, with Westar Energy surviving the merger. Following the completion of these mergers, Westar Energy and the direct subsidiaries of Great Plains Energy, including KCP&L and GMO, became wholly-owned subsidiaries of Evergy.

The merger was structured as a merger of equals in a tax-free exchange of shares that involved no premium paid or received with respect to either Great Plains Energy or Westar Energy. As a result of the closing of the merger transaction, each outstanding share of Great Plains Energy common stock was converted into 0.5981 shares of Evergy common stock and each outstanding share of Westar Energy common stock was converted into 1 share of Evergy common stock.

Westar Energy was determined to be the accounting acquirer in the merger and thus, the predecessor of Evergy. Therefore, Evergy's consolidated financial statements reflect the results of operations of Westar Energy for 2017 and 2016 and the financial position of Westar Energy as of December 31, 2017. The results of Great Plains Energy's direct subsidiaries have been included in Evergy's results of operations from the date of the closing of the merger and thereafter.

See Note 2 to the consolidated financial statements for more information regarding the merger.

Regulation

Westar Energy and KCP&L's Kansas operations are regulated by the State Corporation Commission of the State of Kansas (KCC) and KCP&L's Missouri operations and GMO are regulated by the Public Service Commission of the State of Missouri (MPSC), in each case with respect to retail rates, certain accounting matters, standards of service and, in certain cases, the issuance of securities, certification of facilities and service territories. The Evergy

Companies are also subject to regulation by The Federal Energy Regulatory Commission (FERC) with respect to transmission, wholesale sales and rates, and other matters. Evergy has a 94% ownership interest in Wolf Creek Generating Station (Wolf Creek), which is subject to regulation by the Nuclear Regulatory Commission (NRC) with respect to licensing, operations and safety-related requirements.

The table below summarizes the rate orders in effect for Westar Energy's, KCP&L's and GMO's retail rate jurisdictions.

	Regulator	Allowed Return on Equity	Rate-Making Equity Ratio	Effective Date
Westar Energy	KCC	9.3%	51.46%	September 2018
KCP&L Kansas	KCC	9.3%	49.09%	December 2018
KCP&L Missouri	MPSC	(a)	(a)	December 2018
GMO	MPSC	(a)	(a)	December 2018

^(a) KCP&L's and GMO's current MPSC rate order does not contain an allowed return on equity or rate-making equity ratio.

Evergy expects its Kansas and Missouri jurisdictional retail revenues to be approximately 60% and 40%, respectively, based on historical averages of Westar Energy's, KCP&L's and GMO's retail revenues.

See Item 7 MD&A, Critical Accounting Policies section, and Note 5 to the consolidated financial statements for additional information concerning regulatory matters.

Competition

Missouri and Kansas continue to operate on the fully integrated and regulated retail utility model. As a result, the Evergy Companies do not compete with others to supply and deliver electricity in their franchised service territories in exchange for agreeing to have their terms of service regulated by state regulatory bodies. If Missouri or Kansas were to pass and implement legislation authorizing or mandating retail choice, Evergy may no longer be able to apply regulated utility accounting principles to deregulated portions of its operations which may require a surcharge to recover certain costs from legacy customers or could lead to a write off of certain regulatory assets and liabilities.

Evergy competes in the wholesale market to sell power in circumstances when the power it generates is not required for retail customers in its service territory. This competition primarily occurs within the SPP Integrated Marketplace, in which Westar Energy, KCP&L and GMO are participants. This marketplace determines which generating units among market participants should run, within the operating constraints of a unit, at any given time for maximum regional cost-effectiveness.

The SPP Integrated Marketplace is similar to other Regional Transmission Organization (RTO) or Independent System Operator (ISO) markets currently operating in other regions of the United States.

Power Supply

Evergy has approximately 14,500 MWs of owned generating capacity and renewable purchased power agreements. Evergy's owned generation and purchased power from others, as a percentage of total MWhs generated and purchased, was approximately 71% and 29%, respectively, for 2018. Evergy purchases power to meet its customers' needs, to satisfy firm power commitments or to meet renewable energy standards. Management believes Evergy will be able to meet its future purchased power demands due to the coordination of planning and operations in the SPP region and existing power purchase agreements; however, price and availability of power purchases may be impacted during periods of high demand.

Evergy's total capacity by fuel type, including both owned generating capacity and purchased power agreements, is detailed in the table below.

Fuel Type	Estimated MW Capacity	Percent of Total Capacity
Coal	5,890	40 %
Natural gas and oil	3,991	27
Wind ^(a)	3,442	24
Uranium	1,104	8
Solar, landfill gas and hydroelectric ^(b)	75	1
Total capacity	14,502	100 %

^(a)MWs are based on nameplate capacity of the wind facility. Includes owned generating capacity of 579 MWs and long-term power purchase agreements of approximately 2,863 MWs of wind generation that expire in 2028 through 2048.

^(b)Includes a long-term power purchase agreement for approximately 66 MWs of hydroelectric generation that expires in 2023.

Evergy's projected peak summer demand for 2019 is approximately 10,350 MWs. Evergy expects to meet its projected capacity requirements for the foreseeable future with its existing generation assets and power and capacity purchases.

Westar Energy, KCP&L and GMO are members of the SPP. The SPP is a FERC-approved RTO with the responsibility to ensure reliable power supply, adequate transmission infrastructure and competitive wholesale electricity prices in the region. As SPP members, Westar Energy, KCP&L and GMO are required to maintain a minimum reserve margin of 12%. This net positive supply of capacity is maintained through generation asset ownership, capacity agreements, power purchase agreements and peak demand reduction programs. The reserve margin is designed to support reliability of the region's electric supply.

Fuel

The fuel sources for Evergy's owned generation and purchased power agreements are coal, wind and other renewable sources, uranium and natural gas and oil. The actual 2018 fuel mix and fuel cost in cents per net kilowatt hour (kWh) delivered are outlined in the following table and include full-year 2018 amounts for Westar Energy, KCP&L and GMO.

Fuel	Fuel Mix ^(a)	Fuel cost in cents per net kWh delivered
	Actual	Actual
	2018	2018
Coal	55 %	\$2.13
Wind, hydroelectric, landfill gas and solar ^(b)	23	0.01
Uranium	17	0.61
Natural gas and oil	5	3.81
Total	100 %	\$1.78

^(a) Fuel mix based on percent of net MWhs generated by owned resources and delivered under purchased power agreements.

^(b) Fuel cost in cents per net kWh delivered does not include purchased power costs associated with renewable purchased power agreements. The actual 2018 fuel and purchased power cost in cents per net kWh delivered for wind, hydroelectric, landfill gas and solar was \$2.87.

Coal

During 2019, Evergy's generating units, including jointly-owned units, are projected to burn approximately 18 million tons of coal. Westar Energy, KCP&L and GMO have entered into coal-purchase contracts with various suppliers in Wyoming's Powder River Basin (PRB), the nation's principal supply region of low-sulfur coal, and with local suppliers. The coal to be provided under these contracts is expected to satisfy approximately 80% of the projected coal requirements for 2019 and approximately 55% for 2020. The

remainder of the coal requirements is expected to be fulfilled through entering into additional contracts or spot market purchases.

Westar Energy, KCP&L and GMO have also entered into rail transportation contracts with various railroads to transport coal from the PRB and local suppliers to their generating units. The transportation services to be provided under these contracts are expected to satisfy almost all of the projected transportation requirements for 2019 and 2020. The contract rates adjust for changes in railroad costs.

Nuclear Fuel

Westar Energy and KCP&L each owns 47% of Wolf Creek, which is Evergy's only nuclear generating unit. Wolf Creek purchases uranium and has it processed for use as fuel in its reactor. This process involves conversion of uranium concentrates to uranium hexafluoride, enrichment of uranium hexafluoride and fabrication of nuclear fuel assemblies. The owners of Wolf Creek have on hand or under contract all of the uranium, uranium enrichment and conversion services needed to operate Wolf Creek through March 2027. The owners also have under contract all of the uranium fabrication required to operate Wolf Creek through September 2025.

Natural Gas

Natural gas accounted for approximately 8% of the total MMBtu of fuel consumed and approximately 14% of total fuel expense in 2018. From time to time, Evergy may enter into contracts, including the use of derivatives, in an effort to manage the cost of natural gas. For additional information about our exposure to commodity price risks, see Item 7A., Quantitative and Qualitative Disclosures About Market Risk.

Westar Energy maintains natural gas transportation arrangements with Kansas Gas Service and Southern Star Central Gas Pipeline. The Kansas Gas Service agreement has historically expired on April 30 of each year and is renegotiated for an additional one-year term.

Environmental Matters

There have been political, legal and regulatory efforts to influence climate change, such as efforts to reduce greenhouse gas emissions (GHG), impose a tax on emissions and create incentives for low-carbon generation and energy efficiency. These efforts, and climate change itself, have the potential to adversely affect the Evergy Companies' results of operations, financial position and cash flows. See Part I, Item 1A, Risk Factors, for additional information.

The Evergy Companies have taken, and will continue to take, proactive measures to mitigate the impact of climate change on its businesses. For example, the Evergy Companies regularly conduct preparedness exercises for a variety of disruptive events, including storms, which may become more frequent or intense due to climate change. In addition, the Evergy Companies have invested, and will continue to invest, in grid resiliency. Much of the Evergy Companies' infrastructure is aged, and grid resiliency efforts include building additional transmission and distribution lines, replacing aged infrastructure and proactively managing the vegetation that can damage systems during severe weather. The Evergy Companies also monitor water conditions at their generating facilities, and focus on water conservation at these facilities to address resource depletion.

The Evergy Companies are committed to a long-term strategy to reduce carbon emissions in a cost-effective and reliable manner. Public attention is currently focused on reducing emissions and closing coal-fired generating units. Diversity of fuel supply has historically proven to provide benefits in terms of cost and reliability. In addition, the Evergy Companies must ensure that they prudently utilize the generation assets that regulators have allowed the Evergy Companies to include in rates and avoid "stranding" assets by prematurely closing facilities. The Evergy Companies use an integrated resource plan, which is a detailed analysis that estimates factors that influence the future supply and demand for electricity. The integrated resource plan considers forecasts of future electricity demand, fuel prices, transmission improvements, new generating capacity, integration of renewables, energy storage, energy efficiency and demand response initiatives. Strategies that the Evergy Companies have pursued include:

- retiring fossil fuel generation;
- developing renewable energy facilities;
- collaborating with regulators to offer customers the opportunity to procure electricity produced with renewable resources; and
- investing in customer energy efficiency programs.

The Evergy Companies are also committed to transparency. On its website, www.evergyinc.com, Evergy provides quantitative and qualitative data regarding various environmental, social and governance matters, including information related to emissions, waste and water. The content of the website and report is not incorporated into this filing.

See Note 14 to the consolidated financial statements for information regarding environmental matters.

WESTAR ENERGY, INC.

Westar Energy, a Kansas corporation incorporated in 1924 and headquartered in Topeka, Kansas, is an integrated, regulated electric utility that engages in the generation, transmission, distribution and sale of electricity. Westar Energy serves approximately 711,600 customers located in central and eastern Kansas. Customers include approximately 620,200 residences, 86,800 commercial firms, and 4,600 industrials, municipalities and other electric utilities. Westar Energy's retail revenues averaged approximately 76% of its total operating revenues over the last three years. Wholesale firm power, bulk power sales, transmission and miscellaneous electric revenues accounted for the remainder of Westar Energy's revenues. Westar Energy is significantly impacted by seasonality with approximately one-third of its retail revenues recorded in the third quarter.

KANSAS CITY POWER & LIGHT COMPANY

KCP&L, a Missouri corporation incorporated in 1922 and headquartered in Kansas City, Missouri, is an integrated, regulated electric utility that engages in the generation, transmission, distribution and sale of electricity. KCP&L serves approximately 549,900 customers located in western Missouri and eastern Kansas. Customers include approximately 485,300 residences, 62,600 commercial firms, and 2,000 industrials, municipalities and other electric utilities. KCP&L's retail revenues averaged approximately 92% of its total operating revenues over the last three years. Wholesale firm power, bulk power sales and miscellaneous electric revenues accounted for the remainder of KCP&L's revenues. KCP&L is significantly impacted by seasonality with approximately one-third of its retail revenues recorded in the third quarter. Missouri and Kansas jurisdictional retail revenues for KCP&L averaged approximately 57% and 43%, respectively, of total retail revenues over the last three years.

Employees

At December 31, 2018, the Evergy Companies had 4,832 employees, including 2,652 represented by five local unions of the International Brotherhood of Electrical Workers (IBEW). Evergy also has a 94% ownership share in Wolf Creek, which has 889 employees, including 495 represented by a local union of the IBEW and a local union of the United Government Security Officers of America (UGSOA). Westar Energy has labor agreements with IBEW Locals 304 and 1523 (expires June 30, 2021). KCP&L has labor agreements with IBEW Local 1613, representing clerical employees (expires March 31, 2021), with IBEW Local 1464, representing transmission and distribution workers (expires January 31, 2021), and with IBEW Local 412, representing power plant workers (expires February 28, 2021). Wolf Creek has labor agreements with IBEW Local 225 (expires September 20, 2021) and UGSOA Local 252 (expires July 31, 2020).

Executive Officers

Set forth below is information relating to the executive officers of Evergy, Inc. Each executive officer holds the same position with each of Westar Energy, Inc., Kansas City Power & Light Company, Kansas Gas and Electric Company and KCP&L Greater Missouri Operations Company as he or she does with Evergy, Inc. Executive officers serve at the pleasure of the board of directors. There are no family relationships among any of the executive officers, nor any arrangements or understandings between any executive officer and other persons pursuant to which he or she was appointed as an executive officer.

Name	Age	Current Position(s)	Year First Assumed an Officer Position*
Terry Bassham ^(a)	58	President and Chief Executive Officer	2005
Kevin E. Bryant ^(b)	43	Executive Vice President and Chief Operating Officer	2006
Gregory A. Greenwood ^(c)	53	Executive Vice President, Strategy and Chief Administrative Officer	2003
Anthony D. Somma ^(d)	55	Executive Vice President and Chief Financial Officer	2006
Jerl L. Banning ^(e)	57	Senior Vice President and Chief People Officer	2010
Heather A. Humphrey ^(f)	48	Senior Vice President, General Counsel and Corporate Secretary	2010
Charles A. Caisley ^(g)	45	Senior Vice President, Marketing and Public Affairs and Chief Customer Officer	2011
Steven P. Busser ^(h)	50	Vice President - Risk Management and Controller	2014

* Denotes the year in which the individual first assumed an officer position with any of Great Plains Energy, Westar Energy, KCP&L, KGE or GMO.

- (a) Mr. Bassham was appointed President and Chief Executive Officer of Evergy, Inc. in June 2018. Mr. Bassham served as Chairman of the Board of Great Plains Energy (2013-2018), and had served as Chief Executive Officer of Great Plains Energy, KCP&L and GMO since 2012. He has served as President of each company since 2011. He previously served as President and Chief Operating Officer of Great Plains Energy, KCP&L and GMO (2011-2012) and as Executive Vice President - Utility Operations of KCP&L and GMO (2010-2011). He was Executive Vice President - Finance and Strategic Development and Chief Financial Officer of Great Plains Energy (2005-2010) and of KCP&L and GMO (2009-2010).
- (b) Mr. Bryant was appointed Executive Vice President and Chief Operating Officer of Evergy, Inc. in June 2018. Mr. Bryant previously served as Senior Vice President - Finance and Strategy and Chief Financial Officer of Great Plains Energy, KCP&L and GMO (2015-2018). He previously served as Vice President - Strategic Planning of Great Plains Energy, KCP&L and GMO (2014). He served as Vice President - Investor Relations and Strategic Planning and Treasurer of Great Plains Energy, KCP&L and GMO (2013). He served as Vice President - Investor Relations and Treasurer of Great Plains Energy, KCP&L and GMO (2011-2013). He was Vice President - Strategy and Risk Management of KCP&L and GMO (2011) and Vice President - Energy Solutions of KCP&L (2006-2011) and GMO (2008-2011).
- (c) Mr. Greenwood was appointed Executive Vice President, Strategy and Chief Administrative Officer of Evergy, Inc. in June 2018. Mr. Greenwood previously served in the following officer roles for Westar Energy: Senior Vice President, Strategy (2011-2018); Vice President, Major Construction Projects (2006-2011); and Treasurer (2003-2006). Mr. Greenwood also served in the following roles for Westar Energy: Executive/Senior Director, Corporate Finance (1999-2003); Director, Financial Strategy and Acting Director, Internal Audit (1999-2000); and Director, Financial Strategy (1998-1999). Mr. Greenwood joined Westar Energy in 1993.
- (d) Mr. Somma was appointed Executive Vice President and Chief Financial Officer of Evergy, Inc. in June 2018. Mr. Somma previously served as Senior Vice President, Chief Financial Officer and Treasurer (2011-2018) for Westar Energy, after having been appointed as Treasurer in 2006 and Vice President in 2009. He also served as Executive Director, Generation (2004-2006), Executive Director, Finance (1998-1999) and Director, Corporate Strategy (1996-1998) of Westar Energy, after having joined the company in 1994. From 1999 to 2004, Mr. Somma served in various leadership roles with a former affiliate of Westar Energy, including Senior Vice President, Finance and Administration, Chief Financial Officer and Secretary.

- (e) Mr. Banning was appointed Senior Vice President and Chief People Officer of Evergy, Inc. in June 2018. Mr. Banning previously served in the following officer roles for Westar Energy: Senior Vice President, Operations Support and Administration (2015-2018); Vice President, Human Resources and IT (2014); and Vice President, Human Resources (2010- 2013). Mr. Banning also served as Executive Director of Human Resources for Westar Energy (2008-2010).
- (f) Ms. Humphrey was appointed Senior Vice President, General Counsel and Corporate Secretary of Evergy, Inc. in June 2018. Ms. Humphrey previously served as Senior Vice President - Corporate Services and General Counsel of Great Plains Energy, KCP&L and GMO (2016-2018). She previously served as General Counsel (2010-2016) and Senior Vice President - Human Resources of Great Plains Energy, KCP&L and GMO (2012-2016). She served as Vice President - Human Resources of Great Plains Energy, KCP&L and GMO (2010-2012). She was Senior Director of Human Resources and Interim General Counsel of Great Plains Energy, KCP&L and GMO (2010) and Managing Attorney of KCP&L (2007-2010).
- (g) Mr. Caisley was appointed Senior Vice President, Marketing and Public Affairs and Chief Customer Officer of Evergy, Inc. in June 2018. Mr. Caisley served as Vice President - Marketing and Public Affairs of Great Plains Energy, KCP&L and GMO (2011-2018). He was Senior Director of Public Affairs (2008-2011) and Director of Governmental Affairs of KCP&L (2007-2008).
- (h) Mr. Busser was appointed Vice President - Risk Management and Controller of Evergy, Inc. in June 2018. Mr. Busser was appointed Vice President - Risk Management and Controller of Great Plains Energy, KCP&L and GMO in 2016. He previously served as Vice President - Business Planning and Controller of Great Plains Energy, KCP&L and GMO (2014-2016). He served as Vice President - Treasurer of El Paso Electric Company (2011-2014). Prior to that, he served as Vice President - Treasurer and Chief Risk Officer (2006-2011) and Vice President - Regulatory Affairs and Treasurer (2004-2006) of El Paso Electric Company.

ITEM 1A. RISK FACTORS

Utility Regulatory Risks:

Prices are subject to regulatory review and may not prove adequate to recover costs or provide a fair return.

The prices that the Evergy Companies are allowed to charge their customers significantly influence their results of operations, financial position and cash flows. These prices are subject to the determination, in large part, of governmental entities, including the MPSC, KCC and FERC.

In general, utilities are allowed to recover costs (including a reasonable return on invested capital) that were prudently incurred to provide utility service. There can be no assurance, however, that regulators will determine such costs to have been prudently incurred. Further, the amounts approved by the regulators may not be sufficient to allow for a recovery of costs or provide for an adequate return on and of capital investments. Also, amounts that were approved by regulators may be modified, limited or eliminated by regulatory or legislative actions. Any decisions made by these regulators could have a material adverse effect on the results of operations, financial condition and cash flows of Evergy and its utility subsidiaries.

The Evergy Companies are also exposed to cost-recovery shortfalls due to the inherent "regulatory lag" in the rate-setting process. This is because utility rates are generally based on historical information and, except for certain situations where regulators allow for recovery of expenses through use of a formula that tracks costs, are not subject to adjustment between rate cases. In connection with the merger, Westar Energy and KCP&L agreed to a five-year base rate moratorium in Kansas beginning in December 2018. See Note 2 to the consolidated financial statements for additional information. In addition, effective as of January 1, 2019, KCP&L and GMO elected into plant-in service accounting (PISA), which, by law, requires each company to keep base rates constant for three years following KCP&L's and GMO's last general rate case. See Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations, Executive Summary for additional information on PISA. These and other factors may result in under-recovery of costs or failure to earn the authorized return on investment, or both.

Failure to timely recover the full investment costs of capital projects, the impact of renewable energy and energy efficiency programs, other utility costs and expenses due to regulatory disallowances, regulatory lag or other factors

could lead to lowered credit ratings, reduced access to capital markets, increased financing costs, lower flexibility due to constrained financial resources and increased collateral security requirements or reductions or delays in planned capital expenditures. In response to competitive, economic, political, legislative, public perception and regulatory pressures, Evergy and its utility subsidiaries may be subject to rate moratoriums, rate refunds, limits on rate increases, lower allowed returns on investments or rate reductions, including phase-in plans designed to spread the impact of rate increases over an extended period for the benefit of customers. Any of these results could have a material adverse effect on the results of operations, financial condition and cash flows of the Evergy Companies.

Regulatory requirements regarding utility operations may increase costs and may expose the Evergy Companies to compliance penalties or adverse rate consequences. FERC, the North American Electric Reliability Corporation (NERC) and SPP have implemented and enforce an extensive set of transmission system reliability, cybersecurity and critical infrastructure protection standards that apply to public utilities. The MPSC and KCC have the authority to implement utility operational standards and requirements, such as vegetation management standards, facilities inspection requirements and quality of service standards. In addition, Evergy is also subject to health, safety and other requirements enacted by the Occupational Safety and Health Administration, the Department of Transportation, the Department of Labor and other federal and state agencies. As discussed more fully under "Operational Risks," the NRC extensively regulates nuclear power plants, including Wolf Creek. The costs of complying with existing, new or modified regulations, standards and other requirements could have a material adverse effect on the results of operations, financial position and cash flows of the Evergy Companies. In addition, failure to meet quality of service, reliability, cybersecurity, critical infrastructure protection, operational or other standards and requirements could expose the Evergy Companies to penalties, additional compliance costs or adverse rate consequences, any of which could have a material adverse impact on their results of operations, financial position and cash flows.

Environmental Risks:

Costs to comply with environmental laws and regulations, including those relating to GHG emissions, are and may continue to be significant and may adversely impact operations and financial results.

The Evergy Companies are subject to extensive and frequently changing federal, state and local environmental laws, regulations and permit requirements relating to air and water quality, waste management and hazardous substance disposal, protected natural resources (such as wetlands, endangered species and other protected wildlife) and health and safety. For example, Westar Energy, KCP&L and GMO combust large amounts of fossil fuels in the production of electricity, which results in significant emissions of carbon dioxide (CO₂) and other GHGs. Federal legislation regulates the emission of GHGs and numerous states and regions have adopted programs to stabilize or reduce GHG emissions. The Environmental Protection Agency (EPA), the Kansas Department of Health and Environment (KDHE) and the Missouri Department of Natural Resources (MDNR) regulate emissions under the Clean Air Act Amendments of 1990 (CAA), water under the Clean Water Act (CWA) and waste under the Resource Conservation and Recovery Act (RCRA), among other laws and regulations. See Note 14 to the consolidated financial statements for additional information.

Compliance with these laws, regulations and requirements entails significant capital and operating resources, and the failure to comply could result in the imposition of substantial penalties, including fines, injunctive relief and other sanctions. In addition, there is a risk of lawsuits alleging violations of environmental laws, regulations or requirements, claiming creation of a public nuisance or other matters, and seeking injunctions or monetary damages or other relief. Certain federal courts have held that state and local governments and private parties have standing to bring climate change tort suits seeking company-specific emission reductions and damages.

Environmental permits are subject to periodic renewal, which may result in more stringent permit conditions and limits. New facilities, or modifications of existing facilities, may require new environmental permits or amendments to existing permits. Delays in the environmental permitting process, public opposition and challenges, denials of permit applications, limits or conditions imposed in permits and the associated uncertainty may materially adversely affect the cost and timing of projects, and thus materially adversely affect the results of operations, financial position and cash flows of the Evergy Companies. In addition, compliance with environmental laws,

regulations and requirements could alter the way assets are managed, which in turn could result in retiring assets earlier than expected, recording asset retirement obligations (AROs) or having a regulator disallow recovery of costs that had been prudently incurred in connection with those assets.

Costs of compliance with environmental laws, regulations and requirements, or fines, penalties or negative lawsuit outcomes, if not recovered in rates from customers, could have a material adverse effect on the results of operations, financial position and cash flows of the Evergy Companies.

Financial Risks:

Financial market disruptions or declines in the Evergy Companies' credit ratings may increase financing costs and/or limit access to the credit markets, which may adversely affect liquidity and results.

The Evergy Companies rely on internally generated cash, access to capital markets and short-term credit to fund capital expenditures and for working capital and liquidity. Disruption in capital markets, increases in interest rates, deterioration in the financial condition of the financial institutions on which the Evergy Companies rely, any credit rating downgrade or any decrease in the market price of Evergy's common stock could have material adverse effects on the Evergy Companies. These effects could include, among others: reduced access to capital and increased cost of borrowed funds; dilution resulting from equity issuances at reduced prices; changes in the type and/or increases in the amount of collateral or other credit support obligations required to be posted with contractual counterparties; increased nuclear decommissioning trust and pension and other post-retirement benefit plan funding requirements; reduced ability to pay dividends or repurchase shares of Evergy common stock; rate case disallowance of costs of capital; reductions in or delays of capital expenditures; limitation in or the ability of Evergy to provide credit support for its subsidiaries. Further, Westar Energy and KCP&L have outstanding tax-exempt bonds that may be put back to the respective issuer at the option of the holder. In addition, market disruption and volatility could have an adverse impact on Evergy's lenders, suppliers and other counterparties or customers, causing them to fail to meet their obligations.

Evergy's holding company structure could limit its ability to pay dividends on its common stock and to service its debt obligations.

Evergy is a holding company with no significant operations of its own. The primary source of funds for payment of dividends to its shareholders and its other financial obligations is dividends paid to it by its direct subsidiaries, particularly Westar Energy, KCP&L and GMO. Evergy's subsidiaries are separate legal entities and have no obligation to provide Evergy with funds. The ability of Evergy's subsidiaries to pay dividends or make other distributions, and accordingly, Evergy's ability to pay dividends on its common stock and meet its financial obligations, principally depends on the earnings and cash flows, capital requirements and general financial position of its subsidiaries, as well as regulatory factors, financial covenants, general business conditions and other matters.

In addition, the Evergy Companies are subject to certain corporate and regulatory restrictions and financial covenants that could affect their ability to pay dividends. Under the Federal Power Act, Westar Energy, KCP&L and GMO generally can pay dividends only out of retained earnings. In connection with approval of the merger in Missouri, each of KCP&L and GMO agreed to not pay dividends to Evergy if its credit rating falls below BBB- for S&P Global Ratings or Baa3 for Moody's Investor Services. In connection with approval of the merger in Kansas, each of Westar Energy and KCP&L agreed to not pay dividends to Evergy if (i) the payment would result in an increase in the utility's debt level (excluding short-term debt and debt due within one year) above 60 percent of its total capitalization, absent approval from the KCC or (ii) if its credit rating falls below BBB- for S&P Global Ratings or Baa3 for Moody's Investor Services. As described elsewhere in this Form 10-K, the Evergy Companies are parties to various financing agreements that contain requirements to maintain a certain financial condition that could restrict the amount of dividends the Evergy Companies are permitted to pay, such as maintaining a consolidated indebtedness to consolidated total capitalization ratio of not more than 0.65 to 1.00. Evergy cannot guarantee dividends will be paid in the future or that, if paid, dividends will be at the same amount or with the same frequency as in the past.

In addition, from time to time Evergy has and may guarantee debt obligations of its subsidiaries. Under the financing agreements to which Evergy is a party, a guarantee of debt may be considered indebtedness for purposes of complying with financial covenants that dictate the extent to which Evergy can borrow money, and any guarantee payments could adversely affect Evergy's liquidity and ability to service its own debt obligations.

Increasing costs associated with defined benefit retirement and postretirement plans, health care plans and other employee benefits could adversely affect Evergy's financial position and liquidity.

A substantial number of Evergy's and Wolf Creek's employees participate in defined benefit retirement and other post-retirement plans. Former employees also have accrued benefits in defined benefit retirement and other post-retirement plans. The costs of these plans depend on a number of factors, including the rates of return on plan assets, the level and nature of the provided benefits, discount rates, the interest rates used to measure required minimum funding levels, changes in benefit design, changes in laws or regulations and the amount of any required or voluntary contributions to the plans. The Evergy Companies have substantial unfunded liabilities under these plans. Also, if the rate of retirements exceeds planned levels, if these plans experience adverse market returns on investments or if interest rates materially fall, required or voluntary contributions to the plans could be material. In addition, changes in accounting rules and assumptions related to future costs, returns on investments, interest rates and other actuarial assumptions, including projected retirements, could have a significant adverse impact on the results of operations, financial position and cash flows of the Evergy Companies.

The costs of providing health care benefits to employees and retirees have increased in recent years and may continue to rise in the future. Future legislative changes related to health care could also cause significant changes to benefit programs and costs. The increasing costs associated with health care plans could have a significant adverse impact on the results of operations, financial position and cash flows of the Evergy Companies.

The use of derivative contracts in the normal course of business could result in losses that could negatively impact the results of operations, financial position and cash flows of the Evergy Companies.

The Evergy Companies use derivative instruments, such as swaps, options, futures and forwards, to manage commodity and financial risks. Losses could be recognized as a result of volatility in the market values of these contracts, if a counterparty fails to perform or if the underlying transactions, which the derivative instruments are intended to hedge, fail to materialize. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these financial instruments can involve management's judgment or the use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts.

Tax legislation and an inability to utilize tax credits could adversely impact the financial results and liquidity of the Evergy Companies.

Major tax legislation, known as the Tax Cuts and Jobs Act (TCJA), was signed into law in December 2017. The TCJA significantly reforms the Internal Revenue Code of 1986, as amended (IRC), and is generally effective January 1, 2018. The TCJA contains significant changes to federal corporate income taxation, including reducing the federal corporate income tax rate from 35% to 21%, limiting the deduction for net operating losses, eliminating net operating loss carrybacks and eliminating the use of bonus depreciation on new capital investments. The TCJA reduced revenues and internally generated cash flows due to the reduced collection of taxes in customer prices, which could adversely affect the financial results, liquidity and credit ratings of the Evergy Companies. There may be other material adverse effects of the legislation, such as causing a reduction in deferred income tax assets, and the financial results and liquidity of Evergy could be adversely affected by the TCJA.

Over the last several years, income tax obligations have been reduced due to the continued use of bonus depreciation provisions that allow for an acceleration of deductions for tax purposes and IRS guidance on tax deductions for repairs. Although the TCJA expands bonus depreciation in general, it eliminates bonus depreciation for regulated utilities on new capital investments. The Evergy Companies regularly assess their future ability to utilize tax benefits, including those in the form of net operating loss, tax credit and other tax carryforwards, that are recorded as deferred income tax assets on its balance sheets to determine whether a valuation allowance is necessary. A reduction in, or disallowance of, these tax benefits resulting from a legislative change or adverse determination by a taxing jurisdiction could have an adverse impact on the financial results and liquidity of the

Evergy Companies. Additionally, changes in corporate tax rates or policy changes, such as those resulting from the TCJA, as well as any inability to generate enough taxable income in the future to utilize all tax benefits before they expire, could have an adverse impact on the financial results and liquidity of the Evergy Companies.

In addition, the Evergy Companies operate wind farms that generate production tax credits that reduce federal income tax obligations. The amount of production tax credits is dependent on the level of electricity output generated by wind farms and the applicable tax credit rate. A variety of operating and economic parameters, including transmission constraints, adverse weather conditions and breakdown or failure of equipment, could significantly reduce the production tax credits generated by these wind farms, which could have an adverse impact on the financial results of the Evergy Companies.

Customer and Weather-Related Risks:

The results of operations, financial position and cash flows of Evergy can be materially affected by changes in customer electricity consumption.

Change in customer behaviors in response to energy efficiency programs, changing conditions and preferences or changes in the adoption of technologies could affect the consumption of energy by customers. Federal and state programs exist to influence the way customers use energy and regulators have mandates to promote energy efficiency. Conservation programs and customers' level of participation in the programs could impact the financial results of the Evergy Companies in adverse ways.

Technological advances, energy efficiency and other energy conservation measures have reduced and will continue to reduce customer electricity consumption. The Evergy Companies generate electricity at central station power plants to achieve economies of scale and produce electricity at a competitive cost. Self-generation and distributed generation technologies, including microturbines, wind turbines, fuel cells and solar cells, as well as those related to the storage of energy produced by these systems, have become competitive with the manner and price at which the Evergy Companies sell electricity. There is also a perception that generating or storing electricity through these technologies is more environmentally friendly than generating electricity with fossil fuels. Increased adoption of these technologies could reduce electricity demand and the pool of customers from whom fixed costs are recovered, resulting in under recovery of the fixed costs of the Evergy Companies. Increased self-generation and the related use of net energy metering, which allows self-generating customers to receive bill credits for surplus power, could put upward price pressure on remaining customers. If the Evergy Companies are unable to adjust prices to reflect reduced electricity demand and increased self-generation and net energy metering, their financial condition and results of operations could be adversely affected.

Changes in customer electricity consumption due to sustained financial market disruptions, downturns or sluggishness in the economy or other factors may also adversely affect the results of operations, financial position and cash flows of the Evergy Companies.

Weather is a major driver of the results of operations, financial position and cash flows of the Evergy Companies and the Evergy Companies are subject to risks associated with climate change.

Weather conditions directly influence the demand for electricity and natural gas and affect the price of energy commodities. The Evergy Companies are significantly impacted by seasonality, and, due to energy demand created by air conditioning load, highest revenues are typically recorded in the third quarter. Unusually mild winter or summer weather can adversely affect sales. In addition, severe weather and events, including tornados, snow, fire, rain, flooding and ice storms, can be destructive, causing outages and property damage that can potentially result in additional expenses, lower revenues and additional capital restoration costs. Storm reserves established by the Evergy Companies may be insufficient to cover these increased costs, and rates may not always be adjusted timely and adequately to reflect these increased costs. Additionally, because many of the Evergy Companies' generating stations utilize water for cooling, low water and flow levels can increase maintenance costs at these stations, result in limited power production and require modifications to plant operations. High water conditions can also impair planned deliveries of fuel to generating stations operated by the Evergy Companies. Climate change may produce more frequent or severe weather events, such as storms, droughts or floods and could also impact the economic

health of Evergy's service territories. An increase in the frequency or severity of extreme weather events or a deterioration in the economic health of Evergy's service territories could have a material adverse effect on the results of operations, financial position and cash flows of the Evergy Companies.

In addition, political, legal and regulatory efforts to influence climate change, such as efforts to reduce GHG emissions, impose a tax on emissions and create incentives for low-carbon generation and energy efficiency, could result in reduced sales and require significant costs to respond to such efforts. These efforts could also result in the early retirement of generation facilities, which could result in stranded costs if regulators disallow full recovery of investments that were prudent when originally made. Any of the foregoing could adversely affect the results of operations, financial position and cash flows of the Evergy Companies.

Operational Risks:

Operational risks may adversely affect the results of operations, financial position and cash flows of the Evergy Companies.

The operation of electric generation, transmission, distribution and information systems involves many risks, including breakdown or failure of equipment; aging infrastructure; operator error or contractor or subcontractor failure; problems that delay or increase the cost of returning facilities to service after outages; limitations that may be imposed by equipment conditions or environmental, safety or other regulatory requirements; fuel supply or fuel transportation reductions or interruptions; labor disputes; difficulties with the implementation or operation of information systems; transmission scheduling constraints; and catastrophic events such as fires, floods, droughts, explosions, terrorism, severe weather or other similar occurrences. Many of the Evergy Companies' generation, transmission and distribution resources are aged, which increases the risk of unplanned outages, reduced generation output and higher maintenance expense. Any equipment or system outage or constraint can, among other things, reduce sales, increase costs and affect the ability to meet regulatory service metrics, customer expectations and regulatory reliability and security requirements.

The Evergy Companies have general liability and property insurance to cover a portion of their facilities, but such policies do not cover transmission or distribution systems, are subject to certain limits and deductibles and do not include business interruption coverage. Insurance coverage may not be available in the future at reasonable costs or on commercially reasonable terms, and the insurance proceeds received for any loss of, or any damage to, any facilities may not be sufficient to restore the loss or damage.

These and other operating events may reduce revenues or increase costs, or both, and may materially affect the results of operations, financial position and cash flows of the Evergy Companies.

Physical and cybersecurity breaches, criminal activity, terrorist attacks and other disruptions to facilities or information technology infrastructure could interfere with operations, expose the Evergy Companies or their customers or employees to a risk of loss, expose the Evergy Companies to legal or regulatory liability and cause reputational and other harm.

The Evergy Companies rely upon information technology networks and systems to process, transmit and store electronic information, and to manage or support a variety of business processes and activities, including the generation, transmission and distribution of electricity, supply chain functions and the invoicing and collection of payments from customers. The Evergy Companies also use information technology networks and systems to record, process and summarize financial information and results of operations for internal reporting purposes and to comply with financial reporting, legal and tax requirements. These networks and systems are in some cases owned or managed by third-party service providers. In the ordinary course of business, the Evergy Companies collect, store and transmit sensitive data including operating information, proprietary business information and personal information belonging to customers and employees.

The Evergy Companies' information technology networks and infrastructure, as well as the networks and infrastructure belonging to third-party service providers that the Evergy Companies utilize, may be vulnerable to damage, disruptions or shutdowns due to attacks or breaches by hackers or other unauthorized third parties; error or

malfeasance by one or more employees or service providers; software or hardware upgrades; additions or replacements; malicious software code; telecommunication failures; natural disasters or other catastrophic events. The occurrence of any of these events could, among other things, impact the reliability or safety of the Evergy Companies' generation, transmission and distribution systems; result in the erasure of data or render the Evergy Companies' equipment, or the equipment of third-party service providers, unusable; impact the Evergy Companies' ability to conduct business in the ordinary course; reduce sales; expose the Evergy Companies and their customers, employees and vendors to a risk of loss or misuse of information; and result in legal claims or proceedings, liability or regulatory penalties, damage the Evergy Companies' reputation or otherwise harm their business. The Evergy Companies can provide no assurance that they will identify and remedy all security or system vulnerabilities or that unauthorized access or error will be identified and remedied.

The Evergy Companies are subject to laws and rules issued by multiple government agencies concerning safeguarding and maintaining the confidentiality of their security, customer and business information. For example, NERC has issued comprehensive regulations and standards surrounding the security of bulk power systems and is continually in the process of developing updated and new requirements with which the utility industry must comply. The NRC also has issued regulations and standards related to the protection of critical digital assets at nuclear power plants. Compliance with NERC and NRC rules and standards, and rules and standards promulgated by other regulatory agencies from time to time or future legislation, will increase the Evergy Companies' compliance costs and their exposure to the potential risk of violations of these rules, standards or future legislation, which includes potential financial penalties. Furthermore, the non-compliance of other utilities with applicable regulations or the occurrence of a serious security event at other utilities could result in increased regulation or oversight, both of which could increase the Evergy Companies' costs and impact their financial results.

Additionally, the Evergy Companies cannot predict the impact that any future information technology or terrorist attack may have on the energy industry in general. The electric utility industry, both within the United States and internationally, has experienced physical and cybersecurity attacks on energy infrastructure such as power plants, substations and related assets in the past, and there will likely be more attacks in the future. The Evergy Companies' facilities could be direct targets or indirect casualties of such attacks. The effects of such attacks could include disruption to the Evergy Companies' generation, transmission and distribution systems or to the electrical grid in general, reduced sales and could increase the cost of insurance coverage or result in a decline in the U.S. economy. Any of the foregoing could have a material adverse impact on the Evergy Companies' operations or financial results.

The cost and schedule of capital projects may materially change and expected performance may not be achieved.

The Evergy Companies' business is capital intensive and regularly includes significant construction projects. The risks of any capital project include: actual costs may exceed estimated costs; regulators may disallow, limit or delay the recovery of all or part of the cost of, or a return on, a capital project; risks associated with the capital and credit markets to fund projects; delays in receiving, or failure to receive, necessary permits, approvals and other regulatory authorizations; unforeseen engineering problems or changes in project design or scope; the failure of suppliers and contractors to perform as required under their contracts; inadequate availability or increased cost of labor or materials, including commodities such as steel, copper and aluminum that may be subject to uncertain or increased tariffs; inclement weather; new or changed laws, regulations and requirements, including environmental and health and safety laws, regulations and requirements; and other events beyond the Evergy Companies' control may occur that may materially affect the schedule, cost and performance of these projects.

These and other risks could cause the Evergy Companies to defer or limit capital expenditures, materially increase the costs of capital projects, delay the in-service dates of projects, adversely affect the performance of the projects and require the purchase of electricity on the wholesale market, at potentially more expensive prices, until the projects are completed. Thus, these risks may significantly affect the Evergy Companies' results of operations, financial position and cash flows.

Failure of one or more generation plant co-owners to pay their share of construction or operations and maintenance costs could increase the Evergy Companies' costs and capital requirements.

The Evergy Companies are co-owners of several large generation plants. See Item 2. Properties, for additional information. Failure by any other co-owner to pay its proportionate share of capital and other costs could materially increase the Evergy Companies' share of the costs. Disputes may also arise between co-owners regarding operation of a plant or the sharing of expenses, which could result in legal expenses and damages and adversely impact the Evergy Companies' financial results.

The Evergy Companies are exposed to risks associated with the ownership and operation of a nuclear generating unit, which could adversely impact the Evergy Companies' business and financial results.

Evergy indirectly owns 94% of Wolf Creek, with Westar Energy and KCP&L each owning 47% of the nuclear plant. The NRC has broad authority under federal law to impose licensing and safety-related requirements for the operation of nuclear generation facilities, including Wolf Creek. In the event of non-compliance, the NRC has the authority to impose fines, shut down the facilities, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. Additionally, the non-compliance of other nuclear facility operators with applicable regulations or the occurrence of a serious nuclear incident anywhere in the world could result in increased regulation of the nuclear industry. Such events could increase Wolf Creek's costs and impact the financial results of the Evergy Companies or result in a shutdown of Wolf Creek.

An extended outage of Wolf Creek, whether resulting from NRC action, an incident at the plant or otherwise, could have a material adverse effect on the results of operations, financial position and cash flows of the Evergy Companies in the event replacement power and other costs are not recovered through rates or insurance. If a long-term outage occurred, the state regulatory commissions could reduce rates by excluding the Wolf Creek investment from rate base. Wolf Creek was constructed prior to 1986 and the age of Wolf Creek increases the risk of unplanned outages and results in higher maintenance costs.

On an annual basis, Westar Energy and KCP&L are required to contribute money to tax-qualified trusts that were established to pay for decommissioning costs at the end of the unit's life. The amount of contributions varies depending on estimates of decommissioning expenses and projected return on trust assets. If the actual return on trust assets is below the projected level or actual decommissioning costs are higher than estimated, Westar Energy and KCP&L could be responsible for the balance of funds required and may not be allowed to recover the balance through rates.

The Evergy Companies are also exposed to other risks associated with the ownership and operation of a nuclear generating unit, including, but not limited to, (i) potential liability associated with the potential harmful effects on the environment and human health resulting from the operation of a nuclear generating unit, (ii) the storage, handling, disposal and potential release (by accident, through third-party actions or otherwise) of radioactive materials and (iii) uncertainties with respect to contingencies and assessments if insurance coverage is inadequate. Under the structure for insurance among owners of nuclear generating units, Westar Energy and KCP&L are also liable for potential retrospective premium assessments (subject to a cap) per incident at any commercial reactor in the country and losses in excess of insurance coverage.

In addition, Wolf Creek is reliant on a sole supplier for fuel and related services. The supplier has in the past been the subject of Chapter 11 reorganization proceedings, and an extended outage of Wolf Creek could occur if the supplier is not able to perform under its contracts with Wolf Creek. Switching to another supplier could take an extended amount of time and would require NRC approval. An extended outage at Wolf Creek could affect the amount of Wolf Creek investment included in customer rates and could have a material impact on the Evergy Companies' financial results.

The structure of the regional power market in which the Evergy Companies operate could have an adverse effect on their results of operations, financial position and cash flows.

Westar Energy, KCP&L and GMO are members of the SPP regional transmission organization, and each has transferred operational authority (but not ownership) of their transmission facilities to the SPP. The SPP's Integrated Marketplace determines which generating units among market participants should run, within the operating

constraints of a unit, at any given time for maximum cost-effectiveness. In the event that Westar Energy's, KCP&L's or GMO's generating units are not among the lowest cost generating units operating within the market, each could experience decreased levels of wholesale electricity sales.

A market for Transmission Congestion Rights (TCR) is also included as part of the Integrated Marketplace. TCRs are financial instruments used to hedge transmission congestion charges. Westar Energy, KCP&L and GMO acquire TCRs for the purpose of hedging against transmission congestion charges. There is a risk that the entities could incorrectly model the amount of TCRs needed, or that the TCRs acquired could be ineffective in hedging against transmission congestion charges, either of which could lead to increased purchased power costs.

The rules governing the various regional power markets, including the SPP, may change from time to time and such changes could impact the costs and revenues of the Evergy Companies.

Litigation Risks:

The outcome of legal proceedings cannot be predicted. An adverse finding could have a material adverse effect on the Evergy Companies' results of operations, financial position and cash flows.

The Evergy Companies are parties to various lawsuits and regulatory proceedings in the ordinary course of their respective businesses. The outcome of these matters cannot be determined, nor, in many cases, can the liability that could potentially result from each case be reasonably estimated. The liability that the Evergy Companies may incur with respect to any of these cases may be in excess of amounts currently reserved and insured against with respect to such matters and could adversely impact the financial results for the Evergy Companies.

Risks Related to the Merger:

The anticipated benefits of the merger may not be realized.

The Evergy Companies have incurred, and expect to incur additional, significant costs associated with combining the operations of Great Plains Energy and Westar Energy. Additional unanticipated costs may also be incurred in the integration of the businesses of Great Plains Energy and Westar Energy. The Evergy Companies expect the merger to produce various benefits, including, among other things, operating efficiencies and cost savings. However, achieving the anticipated benefits is subject to a number of uncertainties, including:

- the ability to efficiently and effectively combine operations of the merged companies;
- general market and economic conditions;
- general competitive factors in the marketplace; and
- higher than expected costs required to achieve the anticipated benefits of the merger.

No assurance can be given that these benefits will be achieved or, if achieved, the timing of their achievement. Integration costs could have a material adverse impact on the results of the Evergy Companies, and a failure to achieve the anticipated benefits of the merger could impair Evergy's ability to repurchase shares and its ability to grow its earnings and dividend. In addition, the Evergy Companies may encounter difficulties in integrating the operations of the companies, including inconsistencies in standards, systems and controls, and management's focus and resources may be diverted from ordinary business activities and opportunities in order to focus on integration efforts. Any of the foregoing could have a material adverse effect on the Evergy Companies.

The price of Evergy common stock may experience volatility.

The price of Evergy common stock may be volatile. Some of the factors that could affect the price of Evergy common stock are quarterly increases or decreases in revenue or earnings, changes in revenue or earnings estimates by the investment community, the ability of the Evergy Companies to implement their integration strategy and to realize the expected synergies and other benefits from the merger, the ability of Evergy to implement its share repurchase program and speculation in the press or investment community about the Evergy Companies' financial condition or results of operations. General market conditions and U.S. economic factors and political events

unrelated to the performance of the Evergy may also affect Evergy's stock price. For these reasons, shareholders should not rely on historical trends in the price of Great Plains Energy or Westar Energy common stock to predict the price of Evergy's common stock or its financial results.

Capital, credit market conditions or future legislation may adversely impact Evergy's share repurchase program.

Evergy expects to repurchase a significant number of shares over the next several years using a combination of existing cash on the balance sheet, internally generated cash, proceeds from capital markets activities and short-term debt. Disruptions in capital and credit markets, negative credit rating actions and volatility in the market price of Evergy's common stock may make capital more difficult and costlier to obtain, may restrict liquidity and may adversely impact the ability to execute the share repurchase program in a timely or cost-effective manner. Evergy's ability to execute its share repurchase program could also be adversely impacted by the passage of federal legislation prohibiting or significantly restricting the ability of companies to repurchase shares of their own stock.

Evergy has recorded goodwill that could become impaired and adversely affect financial results.

As required by generally accepted accounting principles (GAAP), Evergy recorded a significant amount of goodwill on its balance sheet in connection with completion of the merger. Evergy assesses goodwill for impairment on an annual basis or whenever events or circumstances occur that would indicate a potential for impairment. If goodwill is deemed to be impaired, Evergy may be required to incur material non-cash charges that could materially adversely affect its results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES
Generation Resources

Station	Unit No.	Location	Year Completed	Fuel	Unit Capability (MW) By Owner ^(a)					Total Generation and Renewable Purchased Power
					Westar Energy	KCP&L	GMO	Total Company Generation	Renewable Purchased Power	
Renewable Generation:										
Central Plains		Kansas	2009	Wind	99	—	—	99	—	99
Flat Ridge		Kansas	2009	Wind	50	—	—	50	50 (e)	100
Western Plains		Kansas	2017	Wind	281	—	—	281	—	281
Meridian Way		Kansas	2008	Wind	—	—	—	—	96 (e)	96
Ironwood		Kansas	2012	Wind	—	—	—	—	168 (e)	168
Post Rock		Kansas	2012	Wind	—	—	—	—	201 (e)	201
Cedar Bluff		Kansas	2015	Wind	—	—	—	—	199 (e)	199
Kay Wind		Oklahoma	2015	Wind	—	—	—	—	200 (e)	200
Ninnescah		Kansas	2016	Wind	—	—	—	—	208 (e)	208
Kingman 1		Kansas	2016	Wind	—	—	—	—	103 (e)	103
Kingman 2		Kansas	2016	Wind	—	—	—	—	103 (e)	103
Rolling Meadows		Kansas	2010	Landfill Gas	—	—	—	—	6 (e)	6
Hutch Solar		Kansas	2017	Solar	—	—	—	—	1 (e)	1
Cimarron II		Kansas	2012	Wind	—	—	—	—	131 (f)	131
Spearville 1		Kansas	2006	Wind	—	101	—	101	—	101
Spearville 2		Kansas	2010	Wind	—	48	—	48	—	48
Spearville 3		Kansas	2012	Wind	—	—	—	—	101 (f)	101
Gray County		Kansas	2001	Wind	—	—	—	—	110 (g)	110
Ensign		Kansas	2012	Wind	—	—	—	—	99 (g)	99
Waverly		Kansas	2016	Wind	—	—	—	—	200 (f)	200
Slate Creek		Kansas	2015	Wind	—	—	—	—	150 (f)	150
Rock Creek		Missouri	2017	Wind	—	—	—	—	300 (h)	300
Osborn		Missouri	2016	Wind	—	—	—	—	201 (h)	201
Pratt		Kansas	2018	Wind	—	—	—	—	243 (h)	243
CNPPID (NE) - Hydro		Nebraska	1941	Hydro	—	—	—	—	66 (f)	66
St Joseph Landfill		Missouri	2012	Landfill Gas	—	—	2	2	—	2
Nuclear:										
Wolf Creek	1 (b)	Kansas	1985	Uranium	552	552	—	1,104	—	1,104
Coal:										
Jeffrey Energy Center		Kansas								
Steam Turbines	1-3 (b)(i)		1978, 1980 & 1983	Coal	2,012	—	175	2,187	—	2,187

Station	Unit No.	Location	Year Completed	Fuel	Unit Capability (MW) By Owner ^(a)					Total Generation and Renewable Purchased Power
					Westar Energy	KCP&L	GMO	Total Company Generation	Renewable Purchased Power	
Lawrence Energy Center										
Steam Turbines	4 & 5	Kansas	1960, 1971	Coal	484	—	—	484	—	484
La Cygne										
Steam Turbines	1 & 2 (b)(c)	Kansas	1973, 1977	Coal	699	699	—	1,398	—	1,398
Iatan										
Steam Turbines	1 & 2 (b)	Missouri	1980, 2010	Coal	—	972	285	1,257	—	1,257
Hawthorn										
Steam Turbines	5 (c)(d)	Missouri	1969	Coal	—	564	—	564	—	564
Gas and Oil:										
Emporia Energy Center										
Combustion Turbines	1 - 7	Kansas	2008 - 2009	Natural Gas	646	—	—	646	—	646
Gordon Evans Energy Center										
Combustion Turbines	1 - 3	Kansas	2000 - 2001	Natural Gas	294	—	—	294	—	294
Hutchinson Energy Center										
Combustion Turbines	1 - 3	Kansas	1974	Natural Gas	165	—	—	165	—	165
	4		1975	Oil	70	—	—	70	—	70
Spring Creek Energy Center										
Combustion Turbines	1 - 4	Oklahoma	2001	Natural Gas	273	—	—	273	—	273
State Line (40%)										
Combined Cycle	2-1, 2-2 & 2-3 (b)	Missouri	2001	Natural Gas	196	—	—	196	—	196
Hawthorn										
Combined Cycle	6/9	Missouri	2000	Natural Gas	—	235	—	235	—	235
Combustion Turbines	7 & 8		2000	Natural Gas	—	157	—	157	—	157
West Gardner										
Combustion Turbines	1 - 4	Kansas	2003	Natural Gas	—	314	—	314	—	314
Osawatomie										
Combustion Turbines	1	Kansas	2003	Natural Gas	—	76	—	76	—	76

Station	Unit No.	Location	Year Completed	Fuel	Unit Capability (MW) By Owner ^(a)					Total Generation and Renewable Purchased Power
					Westar Energy	KCP&L	GMO	Total Company Generation	Renewable Purchased Power	
Ralph Green		Missouri								
Combustion Turbines	3		1981	Natural Gas	—	—	71	71	—	71
Nevada		Missouri								
Combustion Turbines	1		1974	Oil	—	—	18	18	—	18
Lake Road		Missouri								
Combustion Turbines	1 - 3		1951, 1958 & 1962	Natural Gas	—	—	42	42	—	42
	5 - 7		1974, 1989 & 1990	Oil	—	—	104	104	—	104
Steam Turbines	4		1967	Natural Gas	—	—	97	97	—	97
Northeast		Missouri								
Combustion Turbines	11 - 18		1972 - 1977	Oil	—	394	—	394	—	394
Black Start Unit			1985	Oil	—	2	—	2	—	2
South Harper		Missouri								
Combustion Turbines	1 - 3		2005	Natural Gas	—	—	303	303	—	303
Greenwood Energy Center		Missouri								
Combustion Turbines	1 - 4		1975 - 1979	Natural Gas	—	—	242	242	—	242
Crossroads Energy Center		Mississippi								
Combustion Turbines	1 - 4		2002	Natural Gas	—	—	292	292	—	292
Total					5,821	4,114	1,631	11,566	2,936	14,502

^(a) Capability (except for wind generating facilities) represents accredited net generating capacity approved by the SPP. Capability for wind generating facilities represents the nameplate capacity. Due to the intermittent nature of wind generation, these facilities are associated with a total of 1,301 MW of accredited generating capacity.

^(b) Share of a jointly owned unit.

^(c) In 1987, KGE entered into a sale-leaseback transaction involving its 50% interest in the La Cygne Unit 2. Evergy and Westar Energy consolidate the leasing entity as a variable interest entity (VIE). See Note 18 to the consolidated financial statements for more information.

^(d) In 2001, a new boiler, air quality control equipment and an uprated turbine was placed in service at the Hawthorn Generating Station.

^(e) Westar Energy renewable purchased power agreement.

^(f) KCP&L renewable purchased power agreement.

^(g) GMO renewable purchased power agreement.

^(h) KCP&L and GMO renewable purchased power agreement.

⁽ⁱ⁾ Westar Energy leases 8% of the Jeffrey Energy Center. Unit capacity amounts reflect both owned and leased percentages.

Transmission and Distribution Resources

Evergy's electric transmission system interconnects with systems of other utilities for reliability and to permit wholesale transactions with other electricity suppliers. Evergy has approximately 13,700 circuit miles of transmission lines, 39,700 circuit miles of overhead distribution lines and 12,500 circuit miles of underground distribution lines in Missouri and Kansas. Evergy has all material franchise rights necessary to sell electricity within its retail service territory. Evergy's transmission and distribution systems are routinely monitored for adequacy to meet customer needs. Management believes the current systems are adequate to serve customers.

General

Evergy's generating plants are located on property owned (or co-owned) by the Evergy Companies, except for certain facilities that are located on easements or are contractually controlled. Evergy's service centers, electric substations and a portion of its transmission and distribution systems are located on property owned or leased by Evergy. Evergy's transmission and distribution systems are for the most part located above or underneath highways, streets, other public places or property owned by others. Evergy believes that it has satisfactory rights to use those places or properties in the form of permits, grants, easements, licenses or franchise rights; however, it has not necessarily undertaken efforts to examine the underlying title to the land upon which the rights rest. Evergy's headquarters are located in leased office space.

Substantially all of the fixed property and franchises of the Evergy Companies, which consist principally of electric generating stations, electric transmission and distribution lines and systems, and buildings (subject to exceptions, reservations and releases), are subject to mortgage indentures pursuant to which bonds have been issued and are outstanding. See Note 12 to the consolidated financial statements for more information.

ITEM 3. LEGAL PROCEEDINGS

Other Proceedings

The Evergy Companies are parties to various lawsuits and regulatory proceedings in the ordinary course of their respective businesses. For information regarding material lawsuits and proceedings, see Notes 2, 5 and 14 to the consolidated financial statements. Such information is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

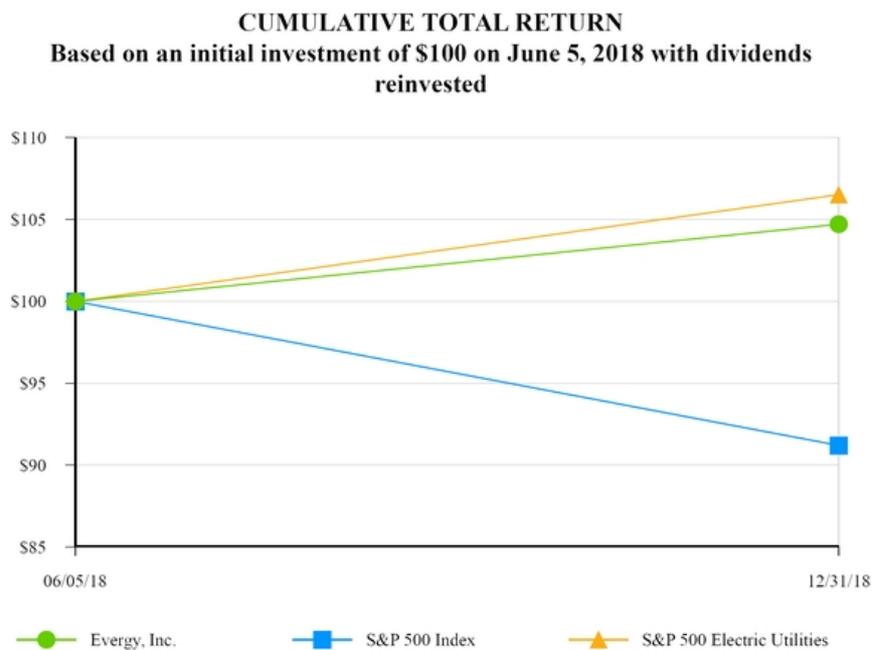
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

EVERGY, INC.

Evergy's common stock is listed on the New York Stock Exchange under the symbol "EVRG." At February 15, 2019, Evergy's common stock was held by 24,165 shareholders of record.

Performance Graph

The following graph compares the performance of Evergy's common stock during the period that began on June 5, 2018 (the first day that Evergy's common stock traded), and ended on December 31, 2018, to the performance of the Standard & Poor's 500 Index (S&P 500) and the Standard & Poor's Electric Utility Index (S&P 500 Electric Utilities). The graph assumes a \$100 investment in Evergy's common stock and in each of the indices at the beginning of the period and a reinvestment of dividends paid on such investments throughout the period.



Purchases of Equity Securities

The following table provides information regarding purchases by Evergy of its equity securities that are registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (Exchange Act), during the three months ended December 31, 2018.

Issuer Purchases of Equity Securities				
Month	Total Number of Shares (or Units) Purchased ^(a)	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs ^(a)
October 1 - 31	1,341,183	(b)	1,341,183	51,763,744
November 1 - 30	1,228,939	(c)	1,228,939	50,534,805
December 1 - 31	6,903,355	(d)	6,903,168	43,631,637
Total	9,473,477		9,473,290	43,631,637

^(a) In July 2018, the Evergy Board of Directors (Evergy Board) authorized the repurchase of up to 60 million shares of Evergy's common stock with no expiration date. Evergy expects to repurchase the 60 million shares by mid-2020. See Note 17 to the consolidated financial statements for additional information on Evergy's common stock repurchase program.

^(b) In August 2018, Evergy entered into two accelerated share repurchase (ASR) agreements to purchase \$450.0 million of Evergy common stock. In October 2018, one of the ASR agreements was settled early at the option of the financial institution, which resulted in the delivery of 848,226 additional shares of Evergy common stock at no additional cost. In total, 3,981,930 shares were delivered under this ASR at an average price paid per share of \$56.51. In addition, Evergy repurchased 492,957 shares of common stock in the open market at an average price of \$55.97.

^(c) In November 2018, the final August 2018 ASR agreement was settled, which resulted in the delivery of 816,405 additional shares of Evergy common stock at no additional cost. In total, 3,950,109 shares were delivered under this ASR at an average price paid per share of \$56.96. In addition, Evergy repurchased 412,534 shares of common stock in the open market at an average price of \$58.16.

^(d) In November 2018, Evergy entered into a new ASR agreement to purchase \$475.0 million of Evergy common stock and through which 6,400,539 shares were delivered in December 2018. The final number of shares of Evergy common stock that will ultimately be delivered to Evergy, and therefore the average price paid per share, will be determined at the final settlement of the ASR by March 2019 or earlier at the option of the financial institution. In addition, Evergy repurchased 502,629 shares of common stock in the open market at an average price of \$58.94. Evergy also purchased 187 shares for withholding taxes for restricted stock vesting at an average price of \$56.45.

Dividend Restrictions

For information regarding dividend restrictions, see Note 17 to the consolidated financial statements.

ITEM 6. SELECTED FINANCIAL DATA

Year Ended December 31	2018 ^(a)	2017	2016	2015	2014
Evergy	(dollars in millions except per share amounts)				
Operating revenues	\$ 4,276	\$ 2,571	\$ 2,562	\$ 2,459	\$ 2,602
Net income	\$ 546	\$ 337	\$ 361	\$ 302	\$ 322
Net income attributable to Evergy, Inc.	\$ 536	\$ 324	\$ 347	\$ 292	\$ 313
Basic earnings per common share	\$ 2.50	\$ 2.27	\$ 2.43	\$ 2.11	\$ 2.40
Diluted earnings per common share	\$ 2.50	\$ 2.27	\$ 2.43	\$ 2.09	\$ 2.35
Total assets at year end	\$ 25,598	\$ 11,624	\$ 11,487	\$ 10,706	\$ 10,289
Total long-term obligations at year end ^(b)	\$ 7,472	\$ 3,846	\$ 3,699	\$ 3,379	\$ 3,433
Cash dividends per common share	\$ 1.735	\$ 1.60	\$ 1.52	\$ 1.44	\$ 1.40
Westar Energy					
Operating revenues	\$ 2,615	\$ 2,571	\$ 2,562	\$ 2,459	\$ 2,602
Net income	\$ 349	\$ 337	\$ 361	\$ 302	\$ 322
Net income attributable to Westar Energy, Inc.	\$ 339	\$ 324	\$ 347	\$ 292	\$ 313
Total assets at year end	\$ 11,817	\$ 11,624	\$ 11,487	\$ 10,706	\$ 10,289
Total long-term obligations at year end ^(b)	\$ 3,817	\$ 3,846	\$ 3,699	\$ 3,379	\$ 3,433
KCP&L					
Operating revenues	\$ 1,823	\$ 1,891	\$ 1,875	\$ 1,714	\$ 1,731
Net income	\$ 163	\$ 180	\$ 225	\$ 153	\$ 162
Total assets at year end	\$ 8,121	\$ 8,124	\$ 8,058	\$ 7,815	\$ 7,495
Total long-term obligations at year end ^(b)	\$ 2,532	\$ 2,582	\$ 2,565	\$ 2,563	\$ 2,297

^(a) On June 4, 2018, Evergy completed the mergers contemplated by the Amended Merger Agreement. The results of Great Plains Energy's direct subsidiaries have been included in Evergy's results from the date of the closing of the merger and thereafter. KCP&L amounts are not included in consolidated Evergy for 2017, 2016, 2015 and 2014.

^(b) Includes long-term debt, current maturities of long-term debt, capital leases, long-term debt of VIEs and current maturities of long-term debt of VIEs.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
EVERGY, INC.
EXECUTIVE SUMMARY

Evergy, Inc. is a public utility holding company incorporated in 2017 and headquartered in Kansas City, Missouri. Evergy operates primarily through the following wholly-owned direct subsidiaries:

- Westar Energy is an integrated, regulated electric utility that provides electricity to customers in the state of Kansas. Westar Energy has one active wholly-owned subsidiary with significant operations, KGE.
- KCP&L is an integrated, regulated electric utility that provides electricity to customers in the states of Missouri and Kansas.
- GMO is an integrated, regulated electric utility that provides electricity to customers in the state of Missouri.
- GPETHC owns 13.5% of Transource with the remaining 86.5% owned by AEP Transmission Holding Company, LLC, a subsidiary of AEP. Transource is focused on the development of competitive electric transmission projects. GPETHC accounts for its investment in Transource under the equity method.

Westar Energy also owns a 50% interest in Prairie Wind, which is a joint venture between Westar Energy and affiliates of AEP and Berkshire Hathaway Energy Company. Prairie Wind owns a 108-mile, 345 kV double-circuit transmission line that provides transmission service in the SPP. Westar Energy accounts for its investment in Prairie Wind under the equity method.

Westar Energy and KGE conduct business in their respective service territories using the name Westar Energy. KCP&L and GMO conduct business in their respective service territories using the name KCP&L. Collectively, the Evergy Companies have approximately 14,500 MWs of owned generating capacity and renewable purchased power agreements and engage in the generation, transmission, distribution and sale of electricity to approximately 1.6 million customers in the states of Kansas and Missouri. The Evergy Companies assess financial performance and allocate resources on a consolidated basis (i.e., operate in one segment).

Great Plains Energy and Westar Energy Merger

Evergy was incorporated in 2017 as Monarch Energy, a wholly-owned subsidiary of Great Plains Energy. Prior to the closing of the merger transactions, Monarch Energy changed its name to Evergy and did not conduct any business activities other than those required for its formation and matters contemplated by the Amended Merger Agreement. On June 4, 2018, in accordance with the Amended Merger Agreement, Great Plains Energy merged into Evergy, with Evergy surviving the merger and King Energy merged into Westar Energy, with Westar Energy surviving the merger. These merger transactions resulted in Evergy becoming the parent entity of Westar Energy and the direct subsidiaries of Great Plains Energy, including KCP&L and GMO. As a result of the closing of the merger transactions, each outstanding share of Great Plains Energy common stock was converted into 0.5981 shares of Evergy common stock, resulting in the issuance of 128.9 million shares. Additionally, each outstanding share of Westar Energy common stock was converted into 1 share of Evergy common stock.

Westar Energy was determined to be the accounting acquirer and thus, the predecessor of Evergy. Therefore, Evergy's accompanying consolidated financial statements reflect the results of operations of Westar Energy for 2017 and 2016 and the financial position of Westar Energy as of December 31, 2017. Evergy had separate operations for the period beginning with the quarter ended June 30, 2018, and references to amounts for periods after the closing of the merger relate to Evergy. The results of Great Plains Energy's direct subsidiaries have been included in Evergy's results of operations from the date of the closing of the merger and thereafter.

KCP&L has elected not to apply "push-down accounting" related to the merger, whereby the adjustments of assets and liabilities to fair value and the resulting goodwill would be recorded on the financial statements of the acquired subsidiary. These adjustments for KCP&L, as well as those related to the acquired assets and liabilities of Great Plains Energy and its other direct subsidiaries, are only reflected on Evergy's consolidated financial statements.

See Note 2 to the consolidated financial statements for more information regarding the merger.

Common Stock Repurchase Program

In July 2018, the Evergy Board authorized the repurchase of up to 60 million shares of Evergy's common stock. Although this repurchase authorization has no expiration date, Evergy expects to repurchase approximately 60 million shares by mid-2020. Evergy plans to utilize various methods to effectuate the share repurchase program, including but not limited to, a series of transactions that may include ASRs, open market transactions or other means, subject to market conditions and applicable legal requirements. The repurchase program may be suspended, discontinued or resumed at any time. For 2018, Evergy had total repurchases of common stock of approximately \$1,042 million and had repurchased 16.4 million shares under the repurchase program. These repurchase totals include shares repurchased under ASR agreements, one of which had not reached final settlement as of December 31, 2018, and are discussed further below.

In August 2018, Evergy entered into two ASR agreements with financial institutions to purchase \$450.0 million of Evergy common stock. The ASR agreements reached final settlement in the fourth quarter of 2018 and resulted in the delivery of 7.9 million shares to Evergy based on the average daily volume weighted-average price of Evergy common stock during the term of the ASR agreements, less a negotiated discount.

In November 2018, Evergy entered into an ASR agreement with a financial institution to purchase \$475.0 million of Evergy common stock. In December 2018, the financial institution delivered to Evergy 6.4 million shares of common stock, representing a partial settlement of the contract, based on then-current market prices and Evergy paid a total of \$475.0 million. The final number of shares of Evergy common stock that Evergy may receive or be required to remit upon settlement of the ASR agreement will be based on the average daily volume weighted-average price of Evergy common stock during the term of the ASR agreement, less a negotiated discount. Final settlement of the ASR agreement will occur by March 2019, but may occur earlier at the option of the financial institution. Evergy expects that the final settlement of the ASR agreement will result in the delivery of additional shares of common stock to Evergy at no additional cost.

See Note 17 to the consolidated financial statements for more information regarding Evergy's common stock repurchase program.

Missouri Legislation

On June 1, 2018, Missouri Senate Bill (S.B.) 564 was signed into law by the Governor of Missouri. Most notably, S.B. 564 includes a PISA provision that can be elected by Missouri electric utilities to defer to a regulatory asset and recover 85% of depreciation expense and associated return on investment for qualifying electric plant rate base additions. Qualifying electric plant includes all rate base additions with the exception of new coal, nuclear or natural gas generating units or rate base additions that increase revenues by allowing service to new customer premises. The deferred depreciation and return recorded in the associated regulatory asset, except for any prudence disallowances, is required to be included in determining the utility's rate base during subsequent general rate proceedings subject to a 3% compound annual growth rate limitation on future electric rates compared with the utility's rates in effect prior to electing PISA. Utilities that elect the PISA provision can make qualifying deferrals of depreciation and return through December 2023, with a potential extension through December 2028 subject to MPSC approval. Except under certain circumstances, utilities that elect the PISA provision must keep base rates constant for three years following the utilities' last general rate case. KCP&L and GMO have elected the PISA provision of S.B. 564 effective as of January 1, 2019.

Regulatory Proceedings

See Note 5 to the consolidated financial statements for information regarding regulatory proceedings.

Plant Retirements

In 2017, Westar Energy announced plans to retire Unit 7 at Tecumseh Energy Center, Units 3 and 4 at Murray Gill Energy Center and Units 1 and 2 at Gordon Evans Energy Center, subject to the completion of the merger in 2018. In 2017, KCP&L and GMO also announced plans to retire KCP&L's Montrose Station and GMO's Sibley Station.

In the fourth quarter of 2018, Westar Energy, KCP&L and GMO retired these stations consistent with their previously announced plans.

Strategy

Evergy expects to continue operating its vertically integrated utilities within the currently existing regulatory frameworks. Evergy's objectives are to deliver value to shareholders through earnings and dividend growth; serve customers and communities with reliable service, clean energy and fewer and lower rate increases; and maintain a rewarding and challenging work environment for employees. Significant elements of Evergy's strategy to achieve these objectives include:

- the realization of a total of approximately \$550 million of potential net savings from 2018 through 2022 resulting from synergies that are expected to be created as a result of the merger;
- the repurchase of approximately 60 million outstanding shares of Evergy common stock by mid-2020;
- anticipated rate base investment of approximately \$6 billion from 2018 through 2022;
- the continued growth of Evergy's renewable energy portfolio as the Evergy Companies retire older and less efficient fossil fuel plants; and

- implementation of the rate orders received by the KCC and MPSC in 2018.

See "Cautionary Statements Regarding Certain Forward-Looking Information" and Part I, Item 1A, Risk Factors, for additional information.

Earnings Overview

The following table summarizes Evergy's net income and diluted earnings per common share (EPS).

	2018	2017	Change
	(millions, except per share amounts)		
Net income attributable to Evergy, Inc.	\$ 535.8	\$ 323.9	\$ 211.9
Earnings per common share, diluted	2.50	2.27	0.23

Net income and diluted EPS increased in 2018 compared to 2017, primarily due to the inclusion of KCP&L's and GMO's earnings beginning in June 2018, higher Westar Energy retail sales driven by favorable weather and lower income tax expense, partially offset by merger-related costs and reductions of revenue for customer bill credits incurred following the close of the merger.

In addition, a higher number of diluted weighted average common shares outstanding due to the issuance of common shares to Great Plains Energy shareholders as a result of the merger diluted earnings per share \$1.26 for 2018.

For additional information regarding the change in net income, refer to the Evergy Results of Operations section within this MD&A.

Impact of Recently Issued Accounting Standards

See Note 1 to the consolidated financial statements for information regarding the impact of recently issued accounting standards.

Wolf Creek Refueling Outage

Wolf Creek's most recent refueling outage began in March 2018 and the unit returned to service in May 2018. Wolf Creek's next refueling outage is planned to begin in the third quarter of 2019.

ENVIRONMENTAL MATTERS

See Note 14 to the consolidated financial statements for information regarding environmental matters.

RELATED PARTY TRANSACTIONS

See Note 16 to the consolidated financial statements for information regarding related party transactions.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures. Management considers an accounting estimate to be critical if it requires assumptions to be made that were uncertain at the time the estimate was made and changes in the estimate or different estimates that could have been used could have a material impact on Evergy's results of operations and financial position. Management has identified the following accounting policies as critical to the understanding of Evergy's results of operations and financial position. Management has discussed the development and selection of these critical accounting policies with the Audit Committee of the Evergy Board.

Pensions

Evergy incurs significant costs in providing non-contributory defined pension benefits. The costs are measured using actuarial valuations that are dependent upon numerous factors derived from actual plan experience and assumptions of future plan experience.

Pension costs are impacted by actual employee demographics (including age, life expectancies, compensation levels and employment periods), earnings on plan assets, the level of contributions made to the plan, and plan amendments. In addition, pension costs are also affected by changes in key actuarial assumptions, including anticipated rates of return on plan assets and the discount rates used in determining the projected benefit obligation and pension costs.

The assumed rate of return on plan assets was developed based on the weighted-average of long-term returns forecast for the expected portfolio mix of investments held by the plan. The assumed discount rate was selected based on the prevailing market rate of fixed income debt instruments with maturities matching the expected timing of the benefit obligation. These assumptions, updated annually at the measurement date, are based on management's best estimates and judgment; however, material changes may occur if these assumptions differ from actual events. See Note 9 to the consolidated financial statements for information regarding the assumptions used to determine benefit obligations and net costs.

The following table reflects the sensitivities associated with a 0.5% increase or a 0.5% decrease in key actuarial assumptions for Evergy's qualified pension plans. Each sensitivity reflects the impact of the change based on a change in that assumption only.

Actuarial assumption	Change in Assumption	Impact on Projected Benefit Obligation	Impact on 2019 Pension Expense
		(millions)	
Discount rate	0.5% increase	\$ (173.9)	\$ (19.0)
Rate of return on plan assets	0.5% increase	—	(8.1)
Rate of compensation	0.5% increase	40.5	8.5
Discount rate	0.5% decrease	197.3	21.3
Rate of return on plan assets	0.5% decrease	—	8.1
Rate of compensation	0.5% decrease	(36.4)	(7.7)

Pension expense for Westar Energy, KCP&L and GMO is recorded in accordance with rate orders from the KCC and MPSC. The orders allow the difference between pension costs under GAAP and pension costs for ratemaking to be recorded as a regulatory asset or liability with future ratemaking recovery or refunds, as appropriate.

In 2018, Evergy's pension expense was \$90.1 million under GAAP and \$98.4 million for ratemaking. The impact on 2019 pension expense in the table above reflects the impact on GAAP pension costs. Under the Evergy Companies' rate agreements, any increase or decrease in GAAP pension expense would be deferred in a regulatory asset or liability for future ratemaking treatment. See Note 9 to the consolidated financial statements for additional information regarding the accounting for pensions.

Market conditions and interest rates significantly affect the future assets and liabilities of the plan. It is difficult to predict future pension costs, changes in pension liability and cash funding requirements due to the inherent uncertainty of market conditions.

Revenue Recognition

Evergy recognizes revenue on the sale of electricity to customers over time as the service is provided in the amount it has the right to invoice. Revenues recorded include electric services provided but not yet billed by Evergy. Unbilled revenues are recorded for kWh usage in the period following the customers' billing cycle to the end of the

month. This estimate is based on net system kWh usage less actual billed kWhs. Evergy's estimated unbilled kWhs are allocated and priced by regulatory jurisdiction across the rate classes based on actual billing rates. Evergy's unbilled revenue estimate is affected by factors including fluctuations in energy demand, weather, line losses and changes in the composition of customer classes. See Note 4 for the balance of unbilled receivables for Evergy as of December 31, 2018 and 2017.

Regulatory Assets and Liabilities

Evergy has recorded assets and liabilities on its consolidated balance sheets resulting from the effects of the ratemaking process, which would not otherwise be recorded under GAAP. Regulatory assets represent incurred costs that are probable of recovery from future revenues. Regulatory liabilities represent future reductions in revenues or refunds to customers.

Management regularly assesses whether regulatory assets and liabilities are probable of future recovery or refund by considering factors such as decisions by the MPSC, KCC or FERC in Evergy's rate case filings; decisions in other regulatory proceedings, including decisions related to other companies that establish precedent on matters applicable to Evergy; and changes in laws and regulations. If recovery or refund of regulatory assets or liabilities is not approved by regulators or is no longer deemed probable, these regulatory assets or liabilities are recognized in the current period results of operations. Evergy's continued ability to meet the criteria for recording regulatory assets and liabilities may be affected in the future by restructuring and deregulation in the electric industry or changes in accounting rules. In the event that the criteria no longer applied to all or a portion of Evergy's operations, the related regulatory assets and liabilities would be written off unless an appropriate regulatory recovery mechanism were provided. Additionally, these factors could result in an impairment on utility plant assets. See Note 5 to the consolidated financial statements for additional information.

Impairments of Assets and Goodwill

Long-lived assets are required to be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable as prescribed under GAAP.

Accounting rules require goodwill to be tested for impairment annually and when an event occurs indicating the possibility that an impairment exists. The goodwill impairment test consists of comparing the fair value of a reporting unit to its carrying amount, including goodwill, to identify potential impairment. In the event that the carrying amount exceeds the fair value of the reporting unit, an impairment loss is recognized for the difference between the carrying amount of the reporting unit and its fair value. Evergy's consolidated operations are considered one reporting unit for assessment of impairment, as management assesses financial performance and allocates resources on a consolidated basis. Evergy's first impairment test for the \$2,338.9 million of goodwill from the Great Plains Energy and Westar Energy merger will be conducted on May 1, 2019.

Evergy anticipates that the determination of fair value for the reporting unit will consist of two valuation techniques: an income approach consisting of a discounted cash flow analysis and a market approach consisting of a determination of reporting unit invested capital using market multiples derived from the historical revenue, earnings before interest, income taxes, depreciation and amortization, net utility asset values and market prices of stock of peer companies. The results of the two techniques will be evaluated and weighted to determine a point within the range that management considers representative of fair value for the reporting unit, which involves a significant amount of management judgment.

The discounted cash flow analysis is most significantly impacted by two assumptions: estimated future cash flows and the discount rate applied to those cash flows. Management will determine the appropriate discount rate to be based on the reporting unit's weighted average cost of capital (WACC). The WACC takes into account both the return on equity authorized by the KCC and MPSC and after-tax cost of debt. Estimated future cash flows are based on Evergy's internal business plan, which assumes the occurrence of certain events in the future, such as the outcome of future rate filings, future approved rates of return on equity, anticipated earnings/returns related to future capital investments, continued recovery of cost of service and the renewal of certain contracts. Management also makes assumptions regarding the run rate of operations, maintenance and general and administrative costs based on the expected outcome of the aforementioned events. Should the actual outcome of some or all of these assumptions

differ significantly from the current assumptions, revisions to current cash flow assumptions could cause the fair value of the Evergy reporting unit under the income approach to be significantly different in future periods and could result in a future impairment charge to goodwill.

The market approach analysis is most significantly impacted by management's selection of relevant peer companies as well as the determination of an appropriate control premium to be added to the calculated invested capital of the reporting unit, as control premiums associated with a controlling interest are not reflected in the quoted market price of a single share of stock. Management will determine an appropriate control premium by using an average of control premiums for recent acquisitions in the industry. Changes in results of peer companies, selection of different peer companies and future acquisitions with significantly different control premiums could result in a significantly different fair value of the Evergy reporting unit.

Income Taxes

Income taxes are accounted for using the asset/liability approach. Deferred tax assets and liabilities are determined based on the temporary differences between the financial reporting and tax bases of assets and liabilities, applying enacted statutory tax rates in effect for the year in which the differences are expected to reverse. Deferred investment tax credits are amortized ratably over the life of the related property. Deferred tax assets are also recorded for net operating losses, capital losses and tax credit carryforwards. Evergy is required to estimate the amount of taxes payable or refundable for the current year and the deferred tax liabilities and assets for future tax consequences of events reflected in Evergy's consolidated financial statements or tax returns. Actual results could differ from these estimates for a variety of reasons including changes in income tax laws, enacted tax rates and results of audits by taxing authorities. This process also requires management to make assessments regarding the timing and probability of the ultimate tax impact from which actual results may differ. Evergy records valuation allowances on deferred tax assets if it is determined that it is more likely than not that the asset will not be realized. See Note 19 to the consolidated financial statements for additional information.

Asset Retirement Obligations

Evergy has recognized legal obligations associated with the disposal of long-lived assets that result from the acquisition, construction, development or normal operation of such assets. Concurrent with the recognition of the liability, the estimated cost of the ARO incurred at the time the related long-lived assets were either acquired, placed in service or when regulations establishing the obligation became effective. The recording of AROs for regulated operations has no income statement impact due to the deferral of the adjustments through the establishment of a regulatory asset or an offset to a regulatory liability.

Evergy initially recorded AROs at fair value for the estimated cost to decommission Wolf Creek (94% share), retire wind generating facilities, dispose of asbestos insulating material at its power plants, remediate ash disposal ponds and close ash landfills, among other items. ARO refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement may be conditional on a future event that may or may not be within the control of the entity. In determining Evergy's AROs, assumptions are made regarding probable future disposal costs and the timing of their occurrence. A change in these assumptions could have a significant impact on Evergy's AROs reflected on its consolidated balance sheets.

As of December 31, 2018 and 2017, Evergy had recorded AROs of \$687.1 million and \$405.1 million, respectively. See Note 6 to the consolidated financial statements for more information regarding Evergy's AROs.

EVERGY RESULTS OF OPERATIONS

Evergy's results of operations and financial position are affected by a variety of factors including rate regulation, fuel costs, weather, customer behavior and demand, the economy and competitive forces.

Substantially all of Evergy's revenues are subject to state or federal regulation. This regulation has a significant impact on the price the Evergy Companies charge for electric service. Evergy's results of operations and financial position are affected by its ability to align overall spending, both operating and capital, within the frameworks established by its regulators.

Wholesale revenues are impacted by, among other factors, demand, cost and availability of fuel and purchased power, price volatility, available generation capacity, transmission availability and weather.

The Evergy Companies primarily use coal and uranium for the generation of electricity for their customers and also purchase power on the open market. The prices for these commodities can fluctuate significantly due to a variety of factors including supply, demand, weather and the broader economic environment. Westar Energy, KCP&L and GMO have fuel recovery mechanisms in their Kansas and Missouri jurisdictions, as applicable, that allow them to defer and subsequently recover or refund, through customer rates, substantially all of the variance in net energy costs from the amount set in base rates without a general rate case proceeding.

Weather significantly affects the amount of electricity that Evergy's customers use as electricity sales are seasonal. As summer peaking utilities, the third quarter typically accounts for the greatest electricity sales by the Evergy Companies. Hot summer temperatures and cold winter temperatures prompt more demand, especially among residential and commercial customers, and to a lesser extent, industrial customers. Mild weather reduces customer demand.

Energy efficiency investments by customers and the Evergy Companies also can affect the demand for electric service. Through the Missouri Energy Efficiency Investment Act (MEEIA), KCP&L and GMO offer energy efficiency and demand side management programs to their Missouri retail customers and recover program costs, throughput disincentive, and as applicable, certain performance incentives in retail rates through a rider mechanism.

The following table summarizes Evergy's comparative results of operations.

	2018	Change	2017	Change	2016
	(millions)				
Operating revenues	\$ 4,275.9	\$ 1,704.9	\$ 2,571.0	\$ 8.9	\$ 2,562.1
Fuel and purchased power	1,078.7	537.2	541.5	32.0	509.5
SPP network transmission costs	259.9	12.0	247.9	15.1	232.8
Other operating expenses	1,384.9	653.8	731.1	(47.8)	778.9
Depreciation and amortization	618.8	247.1	371.7	33.2	338.5
Income from operations	933.6	254.8	678.8	(23.6)	702.4
Other income (expense), net	(54.4)	(27.6)	(26.8)	(25.3)	(1.5)
Interest expense	279.6	108.6	171.0	9.3	161.7
Income tax expense	59.0	(92.2)	151.2	(33.3)	184.5
Equity in earnings of equity method investees, net of income taxes	5.4	(1.3)	6.7	0.2	6.5
Net income	546.0	209.5	336.5	(24.7)	361.2
Less: Net income attributable to noncontrolling interests	10.2	(2.4)	12.6	(2.0)	14.6
Net income attributable to Evergy, Inc.	\$ 535.8	\$ 211.9	\$ 323.9	\$ (22.7)	\$ 346.6

Evergy Utility Gross Margin and MWh Sales

Utility gross margin is a financial measure that is not calculated in accordance with GAAP. Utility gross margin, as used by the Evergy Companies, is defined as operating revenues less fuel and purchased power costs and amounts billed by the SPP for network transmission costs. Expenses for fuel and purchased power costs, offset by wholesale sales margin, are subject to recovery through cost adjustment mechanisms. As a result, changes in fuel and purchased power costs are offset in operating revenues with minimal impact on net income. In addition, SPP network transmission costs fluctuate primarily due to investments by SPP members for upgrades to the transmission grid within the SPP RTO. As with fuel and purchased power costs, changes in SPP network transmission costs are mostly reflected in the prices charged to customers with minimal impact on net income. See Note 3 to the consolidated financial statements for additional information regarding the manner in which Evergy reflects SPP revenues and expenses.

Management believes that utility gross margin provides a meaningful basis for evaluating the Evergy Companies' operations across periods compared with operating revenues because utility gross margin excludes the revenue effect of fluctuations in these expenses. Utility gross margin is used internally to measure performance against budget and in reports for management and the Evergy Board. The Evergy Companies' definition of utility gross margin may differ from similar terms used by other companies.

The following tables summarize Evergy's utility gross margin and MWhs sold.

Utility Gross Margin	2018	Change	2017	Change	2016
Retail revenues			(millions)		
Residential	\$ 1,578.8	\$ 777.5	\$ 801.3	\$ (23.9)	\$ 825.2
Commercial	1,356.4	644.7	711.7	(16.9)	728.6
Industrial	527.8	114.9	412.9	7.1	405.8
Other retail revenues	30.6	7.8	22.8	0.8	22.0
Total electric retail	3,493.6	1,544.9	1,948.7	(32.9)	1,981.6
Wholesale revenues	404.4	73.2	331.2	14.9	316.3
Transmission revenues	308.1	23.3	284.8	26.1	258.7
Other revenues	69.8	63.5	6.3	0.8	5.5
Operating revenues	4,275.9	1,704.9	2,571.0	8.9	2,562.1
Fuel and purchased power	(1,078.7)	(537.2)	(541.5)	(32.0)	(509.5)
SPP network transmission costs	(259.9)	(12.0)	(247.9)	(15.1)	(232.8)
Utility gross margin ^(a)	\$ 2,937.3	\$ 1,155.7	\$ 1,781.6	\$ (38.2)	\$ 1,819.8

^(a) Utility gross margin is a non-GAAP financial measure. See explanation of utility gross margin above.

MWh Sales	2018	Change	2017	Change	2016
Retail MWh Sales			(thousands)		
Residential	12,478	6,315	6,163	(271)	6,434
Commercial	14,129	6,761	7,368	(176)	7,544
Industrial	7,426	1,737	5,689	190	5,499
Other retail revenues	110	37	73	(4)	77
Total electric retail	34,143	14,850	19,293	(261)	19,554
Wholesale revenues	13,811	3,465	10,346	2,047	8,299
Operating revenues	47,954	18,315	29,639	1,786	27,853

Evergy's utility gross margin increased \$1,155.7 million in 2018 compared to 2017 driven by:

- an \$1,181.5 million increase due to the inclusion of KCP&L's and GMO's utility gross margin beginning in June 2018; and
- a \$75.0 million increase primarily due to higher Westar Energy retail sales driven by warmer spring and summer weather and colder winter weather. For 2018 compared to 2017, cooling degree days increased 31% and heating degree days increased 23%; partially offset by
- a \$69.8 million provision for rate refund recorded at Westar Energy for the change in the corporate income tax rate caused by the passage of the TCJA. See Note 19 to the consolidated financial statements for additional information; and
- a \$31.0 million reduction in revenue recorded at Westar Energy for one-time and annual bill credits as a result of conditions in the KCC merger order. See Note 2 to the consolidated financial statements for additional information.

Evergy's utility gross margin decreased \$38.2 million in 2017 compared to 2016 primarily due to lower Westar Energy retail sales driven by milder weather. For 2017 compared to 2016, cooling degree days decreased 13%.

Other Operating Expenses (including operating and maintenance expense and taxes other than income tax)

Evergy's other operating expenses increased \$653.8 million in 2018 compared to 2017 primarily driven by:

- a \$453.0 million increase in operating and maintenance expense due to the inclusion of KCP&L's and GMO's operating and maintenance expenses beginning in June 2018, excluding the deferral of merger transition costs discussed below;
- \$69.5 million of merger-related costs incurred following the close of the merger in June 2018, consisting of:
 - \$24.7 million of unconditional charitable contributions and community support recorded by Evergy in accordance with conditions in the KCC and MPSC merger orders;
 - \$44.2 million of Westar Energy change in control payments, Westar Energy voluntary severance and the recording of unrecognized equity compensations costs and the incremental fair value associated with the vesting of outstanding Westar Energy equity compensation awards in accordance with the Amended Merger Agreement; and
 - \$48.4 million of merger consulting fees and fees for other outside services incurred, primarily consisting of merger success fees; partially offset by
 - a \$47.8 million decrease in operating and maintenance expense due to the deferral of merger transition costs to a regulatory asset in June 2018 for future recovery by Westar Energy, KCP&L and GMO in accordance with the KCC and MPSC merger orders;
- a \$95.3 million increase in taxes other than income taxes due to the inclusion of KCP&L and GMO amounts beginning in June 2018;
- \$12.3 million of obsolete inventory write-offs for Westar Energy's Unit 7 at Tecumseh Energy Center, Units 3 and 4 at Murray Gill Energy Center and Units 1 and 2 at Gordon Evans Energy Center, which were retired in the fourth quarter of 2018; and
- a \$5.5 million increase due to Westar Energy's 47% share of voluntary severance expenses incurred related to the Wolf Creek voluntary exit program.

Evergy's other operating expenses decreased \$47.8 million in 2017 compared to 2016 primarily driven by:

- a \$24.2 million decrease in Westar Energy's property tax expense due to a decrease in amortization of the regulatory asset comprised of actual costs incurred for property taxes in the prior year in excess of amounts collected in prices in the prior year, which is mostly offset in retail revenues;
- an \$8.6 million decrease in Westar Energy's transmission and distribution expense due to higher grid resiliency costs in 2016 and receiving credit for assisting other utilities with mutual aid during an active hurricane season, which offsets operating and maintenance expense;
- a \$7.1 million decrease in Westar Energy's employee at-risk compensation that is payable only upon meeting pre-established operating and financial objectives;
- a \$5.8 million decrease in Westar Energy's nuclear operating and maintenance costs primarily due to receiving a legal settlement related to Wolf Creek in 2017; and
- a \$4.9 million decrease in Westar Energy's operating and maintenance expense at coal fired plants primarily due to a planned outage at Jeffrey Energy Center in 2016; partially offset by
- an \$8.8 million increase in Westar Energy's operating and maintenance expense due to the start of operations at the Western Plains Wind Farm in March 2017.

Depreciation and Amortization

Evergy's depreciation and amortization increased \$247.1 million in 2018 compared to 2017 primarily driven by a \$227.9 million increase due to the inclusion of KCP&L's and GMO's depreciation expense beginning in June 2018.

Evergy's depreciation and amortization increased \$33.2 million in 2017 compared to 2016 primarily driven by the start of operations at Westar Energy's Western Plains Wind Farm in March 2017.

Other Income (Expense), Net

Evergy's other expense, net increased \$27.6 million in 2018 compared to 2017 primarily driven by:

- a \$25.7 million increase due to the inclusion of KCP&L and GMO amounts beginning in June 2018; and
- a \$4.6 million decrease in Westar Energy's investment earnings primarily due to a decrease in interest and dividend income.

Evergy's other expense, net increased \$25.3 million in 2017 compared to 2016 primarily driven by:

- a \$26.3 million decrease in Westar Energy's other income primarily consisting of:
 - a \$19.5 million decrease due to recording higher corporate-owned life insurance (COLI) benefits in 2016; and
 - a \$9.6 million decrease in equity allowance for funds used during construction (AFUDC); partially offset by
 - a \$3.5 million increase related to the deconsolidation of the trust holding Westar Energy's 8% interest in Jeffrey Energy Center.

Interest Expense

Evergy's interest expense increased \$108.6 million in 2018 compared to 2017 primarily driven by a \$102.8 million increase due to the inclusion of KCP&L's and GMO's interest expense beginning in June 2018 and Evergy's assumption of Great Plains Energy's \$350.0 million of 4.85% unsecured Senior Notes and \$287.5 million of 5.292% unsecured Senior Notes upon the consummation of the merger.

Evergy's interest expense increased \$9.3 million in 2017 compared to 2016 primarily driven by an increase in Westar Energy's interest expense on long-term debt of \$4.9 million as a result of the issuance of first mortgage bonds (FMBs) in excess of retirements and a \$4.4 million decrease in debt AFUDC.

Income Tax Expense

Evergy's income tax expense decreased \$92.2 million in 2018 compared to 2017 primarily driven by:

- a \$53.4 million decrease related to the revaluation of Westar Energy's deferred income tax assets and liabilities based on the Evergy composite tax rate as a result of the merger;
- a \$58.4 million decrease due to lower Westar Energy pre-tax income; and
- a \$44.3 million decrease in Westar Energy's income tax expense as a result of the decrease in the federal statutory income tax rate in 2018; partially offset by
- a \$63.2 million increase as a result of the inclusion of income tax expense related to Evergy, Inc. and the subsidiaries of Great Plains Energy beginning in June 2018.

Evergy's income tax expense decreased \$33.3 million in 2017 compared to 2016 primarily driven by:

- a \$24.0 million decrease due to production tax credits, primarily due to the start of operations at Westar Energy's Western Plains Wind Farm in March 2017; and
- a \$22.9 million decrease due to lower Westar Energy pre-tax income; partially offset by
- a \$12.2 million increase related to the revaluation of Westar Energy's deferred income taxes not included in rate base as a result of the enactment of the TCJA in 2017.

EVERGY SIGNIFICANT BALANCE SHEET CHANGES
(December 31, 2018 compared to December 31, 2017)

The following table summarizes Evergy's significant balance sheet changes.

	Total Change	Change Due to Merger	Remaining Change
(in millions)			
Assets			
Cash and cash equivalents	\$ 156.9	\$ 1,154.2	\$ (997.3)
Accounts receivable, net	(97.0)	155.6	(252.6)
Accounts receivable pledged as collateral	365.0	180.0	185.0
Fuel inventories and supplies	217.4	271.5	(54.1)
Income taxes receivable	68.0	0.5	67.5
Regulatory assets - current	204.4	207.8	(3.4)
Prepaid expenses and other assets	39.3	182.1	(142.8)
Property, plant and equipment, net	9,228.7	9,179.7	49.0
Property, plant and equipment of variable interest entities, net	(7.1)	—	(7.1)
Regulatory assets	1,072.5	829.1	243.4
Nuclear decommissioning trust	235.0	261.3	(26.3)
Goodwill	2,338.9	2,338.9	—
Other	151.7	145.5	6.2
Liabilities			
Current maturities of long-term debt	705.4	415.3	290.1
Current maturities of long-term debt of variable interest entities	1.8	—	1.8
Notes payable and commercial paper	462.9	561.0	(98.1)
Collateralized note payable	365.0	180.0	185.0
Accounts payable	247.3	191.4	55.9
Accrued dividends	(53.8)	59.4	(113.2)
Accrued taxes	45.9	82.0	(36.1)
Accrued interest	38.2	48.0	(9.8)
Regulatory liabilities - current	98.6	17.7	80.9
Asset retirement obligations - current	24.7	46.0	(21.3)
Other current liabilities	107.5	73.1	34.4
Long-term debt, net	2,948.7	3,358.6	(409.9)
Long-term debt of variable interest entities, net	(30.3)	—	(30.3)
Deferred income taxes	783.5	669.6	113.9
Unamortized investment tax credits	116.1	124.3	(8.2)
Regulatory liabilities	1,124.8	1,172.9	(48.1)
Pension and post-retirement liability	496.4	477.3	19.1
Asset retirement obligations	257.3	366.1	(108.8)
Other long-term liabilities	103.4	83.1	20.3

Change Due to Merger as reflected in the table above represents the preliminary purchase price allocation to Great Plains Energy's assets and liabilities as of June 4, 2018. See Note 2 to the consolidated financial statements for additional information regarding changes in Evergy's balance sheet due to the merger.

The following are significant balance sheet changes in addition to those due to the Great Plains Energy and Westar Energy merger:

- Evergy's cash and cash equivalents decreased \$997.3 million primarily due to the repurchase of common stock for a total cost of approximately \$1,042 million in connection with Evergy's share repurchase program. See Note 17 to the consolidated financial statements for additional information on Evergy's share repurchase program.
- Evergy's receivables, net decreased \$252.6 million primarily due to Westar Energy's entry into a receivable sale facility in December 2018 for an initial amount \$185.0 million. This sale of the undivided percentage ownership interest in accounts receivable resulted in the reduction of receivables, net and an increase in accounts receivables pledged as collateral and collateralized note payable of \$185.0 million. See Note 4 to the consolidated financial statements for additional information regarding Westar Energy's receivable sale facility.
- Evergy's receivables pledged as collateral and collateralized note payable increased \$185.0 million due to Westar Energy's entry into a receivable sale facility in December 2018.
- Evergy's fuel inventories and supplies decreased \$54.1 million primarily due to \$31.0 million of obsolete inventory write-offs at Westar Energy's Unit 7 at Tecumseh Energy Center, Units 3 and 4 at Murray Gill Energy Center, Units 1 and 2 at Gordon Evans Energy Center, KCP&L's Montrose Station and GMO's Sibley Station, which were all retired in the fourth quarter of 2018.
- Evergy's income taxes receivable increased \$67.5 million primarily due to refundable alternative minimum tax (AMT) credits that Evergy expects to receive in 2019.
- Evergy's prepaid expenses and other assets decreased \$142.8 million primarily due to the \$140.6 million settlement of deal contingent interest rate swaps entered into by Great Plains Energy that settled following the consummation of the merger in June 2018.
- Evergy's regulatory assets increased by \$243.4 million primarily due to the reclassification of retired generating plant of \$159.9 million related to GMO's Sibley No. 3 Unit from property, plant and equipment, net to a regulatory asset upon the retirement of the unit in 2018.
- Evergy's current maturities of long-term debt increased by \$290.1 million primarily due to the reclassification of KGE's \$300.0 million of 6.70% Series First Mortgage Bonds from long-term to current.
- Evergy's notes payable and commercial paper decreased \$98.1 million primarily due to the repayment of commercial paper with funds from operations at KCP&L and GMO.
- Evergy's accounts payable increased \$55.9 million primarily due to the timing of cash payments.
- Evergy's accrued dividends decreased \$113.2 million due to Evergy's assumption and subsequent payment of Great Plains Energy's \$59.4 million of accrued common stock dividends following the consummation of the merger and the timing of payment between Evergy's common stock dividend declared in November 2018, which was paid in December 2018, and its common stock dividend declared in November 2017, which was paid in January 2018 and was reflected as accrued dividends of \$53.8 million as of December 31, 2017.
- Evergy's current regulatory liabilities increased \$80.9 million primarily due to \$71.2 million of refund obligations recorded by KCP&L and GMO consisting of \$63.7 million related to the TCJA and \$7.5 million related to one-time customer merger bill credits.
- Evergy's current asset retirement obligations decreased \$21.3 million primarily due to lower expected cash flows in the next twelve months as of December 31, 2018, compared to December 31, 2017, related to closure costs for ponds containing coal combustion residuals (CCRs) at La Cygne Station and Iatan Station.

- Evergy's long-term debt decreased by \$409.9 million primarily due to the reclassification of KGE's \$300.0 million of 6.70% Series First Mortgage Bonds from long-term to current and the redemption of \$104.0 million of GMO's Series A and B Senior Notes in 2018.
- Evergy's long-term debt of variable interest entities, net decreased \$30.3 million primarily due to the VIE that holds the La Cygne Unit 2 leasehold interest having made principal payments totaling \$28.5 million.
- Evergy's deferred income taxes increased \$113.9 million primarily due to the reclassification of refundable AMT credits that Evergy expects to receive in 2019 to income taxes receivable.
- Evergy's asset retirement obligations decreased \$108.8 million primarily due to a \$127.0 million decrease in Evergy's and Westar Energy's AROs for a revision in estimate primarily related to Westar Energy's ARO to decommission its 47% ownership share of Wolf Creek. See Note 6 to the consolidated financial statements for additional information.

LIQUIDITY AND CAPITAL RESOURCES

Evergy relies primarily upon cash from operations, short-term borrowings, debt issuances and its existing cash and cash equivalents to fund its capital requirements. Evergy's capital requirements primarily consist of capital expenditures, payment of contractual obligations and other commitments, the payment of dividends to shareholders and the repurchase of common shares.

Capital Sources

Cash Flows from Operations

Evergy's cash flows from operations are driven by the regulated sale of electricity. These cash flows are relatively stable but the timing and level of these cash flows can vary based on weather and economic conditions, future regulatory proceedings, the timing of cash payments made for costs recoverable under regulatory mechanisms and the time such costs are recovered, and unanticipated expenses such as unplanned plant outages and/or storms.

Short-Term Borrowings

As of December 31, 2018, Evergy had \$1.7 billion of available borrowing capacity from its master credit facility and receivable sale facilities. Westar Energy's, KCP&L's and GMO's borrowing capacity under the master credit facility also support their issuance of commercial paper. The available borrowing capacity consisted of \$449.0 million from Evergy, Inc.'s master credit facility, \$570.0 million from Westar Energy's credit facilities, \$420.4 million from KCP&L's credit facilities and \$297.9 million from GMO's credit facilities. See Notes 4 and 11 to the consolidated financial statements for more information regarding the receivable sale facilities and master credit facility, respectively. Along with cash flows from operations, Evergy generally uses these liquid resources to meet its day-to-day cash flow requirements.

Long-Term Debt and Equity Issuances

From time to time, Evergy issues long-term debt and/or equity to repay short-term debt, refinance maturing long-term debt and finance growth. As of December 31, 2018 and 2017, Evergy's capital structure, excluding short-term debt, was as follows:

	December 31	
	2018	2017
Common equity	57%	51%
Noncontrolling interests	<0%	<0%
Long-term debt, including VIEs	43%	49%

After the completion of its common stock repurchase program, Evergy anticipates targeting a common equity to total capitalization ratio of approximately 47%-50%. Following the utilization of its excess cash and cash equivalents discussed further below, Evergy anticipates issuing debt in 2019 in support of its common stock

repurchase program. See "Liquidity and Capital Resources - Capital Requirements - Common Stock Repurchase Program" for additional information.

Under stipulations with the MPSC and KCC, Evergy, Westar Energy and KCP&L are required to maintain common equity at not less than 35%, 40% and 40%, respectively, of total capitalization. The master credit facility and certain debt instruments of the Evergy Companies also contain restrictions that require the maintenance of certain capitalization and leverage ratios. As of December 31, 2018, the Evergy Companies were in compliance with these covenants.

Significant Debt Issuances

See Note 12 to the consolidated financial statements for information regarding significant debt issuances.

Credit Ratings

The ratings of the Evergy Companies' debt securities by the credit rating agencies impact their liquidity, including the cost of borrowings under their master credit facility and in the capital markets. The Evergy Companies view maintenance of strong credit ratings as vital to their access to and cost of debt financing and, to that end, maintain an active and ongoing dialogue with the agencies with respect to results of operations, financial position and future prospects. While a decrease in these credit ratings would not cause any acceleration of the Evergy Companies' debt, it could increase interest charges under the master credit facility. A decrease in credit ratings could also have, among other things, an adverse impact, which could be material, on the Evergy Companies' access to capital, the cost of funds, the ability to recover actual interest costs in state regulatory proceedings, the type and amounts of collateral required under supply agreements and Evergy's ability to provide credit support for its subsidiaries.

As of February 21, 2019, the major credit rating agencies rated the Evergy Companies' securities as detailed in the following table.

	Moody's Investors Service ^(a)	S&P Global Ratings ^(a)
Evergy		
Outlook	Stable	Stable
Corporate Credit Rating	--	A-
Senior Unsecured Debt	Baa2	BBB+
Westar Energy		
Outlook	Stable	Stable
Corporate Credit Rating	Baa1	A-
Senior Secured Debt	A2	A
Commercial Paper	P-2	A-2
KGE		
Outlook	Stable	Stable
Corporate Credit Rating	Baa1	A-
Senior Secured Debt	A2	A
Short-Term Rating	P-2	A-2
KCP&L		
Outlook	Stable	Stable
Corporate Credit Rating	Baa1	A-
Senior Secured Debt	A2	A
Senior Unsecured Debt	Baa1	A-
Commercial Paper	P-2	A-2
GMO		
Outlook	Stable	Stable
Corporate Credit Rating	Baa2	A-
Senior Unsecured Debt	Baa2	A-
Commercial Paper	P-2	A-2

^(a)A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency.

Shelf Registration Statements and Regulatory Authorizations

Evergy

In November 2018, Evergy filed an automatic shelf registration statement providing for the sale of unlimited amounts of securities with the SEC, which expires in November 2021.

Westar Energy

In November 2018, Westar Energy filed an automatic shelf registration statement providing for the sale of unlimited amounts of unsecured debt securities and first mortgage bonds with the SEC, which expires in November 2021.

KCP&L

In November 2018, KCP&L filed an automatic shelf registration statement providing for the sale of unlimited amounts of unsecured notes and mortgage bonds with the SEC, which expires in November 2021.

The following table summarizes the regulatory short-term and long-term debt financing authorizations for Westar Energy, KGE, KCP&L and GMO and the remaining amount available under these authorizations as of December 31, 2018.

Type of Authorization	Commission	Expiration Date	Authorization Amount	Available Under Authorization
Westar Energy & KGE				(in millions)
Short-Term Debt	FERC	December 2020	\$1,250.0	\$838.3
KCP&L				
Short-Term Debt	FERC	December 2020	\$1,250.0	\$1,073.1
Long-Term Debt	MPSC	September 2019	\$750.0	\$450.0
GMO				
Short-Term Debt	FERC	December 2020	\$750.0	\$600.0
Long-Term Debt	FERC	December 2020	\$100.0	\$100.0

In addition to the above regulatory authorizations, the Westar Energy, KGE and KCP&L mortgages each contain provisions restricting the amount of FMBs that can be issued by each entity. Westar Energy, KGE and KCP&L must comply with these restrictions prior to the issuance of additional FMBs, general mortgage bonds or other secured indebtedness.

Under the Westar Energy mortgage, the issuance of bonds is subject to limitations based on the amount of bondable property additions. In addition, so long as any bonds issued prior to January 1, 1997, remain outstanding, the mortgage prohibits additional FMBs from being issued, except in connection with certain refundings, unless Westar Energy's unconsolidated net earnings available for interest, depreciation and property retirement (which as defined, does not include earnings or losses attributable to the ownership of securities of subsidiaries), for a period of 12 consecutive months within 15 months preceding the issuance, are not less than the greater of twice the annual interest charges on or 10% of the principal amount of all FMBs outstanding after giving effect to the proposed issuance. As of December 31, 2018, \$344.5 million principal amount of additional FMBs could be issued under the most restrictive provisions in the mortgage, except in connection with certain refundings.

Under the KGE mortgage, the amount of FMBs authorized is limited to a maximum of \$3.5 billion and the issuance of bonds is subject to limitations based on the amount of bondable property additions. In addition, the mortgage prohibits additional FMBs from being issued, except in connection with certain refundings, unless KGE's net earnings before income taxes and before provision for retirement and depreciation of property for a period of 12 consecutive months within 15 months preceding the issuance are not less than either two and one-half times the annual interest charges on or 10% of the principal amount of all KGE FMBs outstanding after giving effect to the proposed issuance. As of December 31, 2018, KGE had sufficient capacity under the most restrictive provisions in the mortgage to meet its near term financing and refinancing needs.

Under the KCP&L mortgage, additional KCP&L mortgage bonds may be issued on the basis of property additions or retired bonds. As of December 31, 2018, KCP&L had sufficient capacity under the most restrictive provisions in the mortgage to meet its near term financing and refinancing needs.

Cash and Cash Equivalents

At December 31, 2018, Evergy had approximately \$160.3 million of cash and cash equivalents on hand. Under the Amended Merger Agreement, Great Plains Energy was required to have not less than \$1.25 billion in cash and cash equivalents on its balance sheet at the closing of the merger with Westar Energy. In 2018, Evergy primarily utilized this excess cash to repurchase approximately \$1,042 million of common stock. Evergy anticipates that its remaining excess cash will also be returned to shareholders through the repurchase of common stock.

Capital Requirements

Capital Expenditures

Evergy requires significant capital investments and expects to need cash primarily for utility construction programs designed to improve and expand facilities related to providing electric service, which include, but are not limited to, expenditures to develop new transmission lines and improvements to power plants, transmission and distribution lines and equipment. Evergy's capital expenditures were \$1,069.7 million, \$764.6 million and \$1,087.0 million in 2018, 2017 and 2016, respectively.

Capital expenditures projected for the next five years, excluding AFUDC and including costs of removal, are detailed in the following table. This capital expenditure plan is subject to continual review and change.

	2019	2020	2021	2022	2023
	(millions)				
Generating facilities	\$ 458	\$ 497	\$ 383	\$ 306	\$ 425
Transmission and distribution facilities	678	714	706	712	705
General facilities	142	127	94	89	66
Total utility capital expenditures	\$ 1,278	\$ 1,338	\$ 1,183	\$ 1,107	\$ 1,196

Contractual Obligations and Other Commitments

In the course of its business activities, the Evergy Companies enter into a variety of contracts and commercial commitments. Some of these result in direct obligations reflected on Evergy's consolidated balance sheets while others are commitments, some firm and some based on uncertainties, not reflected in Evergy's underlying consolidated financial statements.

The information in the following table is provided to summarize Evergy's cash obligations and commercial commitments.

Payment due by period	2019	2020	2021	2022	2023	After 2023	Total
	(millions)						
Long-term debt							
Principal	\$ 701.1	\$ 251.1	\$ 432.0	\$ 287.5	\$ 439.5	\$ 5,142.9	\$ 7,254.1
Interest	306.3	281.1	256.9	235.4	222.1	3,262.6	4,564.4
Long-term debt of VIEs							
Principal	30.3	32.3	18.8	—	—	—	81.4
Interest	1.6	0.8	0.2	—	—	—	2.6
Lease commitments							
Operating leases	24.2	20.7	18.4	15.2	12.4	95.0	185.9
Capital leases	6.4	2.2	5.3	4.7	4.0	48.6	71.2
Pension and other post-retirement plans ^(a)	118.3	118.3	118.3	118.3	118.3	(a)	591.5
Purchase commitments							
Fuel	423.6	364.4	95.3	82.9	87.5	116.2	1,169.9
Power	47.3	47.3	47.4	47.6	47.8	366.8	604.2
Other	137.8	18.8	13.4	6.8	2.1	34.4	213.3
Total contractual commitments ^(a)	\$ 1,796.9	\$ 1,137.0	\$ 1,006.0	\$ 798.4	\$ 933.7	\$ 9,066.5	\$ 14,738.5

^(a) Evergy expects to make contributions to the pension and other post-retirement plans beyond 2023 but the amounts are not yet determined.

Long-term debt includes current maturities. Long-term debt principal excludes \$57.2 million of unamortized net discounts and debt issuance costs and a \$144.8 million fair value adjustment recorded in connection with purchase accounting for the Great Plains Energy and Westar Energy merger. Variable rate interest obligations are based on rates as of December 31, 2018.

Operating lease commitments include leases for office buildings, computer equipment, operating facilities, vehicles and rail cars to serve jointly-owned generating units where Westar Energy or KCP&L is the managing partner and is reimbursed by other joint-owners for its proportionate share of the cost. Capital lease commitments include obligations for both principal and interest.

Evergy expects to contribute \$118.3 million to the pension and other post-retirement plans in 2019, of which the majority is expected to be paid by Westar Energy and KCP&L. Additional contributions to the plans are expected beyond 2023 in amounts at least sufficient to meet the greater of Employee Retirement Income Security Act of 1974, as amended (ERISA) or regulatory funding requirements; however, these amounts have not yet been determined. Amounts for years after 2019 are estimates based on information available in determining the amount for 2019. Actual amounts for years after 2019 could be significantly different than the estimated amounts in the table above.

Fuel commitments consist of commitments for nuclear fuel, coal and coal transportation costs. Power commitments consist of certain commitments for renewable energy under power purchase agreements. Other represents individual commitments entered into in the ordinary course of business.

Evergy has other insignificant long-term liabilities recorded on its consolidated balance sheet at December 31, 2018, which do not have a definitive cash payout date and are not included in the table above.

Common Stock Dividends

The amount and timing of dividends payable on Evergy's common stock are within the sole discretion of the Evergy Board. The amount and timing of dividends declared by the Evergy Board will be dependent on considerations such as Evergy's earnings, financial position, cash flows, capitalization ratios, regulation, reinvestment opportunities and debt covenants. Evergy targets a long-term dividend payout ratio of 60% to 70% of earnings. See Note 1 to the consolidated financial statements for information on the common stock dividend declared by the Evergy Board in February 2019.

The Evergy Companies also have certain restrictions stemming from statutory requirements, corporate organizational documents, covenants and other conditions that could affect dividend levels. See Note 17 to the consolidated financial statements for further discussion of restrictions on dividend payments.

Common Stock Repurchase Program

In July 2018, the Evergy Board authorized the repurchase of up to 60 million shares of Evergy's common stock. Although this repurchase authorization has no expiration date, Evergy expects to repurchase approximately 60 million shares by mid-2020. For 2018, Evergy had total repurchases of common stock of approximately \$1,042 million and had repurchased 16.4 million shares under the repurchase program. These repurchase totals include shares repurchased under ASR agreements, one of which had not reached final settlement as of December 31, 2018, and are discussed further below.

In August 2018, Evergy entered into two ASR agreements with financial institutions to purchase \$450.0 million of Evergy common stock. The ASR agreements reached final settlement in the fourth quarter of 2018 and resulted in the delivery of 7.9 million shares to Evergy and Evergy paid a total of \$450.0 million.

In November 2018, Evergy entered into an ASR agreement with a financial institution to purchase \$475.0 million of Evergy common stock. In December 2018, the financial institution delivered to Evergy 6.4 million shares of common stock, representing a partial settlement of the contract, based on then-current market prices and Evergy paid a total of \$475.0 million. The ASR agreement is expected to reach final settlement by March 2019 or earlier.

See Note 17 to the consolidated financial statements for more information regarding Evergy's common stock repurchase program.

Impact of TCJA

The TCJA will result in lower operating cash flows for the Evergy Companies due to lower income tax expense recoveries in customer rates and the settlement of related deferred income tax regulatory liabilities, which are significant. These decreases in operating cash flows are expected to exceed the increase in operating cash flows for the Evergy Companies resulting from the lower corporate federal income tax rate primarily due to the utilization of the Evergy Companies' net operating losses and tax credits. These net regulatory liabilities will be refunded in future rates by amortizing amounts related to plant assets primarily over the remaining useful life of the assets and amortizing the amounts related to the other items over various periods as determined in the Evergy Companies' 2018 rate cases.

Off-Balance Sheet Arrangements

In the ordinary course of business, Evergy and certain of its subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries. Such agreements include, for example, guarantees and letters of credit. These agreements are entered into primarily to support or enhance the creditworthiness otherwise attributed to a subsidiary on a stand-alone basis, thereby facilitating the extension of sufficient credit to accomplish the subsidiary's intended business purposes. In connection with the closing of the merger, Evergy assumed the guarantees previously provided to GMO by Great Plains Energy. The majority of these agreements guarantee Evergy's own future performance, so a liability for the fair value of the obligation is not recorded.

At December 31, 2018, Evergy has provided \$111.3 million of credit support for GMO as follows:

- Evergy direct guarantees to GMO counterparties totaling \$17.0 million, which expire in 2020, and
- Evergy's guarantee of GMO long-term debt totaling \$94.3 million, which includes debt with maturity dates ranging from 2019 to 2023.

Evergy has also guaranteed GMO's short-term debt, including its commercial paper program. At December 31, 2018, GMO had \$150.0 million of commercial paper outstanding. None of the guaranteed obligations are subject to default or prepayment if GMO's credit ratings were downgraded.

The Evergy Companies also have off-balance sheet arrangements in the form of operating leases and letters of credit entered into in the ordinary course of business.

Cash Flows

The following table presents Evergy's cash flows from operating, investing and financing activities.

	2018	2017	2016
	(in millions)		
Cash flows from operating activities	\$ 1,497.8	\$ 912.7	\$ 803.8
Cash flows from (used in) investing activities	197.4	(780.8)	(994.1)
Cash flows from (used in) financing activities	(1,538.4)	(131.6)	190.2

Cash Flows from Operating Activities

Evergy's \$585.1 million increase in cash flows from operating activities in 2018 compared to 2017 was primarily driven by an \$800.8 million increase due to the inclusion of KCP&L's and GMO's cash flows from operating activities beginning in June 2018; partially offset by an increase of \$50.3 million in amounts paid by Westar Energy related to income taxes; \$35.6 million of merger success fees paid by Evergy and Westar Energy upon the completion of the merger; an increase of \$27.0 million in purchased power costs paid by Westar Energy; an increase of \$15.3 million in Wolf Creek refueling outage costs paid by Westar Energy related to the outage that concluded in May 2018 and an \$11.6 million increase in Westar Energy pension and post-retirement contributions.

The \$108.9 million increase in cash flows from operating activities in 2017 compared to 2016 was primarily driven by a \$43.9 million increase in Westar Energy wholesale power sales and transmission services; a \$26.3

million decrease in amounts paid for Westar Energy coal and natural gas; a \$26.0 million increase due to Westar Energy receiving a \$13.0 million refund for income taxes in 2017 and Westar Energy paying \$13.0 million in income taxes in 2016 and a \$13.6 million increase from Westar Energy retail customers; partially offset by a \$16.4 million increase in amounts paid for Westar Energy purchased power and transmission services and a \$12.0 million increase in Westar Energy interest payments.

Cash Flows from (used in) Investing Activities

Evergy's cash flows from investing activities increased \$978.2 million in 2018 compared to 2017 primarily due to the inclusion of \$1,154.2 million of cash acquired from Great Plains Energy as of the merger date.

Evergy's cash flows used in investing activities decreased \$213.3 million in 2017 compared to 2016 primarily driven by a \$322.3 million decrease in additions to Westar Energy's property, plant and equipment primarily related to the construction of Western Plains Wind Farm in 2016; partially offset by receiving \$110.5 million less proceeds from Westar Energy COLI investments than in 2016.

Cash Flows from (used in) Financing Activities

Evergy's cash flows used in financing activities increased \$1,406.8 million in 2018 compared to 2017 primarily due to the repurchase of common stock of \$1,042.3 million as a result of Evergy's share repurchase program in 2018; an increase in cash dividends paid of \$251.9 million due to an increase in outstanding shares of common stock following the close of the merger and a \$0.06 and \$0.075 per share increase in the quarterly dividends paid in September 2018 and December 2018, respectively; an increase in retirements of long-term debt of \$270.8 million; partially offset by an increase in collateralized short-term debt, net of \$185.0 million due to Westar Energy's receivable sale facility that was entered into in December 2018.

Evergy's cash flows from financing activities decreased \$321.8 million in 2017 compared to 2016 primarily due to Westar Energy issuing \$207.5 million less in commercial paper; Westar Energy issuing \$162.0 million less in long-term debt of VIEs; Westar Energy issuing \$100.1 million less in long-term debt; Westar Energy's redemption of \$75.0 million more in long-term debt and paying \$18.8 million more in dividends; partially offset by Westar Energy redeeming \$163.5 million less in long-term debt of VIEs and repaying \$88.3 million less for borrowings against the cash surrender value of COLI.

WESTAR ENERGY, INC.

MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS

The below results of operations and related discussion for Westar Energy is presented in a reduced disclosure format in accordance with General Instruction (I)(2)(a) to Form 10-K.

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

	2018	Change	2017
		(millions)	
Operating revenues	\$ 2,614.9	\$ 43.9	\$ 2,571.0
Fuel and purchased power	599.2	57.7	541.5
SPP network transmission costs	259.9	12	247.9
Other operating expenses	814.4	83.3	731.1
Depreciation and amortization	390.9	19.2	371.7
Income from operations	550.5	(128.3)	678.8
Other income (expense), net	(33.5)	(6.7)	(26.8)
Interest expense	176.8	5.8	171.0
Income tax expense (benefit)	(4.3)	(155.5)	151.2
Equity in earnings of equity method investees, net of income taxes	4.6	(2.1)	6.7
Net income	349.1	12.6	336.5
Less: Net income attributable to noncontrolling interests	10.2	(2.4)	12.6
Net income attributable to Westar Energy, Inc.	\$ 338.9	\$ 15.0	\$ 323.9

Westar Energy Utility Gross Margin and MWh Sales

The following table summarizes Westar Energy's utility gross margin and MWhs sold.

	Revenues and Expenses			MWhs Sold		
	2018	Change	2017	2018	Change	2017
Retail revenues		(millions)			(thousands)	
Residential	\$ 846.4	\$ 45.1	\$ 801.3	6,736	573	6,163
Commercial	702.8	(8.9)	711.7	7,496	128	7,368
Industrial	396.4	(16.5)	412.9	5,642	(47)	5,689
Other retail revenues	20.0	(2.8)	22.8	58	(15)	73
Total electric retail	1,965.6	16.9	1,948.7	19,932	639	19,293
Wholesale revenues	346.1	14.9	331.2	10,169	(177)	10,346
Transmission revenues	288.9	4.1	284.8	N/A	N/A	N/A
Other revenues	14.3	8.0	6.3	N/A	N/A	N/A
Operating revenues	2,614.9	43.9	2,571.0	30,101	462	29,639
Fuel and purchased power	(599.2)	(57.7)	(541.5)			
SPP network transmission costs	(259.9)	(12.0)	(247.9)			
Utility gross margin ^(a)	\$ 1,755.8	\$ (25.8)	\$ 1,781.6			

^(a) Utility gross margin is a non-GAAP financial measure. See explanation of utility gross margin under Evergy's Results of Operations.

Westar Energy's utility gross margin decreased \$25.8 million in 2018 compared to 2017 driven by:

- a \$69.8 million provision for rate refund for the change in the corporate income tax rate caused by the passage of the TCJA. See Note 19 to the consolidated financial statements for additional information; and

- a \$31.0 million reduction in revenue for one-time and annual bill credits as a result of conditions in the KCC merger order. See Note 2 to the consolidated financial statements for additional information; partially offset by
- a \$75.0 million increase primarily due to higher retail sales driven by warmer spring and summer weather and colder winter weather. For 2018 compared to 2017, cooling degree days increased 29% and heating degree days increased 22%.

Westar Energy Other Operating Expenses (including operating and maintenance expense and taxes other than income tax)

Westar Energy's other operating expenses increased \$83.3 million in 2018 compared to 2017 primarily driven by:

- \$51.9 million of merger-related costs incurred following the close of the merger in June 2018, consisting of:
 - \$44.2 million of change in control payments, voluntary severance and the recording of unrecognized equity compensation costs and the incremental fair value associated with the vesting of outstanding Westar Energy equity compensation awards in accordance with the Amended Merger Agreement; and
 - \$21.5 million of merger consulting fees and fees for other outside services incurred, primarily consisting of merger success fees; partially offset by
 - a \$13.8 million decrease in operating and maintenance expense due to the net reallocation of incurred merger transition costs between Westar Energy, Evergy, KCP&L and GMO and the subsequent deferral of these transition costs to a regulatory asset in June 2018 for future recovery by Westar Energy in accordance with the KCC merger order;
- \$12.3 million of obsolete inventory write-offs for Unit 7 at Tecumseh Energy Center, Units 3 and 4 at Murray Gill Energy Center and Units 1 and 2 at Gordon Evans Energy Center, which were retired in 2018; and
- a \$5.5 million increase due to Westar Energy's 47% share of voluntary severance expenses incurred related to the Wolf Creek voluntary exit program.

Westar Energy Depreciation and Amortization

Westar Energy's depreciation and amortization expense increased \$19.2 million in 2018 compared to 2017 primarily driven by capital additions.

Westar Energy Other Income (Expense), Net

Westar Energy's other expense, net increased \$6.7 million in 2018 compared to 2017 primarily driven by:

- a \$4.6 million decrease in investment earnings primarily due to a decrease in interest and dividend income; and
- a \$3.5 million increase in pension non-service costs.

Westar Energy Income Tax Expense

Westar Energy's income tax expense decreased \$155.5 million in 2018 compared to 2017 driven by:

- a \$53.4 million decrease related to the revaluation of deferred income tax assets and liabilities based on the Evergy composite tax rate as a result of the merger;
- a \$58.4 million decrease due to lower pre-tax income; and
- a \$44.3 million decrease as a result of the decrease in the federal statutory income tax rate in 2018.

KANSAS CITY POWER & LIGHT COMPANY

MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS

The below results of operations and related discussion for KCP&L is presented in a reduced disclosure format in accordance with General Instruction (I)(2)(a) to Form 10-K.

The following table summarizes KCP&L's comparative results of operations.

	2018	Change	2017
		(millions)	
Operating revenues	\$ 1,823.1	\$ (67.6)	\$ 1,890.7
Fuel and purchased power	520.6	39.9	480.7
Other operating expenses	611.4	(45.9)	657.3
Depreciation and amortization	281.3	15.0	266.3
Income from operations	409.8	(76.6)	486.4
Other income (expense), net	(25.9)	13.7	(39.6)
Interest expense	133.7	(5.1)	138.8
Income tax expense	87.3	(40.9)	128.2
Net income	\$ 162.9	\$ (16.9)	\$ 179.8

KCP&L Utility Gross Margin and MWh Sales

The following table summarizes KCP&L's utility gross margin and MWhs sold.

	Revenues and Expenses			MWhs Sold		
	2018	Change	2017	2018	Change	2017
		(millions)			(thousands)	
Retail revenues						
Residential	\$ 735.6	10.3	\$ 725.3	5,686	504	5,182
Commercial	794.8	(49.6)	844.4	7,782	316	7,466
Industrial	138.8	(22.2)	161.0	1,754	(61)	1,815
Other retail revenues	10.4	(0.8)	11.2	76	4	72
Total electric retail	1,679.6	(62.3)	1,741.9	15,298	763	14,535
Wholesale revenues	53.5	(34.5)	88.0	5,017	(1,771)	6,788
Transmission revenues	14.5	(1.5)	16.0	N/A	N/A	N/A
Other revenues	75.5	30.7	44.8	N/A	N/A	N/A
Operating revenues	1,823.1	(67.6)	1,890.7	20,315	(1,008)	21,323
Fuel and purchased power	(520.6)	(39.9)	(480.7)			
Utility gross margin ^(a)	\$ 1,302.5	\$ (107.5)	\$ 1,410.0			

^(a) Utility gross margin is a non-GAAP financial measure. See explanation of utility gross margin under Evergy's Results of Operations.

KCP&L's utility gross margin decreased \$107.5 million in 2018 compared to 2017 driven by:

- a \$72.4 million refund obligation for the change in the corporate income tax rate caused by the passage of the TCJA. See Note 19 to the consolidated financial statements for additional information;
- \$72.9 million of sales taxes and franchise fees collected from KCP&L Missouri customers included in revenue in 2017, which as part of KCP&L's adoption of Accounting Standards Codification (ASC) 606, are now excluded from revenue in 2018; and
- a \$25.0 million reduction in revenue for one-time and annual bill credits as a result of conditions in the MPSC and KCC merger orders. See Note 2 to the consolidated financial statements for additional information; partially offset by

- a \$62.8 million increase primarily due to higher retail sales driven by warmer spring and summer weather and colder winter weather. For 2018 compared to 2017, cooling degree days increased 33% and heating degree days increased 23%.

KCP&L Other Operating Expenses (including operating and maintenance expense and taxes other than income tax)

KCP&L's other operating expenses decreased \$45.9 million in 2018 compared to 2017 primarily driven by:

- \$72.2 million decrease in taxes other than income tax due to sales taxes and franchise fees collected from KCP&L Missouri customers in 2017, which, as part of KCP&L's adoption of ASC 606, *Revenue from Contracts with Customers*, are now excluded from taxes other than income tax in 2018; and
- a \$23.2 million decrease in operating and maintenance expense due to the net reallocation of incurred merger transition costs between KCP&L, Evergy, Westar Energy and GMO and the subsequent deferral of these transition costs to a regulatory asset in June 2018 for future recovery by KCP&L in accordance with the KCC and MPSC merger orders; partially offset by
- an \$11.6 million increase due to voluntary severance expenses incurred related to KCP&L's 47% share of the Wolf Creek voluntary exit program as well as other KCP&L voluntary exit programs;
- \$7.3 million of obsolete inventory write-offs for Montrose Station, which was retired in the fourth quarter of 2018;
- a \$6.8 million increase in transmission and distribution operating and maintenance expense; and
- a \$6.9 million increase in injuries and damages expense primarily due to an increase in estimated worker's compensation losses.

KCP&L Depreciation and Amortization

KCP&L's depreciation and amortization increased \$15.0 million in 2018 compared to 2017 primarily driven by capital additions.

KCP&L Other Income (Expense), Net

KCP&L's other expense, net decreased \$13.7 million in 2018 compared to 2017 driven by a \$16.8 million decrease in pension non-service costs due to KCP&L's adoption of ASU 2017-07, *Compensation-Retirement Benefits*, which requires the non-service cost components to be reported separately from service costs and outside of a subtotal of income from operations. For retrospective application of the 2017 non-service cost components, KCP&L utilized the practical expedient that allows for the use of the amounts disclosed in a company's pension and other post-retirement benefit plan footnote as the estimation basis for retrospective presentation. The 2017 amounts disclosed in KCP&L's pension and other post-retirement benefit plan footnote are presented prior to the effects of capitalization and sharing with joint owners of power plants. See Note 1 and Note 9 to the consolidated financial statements for additional information.

KCP&L Income Tax Expense

KCP&L's income tax expense decreased \$40.9 million in 2018 compared to 2017 primarily driven by:

- a \$32.2 million decrease in income tax expense as a result of the decrease in the federal statutory income tax rate in 2018;
- a \$22.5 million decrease due to lower pre-tax income;
- a \$15.5 million decrease related to the revaluation of deferred income tax assets and liabilities as a result of the enactment of Missouri state income tax reform in June 2018; and
- an \$8.3 million decrease in income tax expense due to an increase in flow-through items primarily consisting of amortization of regulatory liabilities for excess deferred income taxes generated as a result of the enactment of the TCJA in December 2017; partially offset by
- a \$51.0 million increase related to the revaluation of deferred income tax assets and liabilities based on the Evergy composite tax rate as a result of the merger.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the ordinary course of business, Evergy faces risks that are either non-financial or non-quantifiable. Such risks principally include business, legal, operational and credit risks and are not represented in the following analysis. See Part I, Item 1A, Risk Factors and Part II, Item 7, MD&A for further discussion of risk factors.

The Evergy Companies are exposed to market risks associated with commodity price and supply, interest rates and equity prices. Commodity price risk is the potential adverse price impact related to the purchase or sale of electricity and energy-related products. Credit risk is the potential adverse financial impact resulting from non-performance by a counterparty of its contractual obligations. Interest rate risk is the potential adverse financial impact related to changes in interest rates. In addition, Evergy's investments in trusts to fund nuclear plant decommissioning and to fund non-qualified retirement benefits give rise to security price risk.

Management has established risk management policies and strategies to reduce the potentially adverse effects that the volatility of the markets may have on Evergy's operating results. During the ordinary course of business, the Evergy Companies' hedging strategies are reviewed to determine the hedging approach deemed appropriate based upon the circumstances of each situation. Though management believes its risk management practices are effective, it is not possible to identify and eliminate all risk. Evergy could experience losses, which could have a material adverse effect on its results of operations or financial position, due to many factors, including unexpectedly large or rapid movements or disruptions in the energy markets, regulatory-driven market rule changes and/or bankruptcy or non-performance of customers or counterparties, and/or failure of underlying transactions that have been hedged to materialize.

Hedging Strategies

From time to time, Evergy utilizes derivative instruments to execute risk management and hedging strategies. Derivative instruments, such as futures, forward contracts, swaps or options, derive their value from underlying assets, indices, reference rates or a combination of these factors. These derivative instruments include negotiated contracts, which are referred to as over-the-counter derivatives, and instruments listed and traded on an exchange.

Commodity Price Risk

The Evergy Companies engage in the wholesale and retail sale of electricity and are exposed to risks associated with the price of electricity and other energy-related products. Exposure to these risks is affected by a number of factors including the quantity and availability of fuel used for generation and the quantity of electricity customers consume. Customers' electricity usage could also vary from year to year based on the weather or other factors. Quantities of fossil fuel used for generation vary from year to year based on the availability, price and deliverability of a given fuel type as well as planned and unplanned outages at facilities that use fossil fuels. Evergy's exposure to fluctuations in these factors is limited by the cost-based regulation of its regulated operations in Kansas and Missouri as these operations are typically allowed to recover substantially all of these costs through cost-recovery mechanisms, primarily through fuel recovery mechanisms. While there may be a delay in timing between when these costs are incurred and when they are recovered through rates, changes from year to year generally do not have a material impact on operating results.

Interest Rate Risk

Evergy manages interest rate risk and short- and long-term liquidity by limiting its exposure to variable interest rate debt to a percentage of total debt, diversifying maturity dates and, from time to time, entering into interest rate hedging transactions. At December 31, 2018, 4% of Evergy's long-term debt was variable rate debt. Evergy also has short-term borrowings and current maturities of fixed rate debt that are exposed to interest rate risk. Evergy computes and presents information regarding the sensitivity to changes in interest rates for variable rate debt and current maturities of fixed rate debt by assuming a 100-basis-point change in the current interest rates applicable to such debt over the remaining time the debt is outstanding.

Evergy had \$1,747.0 million of variable rate debt, including notes payable and commercial paper, and current maturities of fixed rate debt as of December 31, 2018. A 100-basis-point change in interest rates applicable to this debt would impact income before income taxes on an annualized basis by approximately \$12.5 million.

At December 31, 2018, Evergy had \$500.0 million of notional amounts of fixed-to-floating interest rate swaps that had been designated as a cash flow hedge of a forecasted debt issuance in 2019. Assuming settlement of the swaps, a hypothetical 10% decrease in the interest rates underlying the swaps would have resulted in an approximately \$12.8 million increase in interest expense that would have been reclassified from accumulated other comprehensive loss to interest expense over the period that the hedged interest payments affected earnings.

Credit Risk

Evergy is exposed to counterparty credit risk largely in the form of accounts receivable from its retail and wholesale electric customers and through executory contracts with market risk exposure. The credit risk associated with accounts receivable from retail and wholesale customers is largely mitigated by Evergy's large number of individual customers spread across diverse customer classes and the ability to recover bad debt expense in customer rates. The Evergy Companies maintain credit policies and employ credit risk control mechanisms, such as letters of credit, when necessary to minimize their overall credit risk and monitor exposure.

Investment Risk

Evergy maintains trust funds, as required by the NRC, to fund its 94% share of decommissioning the Wolf Creek nuclear power plant and also maintains trusts to fund pension benefits as well as certain non-qualified retirement benefits. As of December 31, 2018, these funds were primarily invested in a diversified mix of equity and debt securities and reflected at fair value on Evergy's balance sheet. The equity securities in the trusts are exposed to price fluctuations in equity markets and the value of debt securities are exposed to changes in interest rates and other market factors.

As nuclear decommissioning costs are currently recovered in customer rates, Evergy defers both realized and unrealized gains and losses for the vast majority of these securities as an offset to its regulatory asset for decommissioning Wolf Creek and as such, fluctuations in the value of these securities do not have a material impact on Evergy's earnings. A significant decline in the value of pension or non-qualified retirement assets could require Evergy to increase funding of its pension plans in future periods, which could adversely affect cash flows in those periods. In addition, a decline in the fair value of these plan assets, in the absence of additional cash contributions to the plans by Evergy, could increase the amount of pension cost required to be recorded in future periods by Evergy.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Evergy, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Evergy, Inc. and subsidiaries (the "Company") as of December 31, 2018 and 2017, the related consolidated statements of comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2018, and the related notes and the financial statement schedules listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 21, 2019, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

Kansas City, Missouri
February 21, 2019

We have served as the Company's auditor since 2002.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholder and the Board of Directors of Westar Energy, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Westar Energy, Inc. and subsidiaries (the "Company") as of December 31, 2018 and 2017, the related consolidated statements of income, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2018, and the related notes and the financial statement schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

Kansas City, Missouri
February 21, 2019

We have served as the Company's auditor since 2002.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Kansas City Power & Light Company and subsidiaries (the "Company") as of December 31, 2018 and 2017, the related consolidated statements of comprehensive income, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2018, and the related notes and the financial statement schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

Kansas City, Missouri
February 21, 2019

We have served as the Company's auditor since 2002.

EVERGY, INC.
Consolidated Statements of Comprehensive Income

Year Ended December 31	2018	2017	2016
	(millions, except per share amounts)		
OPERATING REVENUES	\$ 4,275.9	\$ 2,571.0	\$ 2,562.1
OPERATING EXPENSES:			
Fuel and purchased power	1,078.7	541.5	509.5
SPP network transmission costs	259.9	247.9	232.8
Operating and maintenance	1,115.8	563.5	587.2
Depreciation and amortization	618.8	371.7	338.5
Taxes other than income tax	269.1	167.6	191.7
Total Operating Expenses	3,342.3	1,892.2	1,859.7
INCOME FROM OPERATIONS	933.6	678.8	702.4
OTHER INCOME (EXPENSE):			
Investment earnings	8.8	4.0	2.5
Other income	15.5	8.3	34.6
Other expense	(78.7)	(39.1)	(38.6)
Total Other Income (Expense), Net	(54.4)	(26.8)	(1.5)
Interest expense	279.6	171.0	161.7
INCOME BEFORE INCOME TAXES	599.6	481.0	539.2
Income tax expense	59.0	151.2	184.5
Equity in earnings of equity method investees, net of income taxes	5.4	6.7	6.5
NET INCOME	546.0	336.5	361.2
Less: Net income attributable to noncontrolling interests	10.2	12.6	14.6
NET INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 535.8	\$ 323.9	\$ 346.6
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY (see Note 1)			
Basic earnings per common share	\$ 2.50	\$ 2.27	\$ 2.43
Diluted earnings per common share	\$ 2.50	\$ 2.27	\$ 2.43
AVERAGE COMMON SHARES OUTSTANDING			
Basic	213.9	142.5	142.1
Diluted	214.1	142.6	142.5
COMPREHENSIVE INCOME			
NET INCOME	\$ 546.0	\$ 336.5	\$ 361.2
OTHER COMPREHENSIVE INCOME			
Derivative hedging activity			
Loss on derivative hedging instruments	(5.4)	—	—
Income tax benefit	1.4	—	—
Net loss on derivative hedging instruments	(4.0)	—	—
Derivative hedging activity, net of tax	(4.0)	—	—
Defined benefit pension plans			
Net gain arising during period	1.4	—	—
Income tax expense	(0.4)	—	—
Net gain arising during period, net of tax	1.0	—	—
Change in unrecognized pension expense, net of tax	1.0	—	—
Total other comprehensive loss	(3.0)	—	—
Comprehensive income	543.0	336.5	361.2
Less: comprehensive income attributable to noncontrolling interest	10.2	12.6	14.6
COMPREHENSIVE INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 532.8	\$ 323.9	\$ 346.6

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

EVERGY, INC.
Consolidated Balance Sheets

	December 31	
	2018	2017
ASSETS	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 160.3	\$ 3.4
Receivables, net	193.7	290.7
Accounts receivable pledged as collateral	365.0	—
Fuel inventory and supplies	511.0	293.6
Income taxes receivable	68.0	—
Regulatory assets	303.9	99.5
Prepaid expenses and other assets	79.1	39.8
Total Current Assets	1,681.0	727.0
PROPERTY, PLANT AND EQUIPMENT, NET	18,782.5	9,553.8
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET	169.2	176.3
OTHER ASSETS:		
Regulatory assets	1,757.9	685.4
Nuclear decommissioning trust fund	472.1	237.1
Goodwill	2,338.9	—
Other	396.5	244.8
Total Other Assets	4,965.4	1,167.3
TOTAL ASSETS	\$ 25,598.1	\$ 11,624.4

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

EVERGY, INC.
Consolidated Balance Sheets

	December 31	
	2018	2017
LIABILITIES AND EQUITY		
	(millions, except share amounts)	
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 705.4	\$ —
Current maturities of long-term debt of variable interest entities	30.3	28.5
Notes payable and commercial paper	738.6	275.7
Collateralized note payable	365.0	—
Accounts payable	451.5	204.2
Accrued dividends	—	53.8
Accrued taxes	133.6	87.7
Accrued interest	110.9	72.7
Regulatory liabilities	110.2	11.6
Asset retirement obligations	49.8	25.1
Other	171.9	64.4
Total Current Liabilities	2,867.2	823.7
LONG-TERM LIABILITIES:		
Long-term debt, net	6,636.3	3,687.6
Long-term debt of variable interest entities, net	51.1	81.4
Deferred income taxes	1,599.2	815.7
Unamortized investment tax credits	373.2	257.1
Regulatory liabilities	2,218.8	1,094.0
Pension and post-retirement liability	987.6	491.2
Asset retirement obligations	637.3	380.0
Other	236.7	133.3
Total Long-Term Liabilities	12,740.2	6,940.3
Commitments and Contingencies (Note 14)		
EQUITY:		
Evergy, Inc. Shareholders' Equity:		
Common stock - 600,000,000 shares authorized, without par value, 255,326,252 shares issued (275,000,000 shares authorized, \$5 par value, 142,094,275 shares issued as of December 31, 2017)	8,685.2	2,734.8
Retained earnings	1,346.0	1,173.3
Accumulated other comprehensive loss	(3.0)	—
Total Evergy, Inc. Shareholders' Equity	10,028.2	3,908.1
Noncontrolling Interests	(37.5)	(47.7)
Total Equity	9,990.7	3,860.4
TOTAL LIABILITIES AND EQUITY	\$ 25,598.1	\$ 11,624.4

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

EVERGY, INC.
Consolidated Statements of Cash Flows

Year Ended December 31	2018	2017	2016
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:			
	(millions)		
Net income	\$ 546.0	\$ 336.5	\$ 361.2
Adjustments to reconcile income to net cash from operating activities:			
Depreciation and amortization	618.8	371.7	338.5
Amortization of nuclear fuel	43.6	32.2	26.7
Amortization of deferred refueling outage	21.2	16.1	18.4
Amortization of deferred regulatory gain from sale leaseback	(5.5)	(5.5)	(5.5)
Amortization of corporate-owned life insurance	22.6	20.6	18.0
Non-cash compensation	29.9	8.8	9.3
Net deferred income taxes and credits	124.2	149.6	185.2
Allowance for equity funds used during construction	(3.1)	(2.0)	(11.6)
Payments for asset retirement obligations	(22.4)	(16.0)	(5.4)
Equity in earnings of equity method investees, net of income taxes	(5.4)	(6.7)	(6.5)
Other	(2.0)	(6.0)	(22.0)
Changes in working capital items:			
Accounts receivable	265.1	(2.1)	(30.3)
Accounts receivable pledged as collateral	(185.0)	—	—
Fuel inventory and supplies	54.7	7.2	1.8
Prepaid expenses and other current assets	(128.1)	55.8	(18.3)
Accounts payable	56.7	10.0	(8.1)
Accrued taxes	(76.4)	9.2	(5.9)
Other current liabilities	92.0	(118.0)	(86.4)
Changes in other assets	66.8	32.0	21.4
Changes in other liabilities	(15.9)	19.3	23.3
Cash Flows from Operating Activities	1,497.8	912.7	803.8
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(1,069.7)	(764.6)	(1,087.0)
Cash acquired from the merger with Great Plains Energy	1,154.2	—	—
Purchase of securities - trusts	(117.5)	(41.0)	(46.6)
Sale of securities - trusts	117.7	41.2	47.0
Investment in corporate-owned life insurance	(17.1)	(17.0)	(18.1)
Proceeds from investment in corporate-owned life insurance	6.8	4.2	114.7
Proceeds from settlement of interest rate swap	140.6	—	—
Other investing activities	(17.6)	(3.6)	(4.1)
Cash Flows from (used in) Investing Activities	197.4	(780.8)	(994.1)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Short term debt, net	(104.0)	(91.3)	116.2
Collateralized short-term borrowings, net	185.0	—	—
Proceeds from long-term debt	290.9	296.2	396.3
Proceeds from long-term debt of variable interest entity	—	—	162.0
Retirements of long-term debt	(395.8)	(125.0)	(50.0)
Retirements of long-term debt of variable interest entities	(28.5)	(26.8)	(190.4)
Borrowings against cash surrender value of corporate-owned life insurance	56.5	55.1	57.8
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(3.9)	(1.0)	(89.3)
Cash dividends paid	(475.0)	(223.1)	(204.3)
Repurchase of common stock	(1,042.3)	—	—
Other financing activities	(21.3)	(15.7)	(8.1)
Cash Flows from (used in) Financing Activities	(1,538.4)	(131.6)	190.2
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	156.8	0.3	(0.1)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:			
Beginning of period, including restricted cash of \$0.1, \$0.1 and \$0.1, respectively	3.5	3.2	3.3
End of period, including restricted cash of \$0.0, \$0.1 and \$0.1, respectively	\$ 160.3	\$ 3.5	\$ 3.2

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

EVERGY, INC.
Consolidated Statements of Changes in Equity

	Evergy, Inc. Shareholders					Non-controlling interests	Total equity
	Common stock shares	Common stock	Retained earnings	AOCI			
	(millions, except share amounts)						
Balance as of December 31, 2015	141,353,426	\$ 2,710.9	\$ 945.8	\$ —	\$ 15.2	\$ 3,671.9	
Net income	—	—	346.6	—	14.6	361.2	
Issuance of stock	48,101	2.4	—	—	—	2.4	
Issuance of stock for compensation and reinvested dividends	389,626	9.7	—	—	—	9.7	
Tax withholding related to stock compensation	—	(5.0)	—	—	—	(5.0)	
Dividends declared on common stock (\$1.52 per share)	—	—	(217.1)	—	—	(217.1)	
Stock compensation expense	—	9.3	—	—	—	9.3	
Distributions to shareholders of noncontrolling interests	—	—	—	—	(2.5)	(2.5)	
Cumulative effect of adoption of ASU 2016-09	—	—	3.3	—	—	3.3	
Balance as of December 31, 2016	141,791,153	2,727.3	1,078.6	—	27.3	3,833.2	
Net income	—	—	323.9	—	12.6	336.5	
Issuance of stock	12,131	0.6	—	—	—	0.6	
Issuance of stock for compensation and reinvested dividends	290,991	5.1	—	—	—	5.1	
Tax withholding related to stock compensation	—	(7.0)	—	—	—	(7.0)	
Dividends declared on common stock (\$1.60 per share)	—	—	(229.2)	—	—	(229.2)	
Stock compensation expense	—	8.8	—	—	—	8.8	
Deconsolidation of noncontrolling interests	—	—	—	—	(81.9)	(81.9)	
Distributions to shareholders of noncontrolling interests	—	—	—	—	(5.7)	(5.7)	
Balance as of December 31, 2017	142,094,275	2,734.8	1,173.3	—	(47.7)	3,860.4	
Net income	—	—	535.8	—	10.2	546.0	
Issuance of stock to Great Plains Energy shareholders	128,947,518	6,979.9	—	—	—	6,979.9	
Issuance of restricted common stock	122,505	—	—	—	—	—	
Issuance of stock for compensation and reinvested dividends	533,273	0.5	—	—	—	0.5	
Tax withholding related to stock compensation	—	(17.2)	—	—	—	(17.2)	
Dividends declared on common stock (\$1.735 per share)	—	—	(362.1)	—	—	(362.1)	
Dividend equivalents declared	—	—	(1.0)	—	—	(1.0)	
Stock compensation expense	—	29.9	—	—	—	29.9	
Repurchase of common stock	(16,371,319)	(1,042.3)	—	—	—	(1,042.3)	
Derivative hedging activity, net of tax	—	—	—	(4.0)	—	(4.0)	
Change in unrecognized pension expense, net of tax	—	—	—	1.0	—	1.0	
Other	—	(0.4)	—	—	—	(0.4)	
Balance as of December 31, 2018	255,326,252	\$ 8,685.2	\$ 1,346.0	\$ (3.0)	\$ (37.5)	\$ 9,990.7	

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

WESTAR ENERGY, INC.
Consolidated Statements of Income

Year Ended December 31	2018	2017	2016
		(millions)	
OPERATING REVENUES	\$ 2,614.9	\$ 2,571.0	\$ 2,562.1
OPERATING EXPENSES:			
Fuel and purchased power	599.2	541.5	509.5
SPP network transmission costs	259.9	247.9	232.8
Operating and maintenance	640.7	563.5	587.2
Depreciation and amortization	390.9	371.7	338.5
Taxes other than income tax	173.7	167.6	191.7
Total Operating Expenses	2,064.4	1,892.2	1,859.7
INCOME FROM OPERATIONS	550.5	678.8	702.4
OTHER INCOME (EXPENSE):			
Investment earnings (loss)	(0.6)	4.0	2.5
Other income	13.9	8.3	34.6
Other expense	(46.8)	(39.1)	(38.6)
Total Other Income (Expense), Net	(33.5)	(26.8)	(1.5)
Interest expense	176.8	171.0	161.7
INCOME BEFORE INCOME TAXES	340.2	481.0	539.2
Income tax expense (benefit)	(4.3)	151.2	184.5
Equity in earnings of equity method investees, net of income taxes	4.6	6.7	6.5
NET INCOME	349.1	336.5	361.2
Less: Net income attributable to noncontrolling interests	10.2	12.6	14.6
NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.	\$ 338.9	\$ 323.9	\$ 346.6

The disclosures regarding Westar Energy, Inc. included in the accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

WESTAR ENERGY, INC.
Consolidated Balance Sheets

	December 31	
	2018	2017
ASSETS	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 44.5	\$ 3.4
Receivables, net	84.3	290.7
Related party receivables	2.6	—
Accounts receivable pledged as collateral	185.0	—
Fuel inventory and supplies	276.8	293.6
Income taxes receivable	42.7	—
Regulatory assets	97.1	99.5
Prepaid expenses and other assets	35.0	39.8
Total Current Assets	768.0	727.0
PROPERTY, PLANT AND EQUIPMENT, NET	9,718.3	9,553.8
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET	169.2	176.3
OTHER ASSETS:		
Regulatory assets	700.4	685.4
Nuclear decommissioning trust fund	227.5	237.1
Other	233.4	244.8
Total Other Assets	1,161.3	1,167.3
TOTAL ASSETS	\$ 11,816.8	\$ 11,624.4

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

WESTAR ENERGY, INC.
Consolidated Balance Sheets

	December 31	
	2018	2017
LIABILITIES AND EQUITY	(millions, except share amounts)	
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 300.0	\$ —
Current maturities of long-term debt of variable interest entities	30.3	28.5
Notes payable and commercial paper	411.7	275.7
Collateralized note payable	185.0	—
Accounts payable	154.4	204.2
Related party payables	14.9	—
Accrued dividends	—	53.8
Accrued taxes	88.6	87.7
Accrued interest	74.4	72.7
Regulatory liabilities	19.5	11.6
Asset retirement obligations	17.1	25.1
Other	83.0	64.4
Total Current Liabilities	1,378.9	823.7
LONG-TERM LIABILITIES:		
Long-term debt, net	3,389.8	3,687.6
Long-term debt of variable interest entities, net	51.1	81.4
Deferred income taxes	815.4	815.7
Unamortized investment tax credits	249.7	257.1
Regulatory liabilities	1,101.8	1,094.0
Pension and post-retirement liability	474.7	491.2
Asset retirement obligations	264.0	380.0
Other	130.7	133.3
Total Long-Term Liabilities	6,477.2	6,940.3
Commitments and Contingencies (Note 14)		
EQUITY:		
Westar Energy, Inc. Shareholder's Equity:		
Common stock - 1,000 shares authorized, \$0.01 par value, 1 share issued (275,000,000 shares authorized, \$5 par value, and 142,094,275 shares issued as of December 31, 2017)	2,737.6	2,734.8
Retained earnings	1,260.6	1,173.3
Total Westar Energy, Inc. Shareholder's Equity	3,998.2	3,908.1
Noncontrolling Interests	(37.5)	(47.7)
Total Equity	3,960.7	3,860.4
TOTAL LIABILITIES AND EQUITY	\$ 11,816.8	\$ 11,624.4

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

WESTAR ENERGY, INC.
Consolidated Statements of Cash Flows

Year Ended December 31	2018	2017	2016
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:			
		(millions)	
Net income	\$ 349.1	\$ 336.5	\$ 361.2
Adjustments to reconcile income (loss) to net cash from operating activities:			
Depreciation and amortization	390.9	371.7	338.5
Amortization of nuclear fuel	26.0	32.2	26.7
Amortization of deferred refueling outage	13.7	16.1	18.4
Amortization of deferred regulatory gain from sale leaseback	(5.5)	(5.5)	(5.5)
Amortization of corporate-owned life insurance	22.6	20.6	18.0
Non-cash compensation	19.9	8.8	9.3
Net deferred income taxes and credits	(2.2)	149.6	185.2
Allowance for equity funds used during construction	(2.9)	(2.0)	(11.6)
Payments for asset retirement obligations	(12.0)	(16.0)	(5.4)
Equity in earnings of equity method investees, net of income taxes	(4.6)	(6.7)	(6.5)
Other	(2.2)	(6.0)	(22.0)
Changes in working capital items:			
Accounts receivable	207.9	(2.1)	(30.3)
Accounts receivable pledged as collateral	(185.0)	—	—
Fuel inventory and supplies	17.3	7.2	1.8
Prepaid expenses and other current assets	(134.2)	55.8	(18.3)
Accounts payable	(17.6)	10.0	(8.1)
Accrued taxes	(24.1)	9.2	(5.9)
Other current liabilities	88.3	(118.0)	(86.4)
Changes in other assets	42.7	32.0	21.4
Changes in other liabilities	(36.2)	19.3	23.3
Cash Flows from Operating Activities	751.9	912.7	803.8
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(713.3)	(764.6)	(1,087.0)
Purchase of securities - trusts	(99.4)	(41.0)	(46.6)
Sale of securities - trusts	104.2	41.2	47.0
Investment in corporate-owned life insurance	(17.1)	(17.0)	(18.1)
Proceeds from investment in corporate-owned life insurance	6.8	4.2	114.7
Other investing activities	(8.6)	(3.6)	(4.1)
Cash Flows (used in) Investing Activities	(727.4)	(780.8)	(994.1)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Short term debt, net	133.7	(91.3)	116.2
Collateralized short-term debt, net	185.0	—	—
Proceeds from long-term debt	121.9	296.2	396.3
Proceeds from long-term debt of variable interest entity	—	—	162.0
Retirements of long-term debt	(121.9)	(125.0)	(50.0)
Retirements of long-term debt of variable interest entities	(28.5)	(26.8)	(190.4)
Borrowings against cash surrender value of corporate-owned life insurance	56.5	55.1	57.8
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(3.9)	(1.0)	(89.3)
Cash dividends paid	(305.1)	(223.1)	(204.3)
Other financing activities	(21.2)	(15.7)	(8.1)
Cash Flows from (used in) Financing Activities	16.5	(131.6)	190.2
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	41.0	0.3	(0.1)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:			
Beginning of period, including restricted cash of \$0.1, \$0.1 and \$0.1, respectively	3.5	3.2	3.3
End of period, including restricted cash of \$0.0, \$0.1 and \$0.1, respectively	\$ 44.5	\$ 3.5	\$ 3.2

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Comprehensive Income

Year Ended December 31	2018	2017	2016
		(millions)	
OPERATING REVENUES	\$ 1,823.1	\$ 1,890.7	\$ 1,875.4
OPERATING EXPENSES:			
Fuel and purchased power	520.6	480.7	429.1
Operating and maintenance	494.2	474.8	502.0
Depreciation and amortization	281.3	266.3	247.5
Taxes other than income tax	117.2	182.5	177.5
Total Operating Expenses	1,413.3	1,404.3	1,356.1
INCOME FROM OPERATIONS	409.8	486.4	519.3
OTHER INCOME (EXPENSE):			
Investment earnings	2.8	2.0	0.6
Other income	2.2	9.2	11.2
Other expense	(30.9)	(50.8)	(44.8)
Total Other Income (Expense), Net	(25.9)	(39.6)	(33.0)
Interest expense	133.7	138.8	139.4
INCOME BEFORE INCOME TAXES	250.2	308.0	346.9
Income tax expense	87.3	128.2	121.9
NET INCOME	\$ 162.9	\$ 179.8	\$ 225.0
COMPREHENSIVE INCOME			
NET INCOME	\$ 162.9	\$ 179.8	\$ 225.0
OTHER COMPREHENSIVE INCOME			
Derivative hedging activity			
Reclassification to expenses, net of tax:	3.7	4.6	5.4
Derivative hedging activity, net of tax	3.7	4.6	5.4
Total Other Comprehensive Income	3.7	4.6	5.4
COMPREHENSIVE INCOME	\$ 166.6	\$ 184.4	\$ 230.4

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Balance Sheets

	December 31	
	2018	2017
ASSETS	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2.6	\$ 2.2
Receivables, net	62.7	106.3
Related party receivables	101.8	84.7
Accounts receivable pledged as collateral	130.0	130.0
Fuel inventory and supplies	177.6	197.0
Income taxes receivable	—	5.4
Regulatory assets	130.9	153.6
Prepaid expenses and other assets	36.9	27.6
Total Current Assets	642.5	706.8
PROPERTY, PLANT AND EQUIPMENT, NET	6,688.1	6,565.6
OTHER ASSETS:		
Regulatory assets	495.2	545.1
Nuclear decommissioning trust fund	244.6	258.4
Other	50.1	48.0
Total Other Assets	789.9	851.5
TOTAL ASSETS	\$ 8,120.5	\$ 8,123.9

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Balance Sheets

	December 31	
	2018	2017
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 400.0	\$ 350.0
Notes payable and commercial paper	176.9	167.5
Collateralized note payable	130.0	130.0
Accounts payable	211.1	249.0
Accrued taxes	39.7	29.0
Accrued interest	28.9	32.4
Regulatory liabilities	52.8	8.3
Asset retirement obligations	29.2	34.9
Other	69.7	63.4
Total Current Liabilities	1,138.3	1,064.5
LONG-TERM LIABILITIES:		
Long-term debt, net	2,130.1	2,232.2
Deferred income taxes	631.8	616.1
Unamortized investment tax credits	120.7	121.8
Regulatory liabilities	794.3	770.9
Pension and post-retirement liability	491.9	512.2
Asset retirement obligations	231.8	231.4
Other	81.8	61.6
Total Long-Term Liabilities	4,482.4	4,546.2
Commitments and Contingencies (Note 14)		
EQUITY:		
Common stock - 1,000 shares authorized, without par value, 1 share issued, stated value	1,563.1	1,563.1
Retained earnings	932.6	949.7
Accumulated other comprehensive income	4.1	0.4
Total Equity	2,499.8	2,513.2
TOTAL LIABILITIES AND EQUITY	\$ 8,120.5	\$ 8,123.9

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Cash Flows

Year Ended December 31	2018	2017	2016
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:			
	(millions)		
Net income	\$ 162.9	\$ 179.8	\$ 225.0
Adjustments to reconcile income to net cash from operating activities:			
Depreciation and amortization	281.3	266.3	247.5
Amortization of nuclear fuel	26.2	32.1	26.6
Amortization of deferred refueling outage	13.5	18.3	19.0
Net deferred income taxes and credits	48.6	82.5	92.4
Allowance for equity funds used during construction	(1.4)	(6.0)	(6.6)
Payments for asset retirement obligations	(13.1)	(25.5)	(15.0)
Other	3.9	7.5	8.8
Changes in working capital items:			
Accounts receivable	36.5	13.8	(12.4)
Accounts receivable pledged as collateral	—	(20.0)	—
Fuel inventory and supplies	19.4	(5.2)	6.3
Prepaid expenses and other current assets	7.2	8.4	(73.2)
Accounts payable	(34.6)	11.7	(30.5)
Accrued taxes	16.1	9.1	67.9
Other current liabilities	10.4	(0.1)	10.4
Changes in other assets	42.9	31.7	66.5
Changes in other liabilities	37.9	6.5	(9.4)
Cash Flows from Operating Activities	657.7	610.9	623.3
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(430.7)	(468.6)	(447.9)
Purchase of securities - trusts	(35.1)	(33.6)	(31.9)
Sale of securities - trusts	27.1	30.3	28.6
Other investing activities	4.8	0.9	(0.3)
Cash Flows (used in) Investing Activities	(433.9)	(471.0)	(451.5)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Short term debt, net	8.0	34.6	(47.4)
Collateralized short-term borrowings, net	—	20.0	—
Proceeds from long-term debt	465.6	296.2	—
Retirements of long-term debt	(519.9)	(281.0)	—
Cash dividends paid	(180.0)	(212.0)	(122.0)
Other financing activities	2.9	—	(0.2)
Cash Flows (used in) Financing Activities	(223.4)	(142.2)	(169.6)
NET CHANGE IN CASH AND CASH EQUIVALENTS	0.4	(2.3)	2.2
CASH AND CASH EQUIVALENTS:			
Beginning of period	2.2	4.5	2.3
End of period	\$ 2.6	\$ 2.2	\$ 4.5

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Changes in Equity

	Common stock shares	Common stock	Retained earnings	AOCI - Net gains (losses) on cash flow hedges	Total equity
			(millions, except share amounts)		
Balance as of December 31, 2015	1	\$ 1,563.1	\$ 879.6	\$ (9.6)	\$ 2,433.1
Net income	—	—	225.0	—	225.0
Dividends declared on common stock	—	—	(122.0)	—	(122.0)
Derivative hedging activity, net of tax	—	—	—	5.4	5.4
Balance as of December 31, 2016	1	1,563.1	982.6	(4.2)	2,541.5
Net income	—	—	179.8	—	179.8
Cumulative effect of adoption of ASU 2016-09	—	—	(0.7)	—	(0.7)
Dividends declared on common stock	—	—	(212.0)	—	(212.0)
Derivative hedging activity, net of tax	—	—	—	4.6	4.6
Balance as of December 31, 2017	1	1,563.1	949.7	0.4	2,513.2
Net income	—	—	162.9	—	162.9
Dividends declared on common stock	—	—	(180.0)	—	(180.0)
Derivative hedging activity, net of tax	—	—	—	3.7	3.7
Balance as of December 31, 2018	1	\$ 1,563.1	\$ 932.6	\$ 4.1	\$ 2,499.8

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

**EVERGY, INC.
WESTAR ENERGY, INC.
KANSAS CITY POWER & LIGHT COMPANY**

Combined Notes to Consolidated Financial Statements

The notes to consolidated financial statements that follow are a combined presentation for Evergy, Inc., Westar Energy, Inc. and Kansas City Power & Light Company, all registrants under this filing. The terms "Evergy," "Westar Energy," "KCP&L" and "Evergy Companies" are used throughout this report. "Evergy" refers to Evergy, Inc. and its consolidated subsidiaries, unless otherwise indicated. "Westar Energy" refers to Westar Energy, Inc. and its consolidated subsidiaries, unless otherwise indicated. "KCP&L" refers to Kansas City Power & Light Company and its consolidated subsidiaries, unless otherwise indicated. "Evergy Companies" refers to Evergy, Westar Energy and KCP&L, collectively, which are individual registrants within the Evergy consolidated group.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Evergy is a public utility holding company incorporated in 2017 and headquartered in Kansas City, Missouri. Evergy operates primarily through the following wholly-owned direct subsidiaries:

- Westar Energy is an integrated, regulated electric utility that provides electricity to customers in the state of Kansas. Westar Energy has one active wholly-owned subsidiary with significant operations, Kansas Gas and Electric Company (KGE).
- KCP&L is an integrated, regulated electric utility that provides electricity to customers in the states of Missouri and Kansas.
- KCP&L Greater Missouri Operations Company (GMO) is an integrated, regulated electric utility that provides electricity to customers in the state of Missouri.
- GPE Transmission Holding Company, LLC (GPETHC) owns 13.5% of Transource Energy, LLC (Transource) with the remaining 86.5% owned by AEP Transmission Holding Company, LLC, a subsidiary of American Electric Power Company, Inc. (AEP). Transource is focused on the development of competitive electric transmission projects. GPETHC accounts for its investment in Transource under the equity method.

Westar Energy also owns a 50% interest in Prairie Wind Transmission, LLC (Prairie Wind), which is a joint venture between Westar Energy and affiliates of AEP and Berkshire Hathaway Energy Company. Prairie Wind owns a 108-mile, 345 kV double-circuit transmission line that provides transmission service in the Southwest Power Pool, Inc. (SPP). Westar Energy accounts for its investment in Prairie Wind under the equity method.

Westar Energy and KGE conduct business in their respective service territories using the name Westar Energy. KCP&L and GMO conduct business in their respective service territories using the name KCP&L. Collectively, the Evergy Companies have approximately 14,500 MWs of owned generating capacity and renewable purchased power agreements and engage in the generation, transmission, distribution and sale of electricity to approximately 1.6 million customers in the states of Kansas and Missouri.

Evergy was incorporated in 2017 as Monarch Energy Holding, Inc. (Monarch Energy), a wholly-owned subsidiary of Great Plains Energy Incorporated (Great Plains Energy). Prior to the closing of the merger transactions, Monarch Energy changed its name to Evergy and did not conduct any business activities other than those required for its formation and matters contemplated by the Amended and Restated Agreement and Plan of Merger, dated as of July 9, 2017, by and among Great Plains Energy, Westar Energy, Monarch Energy and King Energy, Inc. (King Energy), a wholly-owned subsidiary of Monarch Energy (Amended Merger Agreement). On June 4, 2018, in accordance with the Amended Merger Agreement, Great Plains Energy merged into Evergy, with Evergy surviving the merger and King Energy merged into Westar Energy, with Westar Energy surviving the merger. These merger transactions resulted in Evergy becoming the parent entity of Westar Energy and the direct subsidiaries of Great Plains Energy, including KCP&L and GMO. See Note 2 for additional information regarding the merger.

Principles of Consolidation

Westar Energy was determined to be the accounting acquirer in the merger and thus, the predecessor of Evergy. Therefore, Evergy's consolidated financial statements reflect the results of operations of Westar Energy for 2017 and 2016 and the financial position of Westar Energy as of December 31, 2017. Evergy had separate operations for the period beginning with the quarter ended June 30, 2018, and references to amounts for periods after the closing of the merger relate to Evergy. The results of Great Plains Energy's direct subsidiaries have been included in Evergy's results of operations from the date of the closing of the merger and thereafter.

Westar Energy and KCP&L continue to be Securities and Exchange Commission (SEC) registrants. KCP&L has elected not to apply "push-down accounting" related to the merger, whereby the adjustments of assets and liabilities to fair value and the resulting goodwill would be recorded on the financial statements of the acquired subsidiary. These adjustments for KCP&L, as well as those related to the acquired assets and liabilities of Great Plains Energy and its other direct subsidiaries, are only reflected on Evergy's consolidated financial statements.

Each of Evergy's, Westar Energy's and KCP&L's consolidated financial statements includes the accounts of their subsidiaries and variable interest entities (VIEs) of which they are the primary beneficiary. Undivided interests in jointly-owned generation facilities are included on a proportionate basis. Intercompany transactions have been eliminated. The Evergy Companies assess financial performance and allocate resources on a consolidated basis (i.e., operate in one segment).

Certain changes in classification and corresponding reclassification of prior period data were made in Evergy's, Westar Energy's and KCP&L's consolidated balance sheets, statements of income and comprehensive income and statements of cash flows for comparative purposes. Evergy reflects the classifications of Westar Energy as the accounting acquirer in the merger. These reclassifications did not affect Evergy's, Westar Energy's or KCP&L's net income or Evergy's, Westar Energy's or KCP&L's cash flows from operations, investing or financing.

Most significantly for Westar Energy's consolidated balance sheets as of December 31, 2017, was the reclassification of \$50.2 million from accrued employee benefits (currently reported as pension and post-retirement liability) to other long-term liabilities. Most significantly for KCP&L's consolidated balance sheets, current regulatory assets and liabilities have been presented separately from the non-current portions in each respective consolidated balance sheet where recovery or refund is expected within the next 12 months.

The table below summarizes KCP&L's reclassifications related to operating and investing activities for its consolidated statement of cash flows for 2017 and 2016.

	2017		2016	
	As Previously Filed	As Recast	As Previously Filed	As Recast
(in millions)				
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:				
Adjustments to reconcile income to net cash from operating activities:				
Amortization of other	\$ 30.2	\$ —	\$ 33.9	\$ —
Amortization of deferred refueling outage	—	18.3	—	19.0
Deferred income taxes, net	83.5	—	93.4	—
Investment tax credit amortization	(1.0)	—	(1.0)	—
Net deferred income taxes and credits	—	82.5	—	92.4
Payments for asset retirement obligations	(25.5)	(25.5)	—	(15.0)
Other/Solar rebates paid ^(a)	(9.0)	7.5	1.4	8.8
Changes in working capital items:				
Fuel inventory and supplies	—	(5.2)	—	6.3
Fuel inventories ^(a)	1.9	—	10.6	—
Materials and supplies ^(a)	(7.1)	—	(4.3)	—
Prepaid expenses and other current assets	—	8.4	—	(73.2)
Other current liabilities	—	(0.1)	—	10.4
Changes in other assets	—	31.7	—	66.5
Changes in other liabilities	—	6.5	—	(9.4)
Deferred refueling outage costs ^(a)	15.5	—	(3.1)	—
Pension and post-retirement benefit obligations ^(a)	27.3	—	28.6	—
Fuel recovery mechanisms ^(a)	8.3	—	(53.7)	—
Total reclassifications	\$ 124.1	\$ 124.1	\$ 105.8	\$ 105.8
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:				
Additions to property, plant and equipment	\$ —	\$ (468.6)	\$ —	\$ (447.9)
Utility capital expenditures	(437.7)	—	(418.8)	—
Allowance for borrowed funds used during construction	(6.1)	—	(5.6)	—
Other investing activities	(23.9)	0.9	(23.8)	(0.3)
Total reclassifications	\$ (467.7)	\$ (467.7)	\$ (448.2)	\$ (448.2)

^(a)Previously reported within Note 3 to the consolidated financial statements of the Great Plains Energy and KCP&L combined 2017 and 2016 Annual Reports on Form 10-K.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles (GAAP) requires the use of estimates and assumptions that affect the reported amounts of certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with original maturities of three months or less at acquisition.

Fuel Inventory and Supplies

The Evergy Companies record fuel inventory and supplies at average cost. The following table separately states the balances for fuel inventory and supplies.

	December 31	
	2018	2017
Evergy	(millions)	
Fuel inventory	\$ 168.9	\$ 94.1
Supplies	342.1	199.5
Fuel inventory and supplies	\$ 511.0	\$ 293.6
Westar Energy		
Fuel inventory	\$ 87.8	\$ 94.1
Supplies	189.0	199.5
Fuel inventory and supplies	\$ 276.8	\$ 293.6
KCP&L ^(a)		
Fuel inventory	\$ 57.8	\$ 71.0
Supplies	119.8	126.0
Fuel inventory and supplies	\$ 177.6	\$ 197.0

^(a) KCP&L amounts are not included in consolidated Evergy at December 31, 2017.

Property, Plant and Equipment

The Evergy Companies record the value of property, plant and equipment, including that of variable interest entities (VIEs), at cost. For plant, cost includes contracted services, direct labor and materials, indirect charges for engineering and supervision and an allowance for funds used during construction (AFUDC). AFUDC represents the allowed cost of capital used to finance utility construction activity. AFUDC equity funds are included as a non-cash item in other income and AFUDC borrowed funds are a reduction of interest expense. AFUDC is computed by applying a composite rate to qualified construction work in progress. The rates used to compute gross AFUDC are compounded semi-annually.

The amounts of the Evergy Companies' AFUDC for borrowed and equity funds are detailed in the following table.

	December 31		
	2018	2017	2016
Evergy	(millions)		
AFUDC borrowed funds	\$ 10.4	\$ 5.6	\$ 10.0
AFUDC equity funds	3.1	2.0	11.6
Total	\$ 13.5	\$ 7.6	\$ 21.6
Westar Energy			
AFUDC borrowed funds	\$ 6.6	\$ 5.6	\$ 10.0
AFUDC equity funds	2.9	2.0	11.6
Total	\$ 9.5	\$ 7.6	\$ 21.6
KCP&L^(a)			
AFUDC borrowed funds	\$ 4.9	\$ 6.1	\$ 5.6
AFUDC equity funds	1.4	6.0	6.6
Total	\$ 6.3	\$ 12.1	\$ 12.2

^(a) KCP&L amounts are only included in consolidated Evergy from the date of the closing of the merger, June 4, 2018 through December 31, 2018.

The average rates used in the calculation of AFUDC are detailed in the following table.

	2018	2017	2016
Westar Energy	3.3%	2.3%	4.2%
KCP&L	3.9%	4.9%	5.7%
GMO	2.9%	1.9%	1.6%

When property units are retired or otherwise disposed, the original cost net of salvage is charged to accumulated depreciation. Repair of property and replacement of items not considered to be units of property are expensed as incurred, except for planned refueling and maintenance outages at Wolf Creek Generating Station (Wolf Creek). As authorized by regulators, the expense is deferred and amortized ratably over the period between planned outages incremental maintenance cost incurred for such outages.

Depreciation and Amortization

Depreciation and amortization of utility plant other than nuclear fuel is computed using the straight-line method over the estimated lives of depreciable property based on rates approved by state regulatory authorities. Annual depreciation rates average approximately 3%. Nuclear fuel is amortized to fuel expense based on the quantity of heat produced during the generation of electricity. See Note 7 for more details.

The depreciable lives of Evergy's, Westar Energy's and KCP&L's property, plant and equipment are detailed in the following table.

	Evergy			Westar Energy			KCP&L		
	(years)								
Generating facilities	8	to	87	8	to	87	20	to	60
Transmission facilities	15	to	94	36	to	94	15	to	70
Distribution facilities	8	to	73	19	to	73	8	to	55
Other	5	to	84	7	to	84	5	to	50

Plant to be Retired, Net

When the Evergy Companies retire utility plant, the original cost, net of salvage, is charged to accumulated depreciation. However, when it becomes probable an asset will be retired significantly in advance of its original expected useful life and in the near term, the cost of the asset and related accumulated depreciation is recognized as a separate asset and a probable abandonment. If the asset is still in service, the net amount is classified as plant to be retired, net on the consolidated balance sheets. If the asset is no longer in service, the net amount is classified as a regulatory asset on the consolidated balance sheets.

The Evergy Companies must also assess the probability of full recovery of the remaining net book value of the abandonment. The net book value that may be retained as an asset on the balance sheet for the abandonment is dependent upon amounts that may be recovered through regulated rates, including any return. An impairment charge, if any, would equal the difference between the remaining net book value of the asset and the present value of the future revenues expected from the asset.

In June 2017, GMO announced the expected retirement of certain older generating units, including GMO's Sibley No. 3 Unit, over the next several years. GMO determined that Sibley No. 3 Unit met the criteria to be considered probable of abandonment. GMO retired Sibley Station, including the No. 3 Unit, in November 2018. As of December 31, 2018, Evergy has classified the remaining Sibley No. 3 Unit net book value of \$159.9 million as retired generation facilities within regulatory assets on its consolidated balance sheet. Evergy is currently allowed a full recovery of and a full return on Sibley No. 3 Unit in rates and has concluded that no impairment is required as of December 31, 2018.

Nuclear Plant Decommissioning Costs

Nuclear plant decommissioning cost estimates are based on either the immediate dismantlement method or the deferred dismantling method as determined by the KCC and MPSC and include the costs of decontamination, dismantlement and site restoration. Based on these cost estimates, Westar Energy and KCP&L contribute to a tax-qualified trust fund to be used to decommission Wolf Creek. Related liabilities for decommissioning are included on Evergy's, Westar Energy's and KCP&L's consolidated balance sheets in Asset Retirement Obligations (AROs).

As a result of the authorized regulatory treatment and related regulatory accounting, differences between the decommissioning trust fund asset and the related ARO are recorded as a regulatory asset or liability. See Note 6 for discussion of AROs including those associated with nuclear plant decommissioning costs.

Regulatory Accounting

Accounting standards are applied that recognize the economic effects of rate regulation. Accordingly, regulatory assets and liabilities have been recorded when required by a regulatory order or based on regulatory precedent. See Note 5 for additional information concerning regulatory matters.

Cash Surrender Value of Life Insurance

Amounts related to corporate-owned life insurance (COLI) are recorded on the consolidated balance sheets in other long-term assets and are detailed in the following table for Evergy. Substantially all of Evergy's COLI-related balances relate to Westar Energy's COLI activity.

	December 31	
	2018	2017
Evergy	(millions)	
Cash surrender value of policies	\$ 1,441.7	\$ 1,320.7
Borrowings against policies	(1,306.9)	(1,189.2)
Corporate-owned life insurance, net	\$ 134.8	\$ 131.5

Increases in cash surrender value and death benefits are recorded in other income in the Evergy Companies' consolidated statements of income and comprehensive income. Interest expense incurred on policy loans is offset against the policy income. Income from death benefits is highly variable from period to period.

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of the following financial instruments for which it was practicable to estimate that value.

Nuclear decommissioning trust fund - The Evergy Companies' nuclear decommissioning trust fund assets are recorded at fair value based on quoted market prices of the investments held by the fund and/or valuation models.

Pension plans - For financial reporting purposes, the market value of plan assets is the fair value.

Revenue Recognition

The Evergy Companies recognize revenue on the sale of electricity to customers over time as the service is provided in the amount they have the right to invoice. Revenues recorded include electric services provided but not yet billed by the Evergy Companies. Unbilled revenues are recorded for kWh usage in the period following the customers' billing cycle to the end of the month. This estimate is based on net system kWh usage less actual billed kWhs. The Evergy Companies' estimated unbilled kWhs are allocated and priced by regulatory jurisdiction across the rate classes based on actual billing rates. The Evergy Companies' unbilled revenue estimate is affected by factors including fluctuations in energy demand, weather, line losses and changes in the composition of customer classes. See Note 4 for the balance of unbilled receivables for each of Evergy, Westar Energy and KCP&L as of December 31, 2018 and 2017.

The Evergy Companies also collect sales taxes and franchise fees from customers concurrent with revenue-producing activities that are levied by state and local governments. These items are excluded from revenue, and

thus are not reflected on the consolidated statements of income and comprehensive income for Evergy, Westar Energy and KCP&L.

See Note 3 for additional details regarding revenue recognition from sales of electricity by the Evergy Companies.

Allowance for Doubtful Accounts

The Evergy Companies determine their allowance for doubtful accounts based on the age of their receivables. Receivables are charged off when they are deemed uncollectible, which is based on a number of factors including specific facts surrounding an account and management's judgment.

Property Gains and Losses

Net gains and losses from the sale of assets and businesses and from asset impairments are recorded in operating expenses.

Asset Impairments

Long-lived assets and finite-lived intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the undiscounted expected future cash flows from an asset to be held and used is less than the carrying value of the asset, an asset impairment must be recognized in the financial statements. The amount of impairment recognized is the excess of the carrying value of the asset over its fair value.

Goodwill and indefinite lived intangible assets are tested for impairment annually and when an event occurs indicating the possibility that an impairment exists. The annual test must be performed at the same time each year. Evergy's first impairment test for the \$2,338.9 million of goodwill from the Great Plains Energy and Westar Energy merger will be conducted on May 1, 2019. The goodwill impairment test consists of comparing the fair value of a reporting unit to its carrying amount, including goodwill, to identify potential impairment. In the event that the carrying amount exceeds the fair value of the reporting unit, an impairment loss is recognized for the difference between the carrying amount of the reporting unit and its fair value.

Income Taxes

Income taxes are accounted for using the asset/liability approach. Deferred tax assets and liabilities are determined based on the temporary differences between the financial reporting and tax bases of assets and liabilities, applying enacted statutory tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of the deferred tax assets will not be realized.

The Evergy Companies recognize tax benefits based on a "more-likely-than-not" recognition threshold. In addition, the Evergy Companies recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

Evergy files a consolidated federal income tax return as well as unitary and combined income tax returns in several state jurisdictions with Kansas and Missouri being the most significant. Income taxes for consolidated or combined subsidiaries are allocated to the subsidiaries based on separate company computations of income or loss. Westar Energy's and KCP&L's income tax provisions include taxes allocated based on their separate company's income or loss.

The Evergy Companies have established a net regulatory liability for future refunds to be made to customers for the over-collection of income taxes in rates. Tax credits are recognized in the year generated except for certain Westar Energy, KCP&L and GMO investment tax credits that have been deferred and amortized over the remaining service lives of the related properties.

Other Income (Expense), Net

The table below shows the detail of other expense for each of the Evergy Companies.

	2018	2017	2016
Evergy		(millions)	
Non-service cost component of net benefit cost	\$ (47.8)	\$ (20.0)	\$ (20.6)
Other	(30.9)	(19.1)	(18.0)
Other expense	\$ (78.7)	\$ (39.1)	\$ (38.6)
Westar Energy			
Non-service cost component of net benefit cost	\$ (23.5)	\$ (20.0)	\$ (20.6)
Other	(23.3)	(19.1)	(18.0)
Other expense	\$ (46.8)	\$ (39.1)	\$ (38.6)
KCP&L^(a)			
Non-service cost component of net benefit cost	\$ (25.9)	\$ (42.7)	\$ (37.2)
Other	(5.0)	(8.1)	(7.6)
Other expense	\$ (30.9)	\$ (50.8)	\$ (44.8)

^(a)KCP&L amounts are only included in consolidated Evergy from the date of the closing of the merger, June 4, 2018 through December 31, 2018.

Earnings Per Share

To compute basic earnings per share (EPS), Evergy divides net income attributable to Evergy, Inc. by the weighted average number of common shares outstanding. Diluted EPS includes the effect of issuable common shares resulting from restricted share units (RSUs), performance shares and restricted stock. Evergy computes the dilutive effects of potential issuances of common shares using the treasury stock method.

The following table reconciles Evergy's basic and diluted EPS.

	2018	2017	2016
Income		(millions, except per share amounts)	
Net income	\$ 546.0	\$ 336.5	\$ 361.2
Less: Net income attributable to noncontrolling interests	10.2	12.6	14.6
Net income attributable to Evergy, Inc.	\$ 535.8	\$ 323.9	\$ 346.6
Common Shares Outstanding			
Weighted average number of common shares outstanding - basic	213.9	142.5	142.1
Add: effect of dilutive securities	0.2	0.1	0.4
Diluted average number of common shares outstanding	214.1	142.6	142.5
Basic and Diluted EPS	\$ 2.50	\$ 2.27	\$ 2.43

There were no anti-dilutive securities excluded from the computation of diluted EPS for 2018, 2017 and 2016.

Supplemental Cash Flow Information

Year Ended December 31	2018	2017	2016
Evergy		(millions)	
Cash paid for (received from):			
Interest on financing activities, net of amount capitalized	\$ 255.9	\$ 153.9	\$ 139.0
Interest on financing activities of VIEs	2.3	3.1	5.8
Income taxes, net of refunds	(0.9)	(12.7)	13.1
Non-cash investing transactions:			
Property, plant and equipment additions (reductions)	(7.8)	158.8	151.5
Deconsolidation of property, plant and equipment of VIE	—	(72.9)	—
Non-cash financing transactions:			
Issuance of stock for compensation and reinvested dividends	0.5	5.1	9.7
Deconsolidation of VIE	—	(83.1)	—
Assets acquired through capital leases	1.2	4.8	2.7

Year Ended December 31	2018	2017	2016
Westar Energy		(millions)	
Cash paid for (received from):			
Interest on financing activities, net of amount capitalized	\$ 155.3	\$ 153.9	\$ 139.0
Interest on financing activities of VIEs	2.3	3.1	5.8
Income taxes, net of refunds	37.5	(12.7)	13.1
Non-cash investing transactions:			
Property, plant and equipment additions (reductions)	(32.5)	158.8	151.5
Deconsolidation of property, plant and equipment of VIE	—	(72.9)	—
Non-cash financing transactions:			
Issuance of stock for compensation and reinvested dividends	—	5.1	9.7
Deconsolidation of VIE	—	(83.1)	—
Assets acquired through capital leases	1.2	4.8	2.7

Year Ended December 31	2018	2017	2016
KCP&L^(a)		(millions)	
Cash paid for (received from):			
Interest on financing activities, net of amount capitalized	\$ 129.4	\$ 128.0	\$ 127.0
Income taxes, net of refunds	31.2	38.8	(37.3)
Non-cash investing transactions:			
Property, plant and equipment additions	19.2	36.6	75.4

^(a)KCP&L amounts are only included in consolidated Evergy from the date of the closing of the merger, June 4, 2018, through December 31, 2018.

See Note 2 for the non-cash information related to the merger transaction, including the fair value of Great Plains Energy's assets acquired and liabilities assumed and the issuance of Evergy common stock.

Dividends Declared

In February 2019, Evergy's Board of Directors (Evergy Board) declared a quarterly dividend of \$0.475 per share on Evergy's common stock. The common dividend is payable March 20, 2019, to shareholders of record as of February 27, 2019.

In February 2019, Westar Energy's Board of Directors declared a cash dividend payable to Evergy of \$110.0 million, payable on March 19, 2019.

New Accounting Standards

Intangibles - Internal-Use Software

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*, which aligns the requirements for recording implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. An entity in a hosting arrangement that is a service contract will need to determine which project stage (that is, preliminary project stage, application development stage or post-implementation stage) an implementation activity relates. Costs for implementation activities in the application development stage are recorded as a prepaid asset depending on the nature of the costs, while costs incurred during the preliminary project and post-implementation stages are expensed as the activities are incurred. Costs that are recorded to a prepaid asset are to be expensed over the term of the hosting arrangement. The new guidance is effective for annual periods beginning after December 15, 2019, and interim periods within those fiscal years. The new guidance can be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. Early adoption is permitted. The Evergy Companies early adopted ASU No. 2018-15 prospectively as of January 1, 2019. The adoption of ASU No. 2018-15 did not have a material impact on the Evergy Companies.

Compensation - Retirement Benefits

In March 2017, the FASB issued ASU No. 2017-07, *Compensation-Retirement Benefits*, which requires an employer to disaggregate the service cost component from the other components of net benefit cost. The service cost component is to be reported in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The non-service cost components are to be reported separately from service costs and outside of a subtotal of income from operations. The amendments in this update allow only the service cost component to be eligible for capitalization as part of utility plant. The non-service cost components that are no longer eligible for capitalization as part of utility plant will be recorded as a regulatory asset. The new guidance is to be applied retrospectively for the presentation of service cost and non-service cost components in the income statement and prospectively for the capitalization of the service cost component and is effective for interim and annual periods beginning after December 15, 2017. The Evergy Companies adopted ASU No. 2017-07 on January 1, 2018, and accordingly have retrospectively adjusted prior periods. The Evergy Companies utilized the practical expedient that allows for the use of amounts disclosed in Note 9 for applying the retrospective presentation to the 2017 and 2016 consolidated statements of income and comprehensive income.

The following table reflects the retrospective adjustments in the line items of Evergy's, Westar Energy's and KCP&L's consolidated statements of income and comprehensive income associated with the adoption of ASU No. 2017-07.

	2017			2016		
	As Previously Reported ^(b)	Effect of Change	As Reported	As Previously Reported ^(b)	Effect of Change	As Reported
Evergy	(millions)					
Operating and maintenance expense	\$ 583.5	\$ (20.0)	\$ 563.5	\$ 607.8	\$ (20.6)	\$ 587.2
Total operating expenses	1,912.2	(20.0)	1,892.2	1,880.3	(20.6)	1,859.7
Income from operations	658.8	20.0	678.8	681.8	20.6	702.4
Other expense	(19.1)	(20.0)	(39.1)	(18.0)	(20.6)	(38.6)
Total other income (expense), net	(6.8)	(20.0)	(26.8)	19.1	(20.6)	(1.5)
Westar Energy						
Operating and maintenance expense	\$ 583.5	\$ (20.0)	\$ 563.5	\$ 607.8	\$ (20.6)	\$ 587.2
Total operating expenses	1,912.2	(20.0)	1,892.2	1,880.3	(20.6)	1,859.7
Income from operations	658.8	20.0	678.8	681.8	20.6	702.4
Other expense	(19.1)	(20.0)	(39.1)	(18.0)	(20.6)	(38.6)
Total other income (expense), net	(6.8)	(20.0)	(26.8)	19.1	(20.6)	(1.5)
KCP&L ^(a)						
Operating and maintenance expense	\$ 517.5	\$ (42.7)	\$ 474.8	\$ 539.2	\$ (37.2)	\$ 502.0
Total operating expenses	1,447.0	(42.7)	1,404.3	1,393.3	(37.2)	1,356.1
Income from operations	443.7	42.7	486.4	482.1	37.2	519.3
Other expense	(8.1)	(42.7)	(50.8)	(7.6)	(37.2)	(44.8)
Total other income (expense), net	3.1	(42.7)	(39.6)	4.2	(37.2)	(33.0)

^(a)KCP&L amounts are not included in consolidated Evergy for 2017 and 2016.

^(b)Certain Evergy, Westar Energy and KCP&L as previously reported amounts have been adjusted to reflect reclassification adjustments made for comparative purposes as discussed further in Principles of Consolidation above and that have no impact on net income.

Statement of Cash Flows

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments*, which clarifies how certain cash receipts and cash payments are presented and classified in the statement of cash flows. Among other clarifications, the guidance requires that cash proceeds received from the settlement of COLI policies be classified as cash inflows from investing activities and that cash payments for premiums on COLI policies may be classified as cash outflows for investing activities, operating activities or a combination of both. Retrospective application is required. The Evergy Companies adopted the guidance effective January 1, 2018, which resulted in retrospective reclassification of cash proceeds of \$2.8 million and \$22.1 million from the settlement of COLI policies from cash inflows from operating activities to cash inflows from investing activities for 2017 and 2016, respectively, for Evergy and Westar Energy. In addition, cash payments of \$3.1 million and \$3.4 million for premiums on COLI policies were reclassified from cash outflows used in operating activities to cash outflows used in investing activities for the same periods, respectively, for Evergy and Westar Energy. The adoption of ASU No. 2016-15 did not have a material impact on KCP&L.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows: Restricted Cash*, which requires that the statement of cash flows explains the change for the period of restricted cash and restricted cash equivalents along with cash and cash equivalents. The guidance requires a retrospective transition method and is effective for fiscal years beginning after December 15, 2017. The Evergy Companies adopted the guidance effective January 1, 2018. As a result, Evergy and Westar Energy adjusted amounts previously reported for cash and cash equivalents to

include restricted cash, which resulted in an increase to beginning and ending cash, cash equivalents and restricted cash of \$0.1 million for 2017 and 2016. The adoption of ASU No. 2016-18 did not have a material impact on KCP&L.

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires an entity that is a lessee to record a right-of-use asset and a lease liability for lease payments on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Lessor accounting remains largely unchanged. In January 2018, the FASB issued ASU No. 2018-01, which permits entities to elect an optional transition practical expedient to not evaluate under Topic 842 land easements that exist or expired before the entity's adoption of Topic 842 and that were not previously accounted for as leases under Topic 840. In July 2018, the FASB issued ASU No. 2018-10, "Codification Improvements to Topic 842, Leases," which updates narrow aspects of the guidance issued in ASU 2016-02. Also in July 2018, the FASB issued ASU No. 2018-11, "Leases, Targeted Improvements," which provides an optional transition method that allows entities to initially apply the new standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption without restating prior periods. In December 2018, the FASB issued ASU No. 2018-20, "Leases: Narrow-Scope Improvements for Lessors," which is expected to reduce a lessor's implementation and ongoing costs associated with applying ASU 2016-02. ASU 2016-02 and the subsequent amendments are effective for interim and annual periods beginning after December 15, 2018, with early adoption permitted, and requires a modified retrospective transition approach with an option to either adjust or not adjust comparative periods.

The Evergy Companies adopted the new guidance on January 1, 2019, without adjusting comparative periods for all leases existing as of January 1, 2019, by electing the optional transition method permitted by ASU No. 2018-11. As a result, Evergy, Westar Energy and KCP&L recorded an increase to assets and liabilities of approximately \$110 million, \$40 million and \$80 million, respectively, as of January 1, 2019. The Evergy Companies do not expect the impact of adoption of the standard will have a material impact on their consolidated statements of income and comprehensive income. The Evergy Companies will include additional disclosures about its right-of-use assets, lease liabilities and lease expense in the first quarter 2019 notes to financial statements. The Evergy Companies also elected a practical expedient to forgo reassessing existing or expired contracts as leases to determine whether each is in scope of the new standard and to forgo reassessing lease classification for existing and expired leases.

Financial Instruments

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*, which generally requires equity investments to be measured at fair value with changes in fair value recognized in net income. Under the new standard, equity securities are no longer to be classified as available-for-sale or trading securities. The guidance requires a modified retrospective transition method. This guidance is effective for fiscal years beginning after December 15, 2017; accordingly, the Evergy Companies adopted the new standard on January 1, 2018, without a material impact on their consolidated financial statements.

Revenue Recognition

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. In August 2015, the FASB issued ASU No. 2015-14, deferring the effective date of ASU No. 2014-09 one year, from January 1, 2017, to January 1, 2018. The ASU replaced most existing revenue recognition guidance in GAAP when it became effective. The Evergy Companies adopted ASU No. 2014-09 and its related amendments (Accounting Standards Codification (ASC) 606) on January 1, 2018, using the modified retrospective transition method for all contracts not completed as of the date of adoption. Results for reporting periods beginning after January 1, 2018, are presented under ASC 606 while historical periods have not been adjusted and continue to be reported in accordance with the legacy guidance in ASC 605 - *Revenue Recognition*.

There was no cumulative effect adjustment to the opening balance of retained earnings in 2018 for the Evergy Companies as a result of the adoption of the new guidance. As a result of the adoption of ASC 606, operating

revenues and taxes other than income taxes on KCP&L's statements of comprehensive income decreased \$76.4 million for 2018. This impact was related to sales taxes and franchise fees collected from KCP&L's Missouri customers that were included in KCP&L's operating revenues and taxes other than income taxes on KCP&L's statements of comprehensive income prior to the adoption of ASC 606. See Note 3 for more information on revenue from contracts with customers.

2. MERGER OF GREAT PLAINS ENERGY AND WESTAR ENERGY

Description of Merger Transaction

On June 4, 2018, Evergy completed the mergers contemplated by the Amended Merger Agreement. As a result of the mergers, Great Plains Energy merged into Evergy, with Evergy surviving the merger and King Energy merged into Westar Energy, with Westar Energy surviving the merger. Following the completion of these mergers, Westar Energy and the direct subsidiaries of Great Plains Energy, including KCP&L and GMO, became wholly-owned subsidiaries of Evergy.

The merger was structured as a merger of equals in a tax-free exchange of shares that involved no premium paid or received with respect to either Great Plains Energy or Westar Energy. As a result of the closing of the merger transaction, each outstanding share of Great Plains Energy common stock was converted into 0.5981 shares of Evergy common stock and each outstanding share of Westar Energy common stock was converted into 1 share of Evergy common stock.

As provided in the Amended Merger Agreement, substantially all of Westar Energy's outstanding equity compensation awards vested and were converted into a right to receive Evergy common stock and all of Great Plains Energy's outstanding equity compensation awards were converted into equivalent Evergy awards subject to the same terms and conditions at the Great Plains Energy merger exchange ratio of 0.5981.

Merger Related Regulatory Matters

KCC

In May 2018, the State Corporation Commission of the State of Kansas (KCC) approved Great Plains Energy's, KCP&L's and Westar Energy's joint application for approval of the merger, including a settlement agreement that had been reached between Great Plains Energy, KCP&L, Westar Energy, KCC staff and certain other intervenors in the case. Through the joint application and settlement agreement, Great Plains Energy, KCP&L and Westar Energy agreed to the conditions and obligations listed below, in addition to other organizational, financing, customer service and civic responsibility commitments.

- Provide a total of \$30.6 million of one-time bill credits to Kansas electric retail customers as soon as practicable following the close of the merger and the completion of Westar Energy's and KCP&L's current rate cases in Kansas. Of this total, \$23.1 million of the credits relate to Westar Energy customers and the remaining \$7.5 million of credits relate to KCP&L Kansas customers.
- Provide a total of approximately \$46 million in additional bill credits consisting of \$11.5 million in annual bill credits to Kansas electric retail customers from 2019 through 2022. Of the annual amount, \$8.7 million of the credits relate to Westar Energy customers and the remaining \$2.8 million of credits relate to KCP&L Kansas customers.
- Provide for the inclusion of a total of \$30.0 million of merger-related savings in Westar Energy's and KCP&L's current rate cases in Kansas. Of this total, \$22.5 million of the savings are attributable to Westar Energy with the remaining \$7.5 million of savings attributable to KCP&L's Kansas jurisdiction.
- A five-year base rate moratorium for Westar Energy and KCP&L in Kansas that commenced following the conclusion of KCP&L's current Kansas rate case in December 2018. The moratorium is subject to certain conditions and does not include Westar Energy's or KCP&L's fuel recovery mechanisms and certain other cost recovery mechanisms in Kansas.

- Require both Westar Energy and KCP&L to file rate cases in Kansas in a fashion that would allow for updated electric utility rates to become effective upon the end of the five-year rate moratorium in December 2023.
- Participate in an Earnings Review and Sharing Plan for the years 2019 through 2022, which may result in Westar Energy and/or KCP&L being subject to refunding 50% of earned return on equity in excess of authorized return on equity to their Kansas customers.
- Maintain charitable contributions and community involvement in the Kansas service territories of Westar Energy and KCP&L at levels equal to or greater than their respective 2015 levels for 5 years following the closing of the merger.
- Commit that Westar Energy's and KCP&L's retail electric base rates will not increase as a result of the merger.
- Allow Westar Energy and KCP&L to recover a total of \$30.9 million of merger transition costs consisting of \$23.2 million for Westar Energy and \$7.7 million for KCP&L's Kansas jurisdiction. Westar Energy and KCP&L have recorded these amounts as regulatory assets and they are being recovered over a ten-year period.

MPSC

In May 2018, the Public Service Commission of the State of Missouri (MPSC) approved Great Plains Energy's, KCP&L's, GMO's and Westar Energy's joint application for approval of the merger, including two stipulations and agreements between these companies, MPSC staff and certain other intervenors in the case. Through the joint application and stipulations and agreements, Great Plains Energy, KCP&L, GMO and Westar Energy agreed to the conditions and obligations listed below, in addition to other organizational, financing, customer service and civic responsibility commitments.

- Provide a total of \$29.1 million of one-time bill credits to Missouri electric retail customers within 120 days following the close of the merger. Of this total, \$14.9 million of the credits relate to KCP&L Missouri customers and the remaining \$14.2 million of credits relate to GMO customers.
- Commit that KCP&L's and GMO's retail electric base rates will not increase as a result of the merger.
- Maintain charitable contributions and community involvement in the Missouri service territories of KCP&L and GMO at levels equal to or greater than their respective 2015 levels for 5 years following the closing of the merger.
- Provide a total of \$3.0 million of support over 10 years to community agencies to promote low-income weatherization efforts.
- Support the recovery of a total of \$16.9 million of merger transition costs in KCP&L's and GMO's 2018 rate cases, consisting of \$9.7 million for KCP&L's Missouri jurisdiction and \$7.2 million for GMO. KCP&L and GMO recorded these amounts as regulatory assets and they will be recovered over a ten-year period.

Accounting Charges and Deferrals Related to the Merger

The following pre-tax reductions of revenue, expenses and deferral were recognized following the consummation of the merger and are included in the Evergy Companies' consolidated statements of income and comprehensive income for 2018.

Description	Income Statement Line Item	Expected Payment Period	Evergy	(millions)		
				Westar Energy	KCP&L	
One-time bill credits	Operating revenues	2018 - 2019	\$ (59.7)	\$ (23.1)	\$ (22.4)	
Annual bill credits	Operating revenues	2019 - 2022	(10.5)	(7.9)	(2.6)	
Total impact to operating revenues			\$ (70.2)	\$ (31.0)	\$ (25.0)	
Charitable contributions and community support	Operating and maintenance	2018 - 2027	\$ 24.7	\$ —	\$ —	
Voluntary severance and accelerated equity compensation	Operating and maintenance	2018 - 2019	47.9	44.2	2.6	
Other transaction and transition costs	Operating and maintenance	2018	51.0	21.5	2.1	
Reallocation and deferral of merger transition costs	Operating and maintenance	n/a	(47.8)	(13.8)	(23.2)	
Total impact to operating and maintenance expense			\$ 75.8	\$ 51.9	\$ (18.5)	
Total			\$ (146.0)	\$ (82.9)	\$ (6.5)	

Reductions of revenue related to customer bill credits and expenses related to charitable contributions and community support were incurred as a result of conditions in the MPSC and KCC merger orders and were recorded as liabilities in the amounts presented above following the consummation of the merger. Reductions of revenue for annual bill credits of \$11.5 million for Westar Energy's and KCP&L's Kansas electric retail customers are recognized ratably in the twelve month period preceding their payment.

Voluntary severance and accelerated equity compensation represent costs related to payments for voluntary severance and change in control plans, as well as the recording of unrecognized equity compensation costs and the incremental fair value associated with the vesting of outstanding Westar Energy equity compensation awards.

Other transaction and transition costs include merger success fees and fees for other outside services incurred.

Reallocation and deferral of merger transition costs represents the net reallocation of incurred merger transition costs between Evergy, Westar Energy, KCP&L and GMO and the subsequent deferral of these transition costs to a regulatory asset for future recovery in accordance with the KCC and MPSC merger orders.

Purchase Price

Based on an evaluation of the provisions of ASC 805, *Business Combinations*, Westar Energy was determined to be the accounting acquirer in the merger. Pursuant to the Amended Merger Agreement, Great Plains Energy's common stock shares were exchanged for Evergy common stock shares at the fixed exchange rate of 0.5981. The total consideration transferred in the merger is based on the closing stock price of Westar Energy on June 4, 2018 and is calculated as follows.

	(millions, except share amounts)
Great Plains Energy common stock shares outstanding as of June 4, 2018	215,800,074
Great Plains Energy restricted stock awards outstanding as of June 4, 2018	(204,825)
Great Plains Energy shares to be converted to Evergy shares	215,595,249
Exchange ratio	0.5981
Evergy common stock shares issued to Great Plains Energy shareholders	128,947,518
Closing price of Westar Energy common stock as of June 4, 2018	\$ 54.00
Fair value of Evergy shares issued to Great Plains Energy shareholders	\$ 6,963.2
Fair value of Great Plains Energy's equity compensation awards	12.5
Total purchase price	\$ 6,975.7

Great Plains Energy's equity compensation awards, including performance shares and restricted stock, were replaced by equivalent Evergy equity compensation awards subject to substantially the same terms and conditions upon the closing of the merger. In accordance with the accounting guidance in ASC 805, a portion of the fair value of these awards is attributable to the purchase price as it represents consideration transferred in the merger.

Purchase Price Allocation

The fair value of Great Plains Energy's assets acquired and liabilities assumed as of June 4, 2018 was determined based on significant estimates and assumptions that are judgmental in nature. Third-party valuation specialists were engaged to assist in the valuation of these assets and liabilities. The fair values of Great Plains Energy's assets acquired and liabilities assumed utilized for the purchase price allocation are preliminary to the extent that additional information is obtained about facts and circumstances that existed as of the acquisition date.

The significant assets and liabilities for which preliminary valuation amounts are reflected as of the filing of this combined Form 10-K include the fair value of acquired long-term debt, asset retirement obligations, pension and post-retirement plans, accumulated deferred income tax liabilities and certain other long-term assets and liabilities.

The majority of Great Plains Energy's operations are subject to the rate-setting authority of the MPSC, KCC and The Federal Energy Regulatory Commission (FERC) and are accounted for pursuant to GAAP, including the accounting guidance for regulated operations. The rate-setting and cost recovery provisions for Great Plains Energy's regulated operations provide revenue derived from costs including a return on investment of assets and liabilities included in rate base. Except for the significant assets and liabilities for which valuation adjustments were made as discussed above, the fair values of Great Plains Energy's tangible and intangible assets and liabilities subject to these rate-setting provisions approximate their carrying values and the assets and liabilities do not reflect any adjustments to these amounts other than for amounts not included in rate base. The difference between the fair value and pre-merger carrying amounts for Great Plains Energy's long-term debt, asset retirement obligations and pension and post-retirement plans that were related to regulated operations were recorded as a regulatory asset or liability. The excess of the purchase price over the estimated fair values of the assets acquired and liabilities assumed was recognized as goodwill as of the merger date.

The preliminary purchase price allocation to Great Plains Energy's assets and liabilities as of June 4, 2018, is detailed in the following table.

	(millions)	
Current assets	\$	2,151.7
Property, plant and equipment, net		9,179.7
Goodwill		2,338.9
Other long-term assets, excluding goodwill		1,235.9
Total assets	\$	14,906.2
Current liabilities		1,673.9
Long-term liabilities, excluding long-term debt		2,898.0
Long-term debt, net		3,358.6
Total liabilities	\$	7,930.5
Total purchase price	\$	6,975.7

Impact of Merger

The impact of Great Plains Energy's subsidiaries on Evergy's revenues in the consolidated statement of comprehensive income for 2018 was an increase of \$1,661.1 million. The impact of Great Plains Energy's subsidiaries on Evergy's net income attributable to Evergy in the consolidated statements of comprehensive income for 2018 was an increase of \$236.2 million.

Evergy has incurred total merger-related costs, including reductions of revenue for customer bill credits, of \$148.0 million for 2018 and \$11.9 million for 2017.

Pro Forma Financial Information

The following unaudited pro forma financial information reflects the consolidated results of operations of Evergy as if the merger transactions had taken place on January 1, 2017. The unaudited pro forma information was calculated after applying Evergy's accounting policies and adjusting Great Plains Energy's results to reflect purchase accounting adjustments.

The unaudited pro forma financial information has been presented for illustrative purposes only and is not necessarily indicative of the consolidated results of operations that would have been achieved or the future consolidated results of operations of Evergy.

	2018		2017	
	(millions, except per share amounts)			
Operating revenues	\$	5,334.6	\$	5,279.2
Net income attributable to Evergy, Inc.		714.3		468.9
Basic earnings per common share	\$	2.67	\$	1.73
Diluted earnings per common share	\$	2.67	\$	1.73

Evergy, Westar Energy and Great Plains Energy incurred non-recurring costs and a gain directly related to the merger that have been excluded in the pro forma earnings presented above. On an after-tax basis, these non-recurring merger-related costs and gain incurred by Evergy, Westar Energy and Great Plains Energy included:

- \$74.7 million and \$14.8 million in 2018 and 2017, respectively, of certain after-tax merger-related transition and transaction costs;
- \$44.4 million in 2018 of after-tax reductions in operating revenues related to one-time customer bill credits;
- \$278.0 million of after-tax financing charges in 2017 related to Great Plains Energy's previously contemplated acquisition of Westar Energy; and

- \$36.6 million and \$7.3 million in 2018 and 2017, respectively, of after-tax mark-to-market gains on interest rate swaps for which cash settlement was contingent upon the consummation of the merger.

3. REVENUE

Evergy's, Westar Energy's and KCP&L's revenues disaggregated by customer class are summarized in the following tables.

2018	Evergy	Westar Energy	KCP&L ^(a)
Revenues		(millions)	
Residential	\$ 1,578.8	\$ 846.4	\$ 735.6
Commercial	1,356.4	702.8	794.8
Industrial	527.8	396.4	138.8
Other retail	30.6	20.0	10.4
Total electric retail	\$ 3,493.6	\$ 1,965.6	\$ 1,679.6
Wholesale	404.4	346.1	53.5
Transmission	308.1	288.9	14.5
Industrial steam and other	17.9	6.0	4.4
Total revenue from contracts with customers	\$ 4,224.0	\$ 2,606.6	\$ 1,752.0
Other	51.9	8.3	71.1
Operating revenues	\$ 4,275.9	\$ 2,614.9	\$ 1,823.1

^(a) KCP&L amounts are included in consolidated Evergy from the date of the closing of the merger, June 4, 2018, through December 31, 2018.

Retail Revenues

The Evergy Companies' retail revenues are generated by the regulated sale of electricity to their residential, commercial and industrial customers within their franchised service territories. The Evergy Companies recognize revenue on the sale of electricity to their customers over time as the service is provided in the amount they have a right to invoice. Retail customers are billed on a monthly basis at the tariff rates approved by the KCC and MPSC based on customer kWh usage.

Revenues recorded include electric services provided but not yet billed by the Evergy Companies. Unbilled revenues are recorded for kWh usage in the period following the customers' billing cycle to the end of the month. This estimate is based on net system kWh usage less actual billed kWhs. The Evergy Companies' estimated unbilled kWhs are allocated and priced by regulatory jurisdiction across the rate classes based on actual billing rates.

The Evergy Companies also collect sales taxes and franchise fees from customers concurrent with revenue-producing activities that are levied by state and local governments. These items are excluded from revenue, and thus not reflected on the statements of income and comprehensive income, for Evergy, Westar Energy and KCP&L. Prior to the adoption of ASC 606 on January 1, 2018, KCP&L recorded sales taxes and franchise fees collected from its Missouri customers gross on KCP&L's statements of comprehensive income within operating revenues and taxes other than income taxes.

Wholesale Revenues

The Evergy Companies' wholesale revenues are generated by the sale of wholesale power and capacity in circumstances when the power that the Evergy Companies generate is not required for customers in their service territory. These sales primarily occur within the SPP Integrated Marketplace. The Evergy Companies also purchase power from the SPP Integrated Marketplace and record sale and purchase activity on a net basis in wholesale revenue or fuel and purchased power expense. In addition, the Evergy Companies sell wholesale power and capacity through bilateral contracts to other counterparties, such as electric cooperatives, municipalities and other electric utilities.

For both wholesale sales to the SPP Integrated Marketplace and through bilateral contracts, the Evergy Companies recognize revenue on the sale of wholesale electricity to their customers over time as the service is provided in the amount they have a right to invoice.

Wholesale sales within the SPP Integrated Marketplace are billed weekly based on the fixed transaction price determined by the market at the time of the sale and the MWh quantity purchased. Wholesale sales from bilateral contracts are billed monthly based on the contractually determined transaction price and the kWh quantity purchased.

Transmission Revenues

The Evergy Companies' transmission revenues are generated by the use of their transmission networks by the SPP. To enable optimal use of the diverse generating resources in the SPP region, the Evergy Companies, as well as other transmission owners, allow the SPP to access and operate their transmission networks. As new transmission lines are constructed, they are included in the transmission network available to the SPP. In exchange for providing access, the SPP pays the Evergy Companies consideration determined by formula rates approved by FERC, which include the cost to construct and maintain the transmission lines and a return on investment. The price for access to the Evergy Companies' transmission networks are updated annually based on projected costs. Projections are updated to actual costs and the difference is included in subsequent year's prices.

The Evergy Companies have different treatment for their legacy transmission facilities within the SPP, which results in different levels of transmission revenue being received from the SPP. Westar Energy's transmission revenues from SPP include amounts that Westar Energy pays to the SPP on behalf of its retail electric customers for the use of Westar Energy's legacy transmission facilities. These transmission revenues are mostly offset by SPP network transmission cost expense that Westar Energy pays on behalf of its retail customers. KCP&L and GMO do not pay the SPP for their retail customers' use of the KCP&L and GMO legacy transmission facilities and correspondingly, their transmission revenues also do not reflect the associated transmission revenue from the SPP.

The Evergy Companies recognize revenue on the sale of transmission service to their customers over time as the service is provided in the amount they have a right to invoice. Transmission service to the SPP is billed monthly based on a fixed transaction price determined by FERC formula transmission rates along with other SPP-specific charges and the MW quantity purchased.

Industrial Steam and Other Revenues

Evergy's industrial steam and other revenues are primarily generated by the regulated sale of industrial steam to GMO's steam customers. Evergy recognizes revenue on the sale of industrial steam to its customers over time as the service is provided in the amount that it has the right to invoice. Steam customers are billed on a monthly basis at the tariff rate approved by the MPSC based on customer MMBtu usage.

Optional Exemption

Evergy, Westar Energy and KCP&L do not disclose the value of unsatisfied performance obligations on certain bilateral wholesale contracts with an original expected duration of greater than one year for which they recognize revenue in the amount they have the right to invoice.

4. RECEIVABLES

The Evergy Companies' receivables are detailed in the following table.

	December 31	
	2018	2017
Evergy	(millions)	
Customer accounts receivable - billed	\$ 16.7	\$ 165.4
Customer accounts receivable - unbilled	91.2	76.6
Other receivables	95.0	55.4
Allowance for doubtful accounts	(9.2)	(6.7)
Total	\$ 193.7	\$ 290.7
Westar Energy		
Customer accounts receivable - billed	\$ —	\$ 165.4
Customer accounts receivable - unbilled	16.6	76.6
Other receivables	71.6	55.4
Allowance for doubtful accounts	(3.9)	(6.7)
Total	\$ 84.3	\$ 290.7
KCP&L ^(a)		
Customer accounts receivable - billed	\$ 7.8	\$ 1.6
Customer accounts receivable - unbilled	42.9	67.6
Other receivables	15.8	39.3
Allowance for doubtful accounts	(3.8)	(2.2)
Total	\$ 62.7	\$ 106.3

^(a) KCP&L amounts are not included in consolidated Evergy as of December 31, 2017.

Evergy's, Westar Energy's and KCP&L's other receivables at December 31, 2018 and 2017, consisted primarily of receivables from partners in jointly-owned electric utility plants and wholesale sales receivables. As of December 31, 2018, other receivables for Evergy, Westar Energy and KCP&L included receivables from contracts with customers of \$65.8 million, \$55.9 million and \$5.5 million, respectively.

The Evergy Companies recorded bad debt expense related to contracts with customers as summarized in the following table.

	(millions)		
	2018	2017	2016
Evergy	\$ 20.2	\$ 10.3	\$ 11.4
Westar Energy	8.5	10.3	11.4
KCP&L ^(a)	13.1	7.6	6.3

^(a) KCP&L amounts are included in consolidated Evergy from the date of the closing of the merger, June 4, 2018, through December 31, 2018.

Sale of Accounts Receivable

Westar Energy, KCP&L and GMO sell an undivided percentage ownership interest in their retail electric and certain other accounts receivable to independent outside investors. These sales of the undivided percentage ownership interests in accounts receivable to independent outside investors are accounted for as secured borrowings with accounts receivable pledged as collateral and a corresponding short-term collateralized note payable recognized on the balance sheets. At December 31, 2018, Evergy's accounts receivable pledged as collateral and the corresponding short-term collateralized note payable were \$365.0 million. At December 31, 2018, Westar Energy's accounts receivable pledged as collateral and the corresponding short-term collateralized note payable were \$185.0 million. At December 31, 2018 and 2017, KCP&L's accounts receivable pledged as collateral and the corresponding short-term collateralized note payable were \$130.0 million.

Westar Energy's receivable sale facility expires in September 2019 and allows for \$185.0 million in aggregate outstanding principal amount of borrowings from mid-December through mid-January, \$125.0 million from mid-January through mid-February, \$185.0 million from mid-February to mid-July and then \$200.0 million from mid-July through the expiration date of the facility. KCP&L's receivable sale facility expires in September 2019 and allows for \$130.0 million in aggregate outstanding principal amount of borrowings at any time. GMO's receivable sale facility expires in September 2019 and allows for \$50.0 million in aggregate outstanding principal amount of borrowings from mid-November through mid-June and then \$65.0 million from mid-June through the expiration date of the facility.

5. RATE MATTERS AND REGULATION

KCC Proceedings

Westar Energy 2018 Transmission Delivery Charge

In March 2018, the KCC issued an order adjusting Westar Energy's retail prices to include updated transmission costs as reflected in the FERC transmission formula rate (TFR). The new prices were effective in April 2018 and are expected to increase Westar Energy's annual retail revenues by \$31.5 million.

In August 2018, Westar Energy filed an updated Transmission Delivery Charge (TDC) tariff with the KCC to reflect the reduction in revenue requirement that occurred as a result of the Tax Cuts and Jobs Act (TCJA). The updated filing requested new prices decreasing Westar Energy's annual retail revenues by approximately \$20 million. In October 2018, the KCC issued an order approving the request with the new prices effective October 30, 2018.

Westar Energy 2018 Rate Case Proceedings

In February 2018, Westar Energy filed an application with the KCC to request a two-step change in rates, a decrease to retail revenues of approximately \$2 million in September 2018 followed by an increase in retail revenues of approximately \$54 million in February 2019, with a return on equity of 9.85% and a rate-making equity ratio of 51.6%. The request reflects costs associated with the completion of the Western Plains Wind Farm, the expiration of wholesale contracts currently reflected in retail prices as offsets to retail cost of service, the expiration of production tax credits from prior wind investments and an updated depreciation study, partially offset by the impact of the TCJA and a portion of the savings from the merger with Great Plains Energy.

In July 2018, Westar Energy, the KCC staff and several other intervenors in the case reached a non-unanimous stipulation and agreement to settle all outstanding issues in the case. The stipulation and agreement provides for a decrease to retail revenues of \$66.0 million, before rebasing property tax expense, with a return on equity of 9.3%, a rate-making equity ratio of 51.46% and does not include a second step revenue requirement change as included in Westar Energy's initial application. The stipulation and agreement also provides for an approximately \$16 million increase associated with rebasing property tax expense, an approximately \$46 million increase in depreciation expense, allows for the recovery of an approximately \$41 million wholesale contract that expires in 2019 through Westar Energy's fuel recovery mechanism and reflects customer benefits related to the impacts of the TCJA, including a one-time bill credit of approximately \$50 million, which was provided to customers following the conclusion of the rate case.

In September 2018, the KCC issued an order approving the non-unanimous stipulation and agreement. The rates established by the order took effect on September 27, 2018.

KCP&L 2018 Rate Case Proceedings

In May 2018, KCP&L filed an application with the KCC to request an increase to its retail revenues of \$26.2 million before rebasing property tax expense, with a return on equity of 9.85% and a rate-making equity ratio of 49.8%. The request reflects the impact of the TCJA and increases in infrastructure investment costs. KCP&L also requested an additional \$6.7 million increase associated with rebasing property tax expense.

In October 2018, KCP&L, the KCC staff and other intervenors reached a unanimous settlement agreement to settle all outstanding issues in the case. The settlement agreement provides for a decrease to retail revenues of \$3.9 million, a return on equity of 9.3%, a rate-making equity ratio of 49.09% and a one-time bill credit of \$36.9 million for customer benefits related to the impacts of the TCJA.

In December 2018, KCC issued an order approving the unanimous settlement agreement. The rates established by the order took effect on December 20, 2018.

MPSC Proceedings

KCP&L 2018 Rate Case Proceedings

In January 2018, KCP&L filed an application with the MPSC to request an increase to its retail revenues of \$8.9 million before rebasing fuel and purchased power expense, with a return on equity of 9.85% and a rate-making equity ratio of 50.03%. The request reflects the impact of the TCJA and increases in infrastructure investment costs, transmission related costs and property tax costs. KCP&L also requested an additional \$7.5 million increase associated with rebasing fuel and purchased power expense.

In September 2018, KCP&L, MPSC staff and other intervenors in the case reached several non-unanimous stipulations and agreements to settle all outstanding issues in the case. The stipulations and agreements provide for a decrease to retail revenues of \$21.1 million and a one-time customer benefit of \$38.7 million (on an annualized basis) related to the impact of the TCJA, which will be offset against existing KCP&L regulatory assets. The final amount of the one-time customer benefit related to the impact of the TCJA was \$36.4 million, as its calculation was dependent on the effective date of new rates.

In October 2018, the MPSC issued an order approving the non-unanimous stipulations and agreements. The rates established by the order took effect on December 6, 2018.

GMO 2018 Rate Case Proceedings

In January 2018, GMO filed an application with the MPSC to request a decrease to its retail revenues of \$2.4 million before rebasing fuel and purchased power expense, with a return on equity of 9.85% and a rate-making equity ratio of 54.4%. The request reflects the impact of the TCJA and increases in infrastructure investment costs and transmission related costs. GMO also requested a \$21.7 million increase associated with rebasing fuel and purchased power expense.

In September 2018, GMO, MPSC staff and other intervenors in the case reached several non-unanimous stipulations and agreements to settle all outstanding issues in the case. The stipulations and agreements provide for a decrease to retail revenues of \$24.0 million and a one-time bill credit of \$29.3 million (on an annualized basis) for customer benefits related to the impacts of the TCJA. The final amount of the one-time customer bill credit related to the impact of the TCJA was \$27.4 million, as its calculation was dependent on the effective date of new rates.

In October 2018, the MPSC issued an order approving the non-unanimous stipulations and agreements. The rates established by the order took effect on December 6, 2018.

FERC Proceedings

In October of each year, Westar Energy posts an updated TFR that includes projected transmission capital expenditures and operating costs for the following year. This rate provides the basis for Westar Energy's annual request with the KCC to adjust retail prices to include updated transmission costs. In the most recent three years, the updated TFR was expected to adjust Westar Energy's annual transmission revenues by approximately:

- \$11.2 million decrease effective in January 2019;
- \$2.3 million increase effective in January 2018 (\$25.5 million increase offset by \$23.2 million decrease from reduction in federal corporate income tax rate); and
- \$29.6 million increase effective in January 2017.

Regulatory Assets and Liabilities

The Evergy Companies have recorded assets and liabilities on their consolidated balance sheets resulting from the effects of the ratemaking process, which would not otherwise be recorded if they were not regulated. Regulatory assets represent incurred costs that are probable of recovery from future revenues. Regulatory liabilities represent future reductions in revenues or refunds to customers.

Management regularly assesses whether regulatory assets and liabilities are probable of future recovery or refund by considering factors such as decisions by the MPSC, KCC or FERC in Westar Energy's, KCP&L's and GMO's rate case filings; decisions in other regulatory proceedings, including decisions related to other companies that establish precedent on matters applicable to the Evergy Companies; and changes in laws and regulations. If recovery or refund of regulatory assets or liabilities is not approved by regulators or is no longer deemed probable, these regulatory assets or liabilities are recognized in the current period results of operations. The Evergy Companies continued ability to meet the criteria for recording regulatory assets and liabilities may be affected in the future by restructuring and deregulation in the electric industry or changes in accounting rules. In the event that the criteria no longer applied to any or all of the Evergy Companies' operations, the related regulatory assets and liabilities would be written off unless an appropriate regulatory recovery mechanism were provided. Additionally, these factors could result in an impairment on utility plant assets.

The Energy Companies' regulatory assets and liabilities are detailed in the following table.

	December 31					
	2018			2017		
	Evergy	Westar Energy	KCP&L	Evergy	Westar Energy	KCP&L ^(a)
Regulatory Assets	(millions)					
Pension and post-retirement costs	\$ 808.2	\$ 343.7	\$ 361.5	\$ 393.9	\$ 393.9	\$ 379.7
Debt reacquisition costs	113.5	104.1	8.2	109.2	109.2	8.7
Debt fair value adjustment	134.5	—	—	—	—	—
Asset retirement obligations fair value adjustment	111.4	—	—	—	—	—
Depreciation	58.0	58.0	—	60.6	60.6	—
Cost of removal	102.4	65.7	36.7	30.8	30.8	30.3
Asset retirement obligations	171.9	49.5	91.6	42.7	42.7	94.3
Analog meter unrecovered investment	35.6	35.6	—	31.5	31.5	—
Treasury yield hedges	23.7	23.7	—	24.8	24.8	—
Iatan No. 1 and common facilities	7.4	—	2.9	—	—	12.9
Iatan No. 2 construction accounting costs	26.8	—	13.5	—	—	25.0
Kansas property tax surcharge	33.1	23.7	9.4	17.4	17.4	6.6
Disallowed plant costs	15.0	15.0	—	15.2	15.2	—
La Cygne environmental costs	14.8	12.2	2.6	13.3	13.3	2.7
Deferred customer programs	19.9	7.0	8.0	8.1	8.1	40.9
Fuel recovery mechanisms	91.2	7.1	41.7	20.7	20.7	61.7
Solar rebates	45.2	—	13.9	—	—	22.6
Transmission delivery charge	0.8	—	0.8	—	—	3.2
Wolf Creek outage	21.8	10.9	10.9	7.0	7.0	6.8
Pension and other post-retirement benefit non-service costs	13.6	5.2	4.8	—	—	—
Retired generation facilities	159.9	—	—	—	—	—
Merger transition costs	47.0	22.6	17.3	—	—	—
Other regulatory assets	6.1	13.5	2.3	9.7	9.7	3.3
Total	2,061.8	797.5	626.1	784.9	784.9	698.7
Less: current portion	(303.9)	(97.1)	(130.9)	(99.5)	(99.5)	(153.6)
Total noncurrent regulatory assets	\$ 1,757.9	\$ 700.4	\$ 495.2	\$ 685.4	\$ 685.4	\$ 545.1

^(a)KCP&L amounts are not included in consolidated Evergy as of December 31, 2017.

	December 31					
	2018			2017		
	Evergy	Westar Energy	KCP&L	Evergy	Westar Energy	KCP&L ^(a)
Regulatory Liabilities	(millions)					
Taxes refundable through future rates	\$ 1,703.6	\$ 853.2	\$ 609.2	\$ 845.2	\$ 845.2	\$ 574.0
Deferred regulatory gain from sale leaseback	59.1	59.1	—	64.6	64.6	—
Emission allowances	54.1	—	54.1	—	—	58.1
Nuclear decommissioning	188.2	84.5	103.7	55.5	55.5	126.0
Pension and post-retirement costs	53.4	28.3	25.1	48.4	48.4	12.0
Jurisdictional allowance for funds used during construction	30.3	30.3	—	31.7	31.7	—
La Cygne leasehold dismantling costs	29.5	29.5	—	29.6	29.6	—
Cost of removal	48.1	—	—	—	—	—
Kansas tax credits	16.5	16.5	—	16.8	16.8	—
Purchase power agreement	8.8	8.8	—	8.8	8.8	—
Merger customer credits	7.5	—	7.5	—	—	—
Refund of tax reform benefits	70.9	7.2	36.3	—	—	—
Other regulatory liabilities	59.0	3.9	11.2	5.0	5.0	9.1
Total	2,329.0	1,121.3	847.1	1,105.6	1,105.6	779.2
Less: current portion	(110.2)	(19.5)	(52.8)	(11.6)	(11.6)	(8.3)
Total noncurrent regulatory liabilities	\$ 2,218.8	\$ 1,101.8	\$ 794.3	\$ 1,094.0	\$ 1,094.0	\$ 770.9

^(a)KCP&L amounts are not included in consolidated Evergy as of December 31, 2017.

The following summarizes the nature and period of recovery for each of the regulatory assets listed in the table above.

Pension and post-retirement costs: Represents unrecognized gains and losses, prior service and transition costs that will be recognized in future net periodic pension and post-retirement costs, pension settlements amortized over various periods and financial and regulatory accounting method differences that will be eliminated over the life of the pension plans. Of these amounts, \$764.5 million, \$343.7 million and \$353.6 million for Evergy, Westar Energy and KCP&L, respectively, are not included in rate base and are amortized over various periods.

Debt reacquisition costs: Includes costs incurred to reacquire and refinance debt. These costs are amortized over the term of the new debt or the remaining lives of the old debt issuances if no new debt was issued and are not included in rate base.

Debt fair value adjustment: Represents purchase accounting adjustments recorded to state the carrying value of KCP&L and GMO long-term debt at fair value in connection with the merger. Amount is amortized over the life of the related debt and is not included in rate base.

Asset retirement obligations fair value adjustment: Represents purchase accounting adjustments recorded to state the carrying value of KCP&L and GMO AROs at fair value in connection with the merger. Amount is amortized over the life of the related plant and is not included in rate base.

Depreciation: Represents the difference between regulatory depreciation expense and depreciation expense recorded for financial reporting purposes. These assets are included in rate base and the difference is amortized over the life of the related plant.

Cost of removal: Represents amounts spent, but not yet collected, to dispose of plant assets. This asset will decrease as removal costs are collected in rates and is not included in rate base.

Asset retirement obligations: Represents amounts associated with AROs as discussed further in Note 6. These amounts are recovered over the life of the related plant and are not included in rate base.

Analog meter unrecovered investment: Represents the deferral of unrecovered investment of retired analog meters. Of this amount, \$27.3 million is not included in rate base for Evergy and Westar Energy and is being amortized over a five-year period.

Treasury yield hedges: Represents the effective portion of treasury yield hedge transactions. Amortization of this amount will be included in interest expense over the term of the related debt and is not included in rate base.

Iatan No. 1 and common facilities: Represents depreciation and carrying costs related to Iatan No. 1 and common facilities. These costs are included in rate base and amortized over various periods.

Iatan No. 2 construction accounting costs: Represents the construction accounting costs related to Iatan No. 2. These costs are included in rate base and amortized through 2059.

Kansas property tax surcharge: Represents actual costs incurred for property taxes in excess of amounts collected in revenues. These costs are expected to be recovered over a one-year period and are not included in rate base.

Disallowed plant costs: The KCC originally disallowed certain costs related to the Wolf Creek plant. In 1987, the KCC revised its original conclusion and provided for recovery of an indirect disallowance with no return on investment. This regulatory asset represents the present value of the future expected revenues to be provided to recover these costs, net of the amounts amortized.

La Cygne environmental costs: Represents the deferral of depreciation and amortization expense and associated carrying charges related to the La Cygne Station environmental project. This amount will be amortized over the life of the related asset and is included in rate base.

Deferred customer programs: Represents costs related to various energy efficiency programs that have been accumulated and deferred for future recovery. Of these amounts, \$4.7 million for Evergy and KCP&L are not included in rate base and are amortized over various periods.

Fuel recovery mechanisms: Represents the actual cost of fuel consumed in producing electricity and the cost of purchased power in excess of the amounts collected from customers. This difference is expected to be recovered over a one-year period and is not included in rate base.

Solar rebates: Represents costs associated with solar rebates provided to retail electric customers. These amounts are not included in rate base and are amortized through 2020.

Transmission delivery charge: Represents costs associated with the transmission delivery charge. The amounts are not included in rate base and are amortized over a one-year period.

Wolf Creek outage: Represents deferred expenses associated with Wolf Creek's scheduled refueling and maintenance outages. These expenses are amortized during the period between planned outages and are not included in rate base.

Pension and other post-retirement benefit non-service costs: Represents the non-service component of pension and post-retirement net benefit costs that are capitalized as authorized by regulators. The amounts are included in rate base and are recovered over the life of the related asset.

Retired generation facilities: Represents amounts to be recovered for facilities that have been retired and are probable of recovery.

Merger transition costs: Represents recoverable transition costs related to the merger. The amounts are not included in rate base and are recovered from retail customers through 2028.

Other regulatory assets: Includes various regulatory assets that individually are small in relation to the total regulatory asset balance. These amounts have various recovery periods and are not included in rate base.

The following summarizes the nature and period of amortization for each of the regulatory liabilities listed in the table above.

Taxes refundable through future rates: Represents the obligation to return to customers income taxes recovered in earlier periods when corporate income tax rates were higher than current income tax rates. A large portion of this amount is related to depreciation and will be returned to customers over the life of the applicable property.

Deferred regulatory gain from sale leaseback: Represents the gain KGE recorded on the 1987 sale and leaseback of its 50% interest in La Cygne Unit 2. The gain is amortized over the term of the lease.

Emission allowances: Represents deferred gains related to the sale of emission allowances to be returned to customers.

Nuclear decommissioning: Represents the difference between the fair value of the assets held in the nuclear decommissioning trust and the amount recorded for the accumulated accretion and depreciation expense associated with the asset retirement obligation related to Wolf Creek.

Pension and post-retirement costs: Includes pension and post-retirement benefit obligations and expense recognized in setting prices in excess of actual pension and post-retirement expense.

Jurisdictional allowance for funds used during construction: Represents AFUDC that is accrued subsequent to the time the associated construction charges are included in prices and prior to the time the related assets are placed in service. The AFUDC is amortized to depreciation expense over the useful life of the asset that is placed in service.

La Cygne leasehold dismantling costs: Represents amounts collected but not yet spent on the contractual obligation to dismantle a portion of La Cygne Unit 2. The obligation will be discharged as the unit is dismantled.

Cost of removal: Represents amount collected, but not yet spent, to dispose of plant assets. This liability will be discharged as removal costs are incurred.

Kansas tax credits: Represents Kansas tax credits on investment in utility plant. Amounts will be credited to customers subsequent to the realization of the credits over the remaining lives of the utility plant giving rise to the tax credits.

Purchase power agreement: Represents the amount included in retail electric rates from customers in excess of costs incurred under purchase power agreements. Amounts are amortized over a five-year period.

Merger customer credits: Represents one-time merger bill credits to KCP&L's Kansas electric retail customers. The credits are expected to be provided to customers in the first quarter of 2019.

Refund of tax reform benefits: Represents amounts collected from customers in 2018 related to federal income tax in excess of the income tax owed by the Evergy Companies as a result of the lower federal income tax rate enacted by the TCJA. Amounts will be refunded to customers in 2019.

Other regulatory liabilities: Includes various regulatory liabilities that individually are relatively small in relation to the total regulatory liability balance. These amounts will be credited over various periods.

6. ASSET RETIREMENT OBLIGATIONS

AROs associated with tangible long-lived assets are legal obligations that exist under enacted laws, statutes and written or oral contracts, including obligations arising under the doctrine of promissory estoppel. These liabilities are recognized at estimated fair value as incurred with a corresponding amount capitalized as part of the cost of the related long-lived assets and depreciated over their useful lives. Accretion of the liabilities due to the passage of time is recorded to a regulatory asset and/or liability. Changes in the estimated fair values of the liabilities are recognized when known.

Westar Energy, KCP&L and GMO have AROs related to asbestos abatement and the closure and post-closure care of ponds and landfills containing coal combustion residuals (CCRs). In addition, Westar Energy and KCP&L have AROs related to decommissioning Wolf Creek Generating Station (Wolf Creek) and the retirement of wind generation facilities.

The following table summarizes the change in the Evergy Companies' AROs.

	Evergy		Westar Energy		KCP&L ^(a)	
	2018	2017	2018	2017	2018	2017
	(millions)					
Beginning balance	\$ 405.1	\$ 324.0	\$ 405.1	\$ 324.0	\$ 266.3	\$ 278.0
Liabilities assumed upon merger with Great Plains Energy	412.2	—	—	—	—	—
Liabilities incurred during the year	7.4	13.5	7.4	13.5	—	—
Revision in timing and/or estimates	(150.1)	66.8	(138.7)	66.8	(11.4)	0.3
Settlements	(22.4)	(16.0)	(12.0)	(16.0)	(13.1)	(25.5)
Accretion	34.9	16.8	19.3	16.8	19.2	13.5
Ending balance	\$ 687.1	\$ 405.1	\$ 281.1	\$ 405.1	\$ 261.0	\$ 266.3
Less: current portion	(49.8)	(25.1)	(17.1)	(25.1)	(29.2)	(34.9)
Total noncurrent asset retirement obligation	\$ 637.3	\$ 380.0	\$ 264.0	\$ 380.0	\$ 231.8	\$ 231.4

^(a) KCP&L amounts are only included in consolidated Evergy from the date of the closing of the merger, June 4, 2018, through December 31, 2018.

See Note 2 for more information regarding KCP&L's and GMO's ARO liabilities that Evergy assumed as a result of the merger.

In 2018, Evergy and Westar Energy recorded a \$127.0 million revision in estimate primarily related to Westar Energy's ARO to decommission its 47% ownership share of Wolf Creek.

7. PROPERTY, PLANT AND EQUIPMENT

The following tables summarize the property, plant and equipment of Evergy, Westar Energy and KCP&L.

December 31, 2018	Evergy	Westar Energy	KCP&L
		(millions)	
Electric plant in service	\$ 26,916.7	\$ 13,176.7	\$ 10,439.1
Electric plant acquisition adjustment	740.6	740.6	—
Accumulated depreciation	(9,694.1)	(4,642.8)	(4,022.4)
Plant in service	17,963.2	9,274.5	6,416.7
Construction work in progress	685.2	376.7	204.4
Nuclear fuel, net	133.1	66.1	67.0
Plant to be retired, net ^(b)	1.0	1.0	—
Net property, plant and equipment	\$ 18,782.5	\$ 9,718.3	\$ 6,688.1

December 31, 2017	Evergy	Westar Energy	KCP&L ^(a)
		(millions)	
Electric plant in service	\$ 12,954.3	\$ 12,954.3	\$ 10,213.2
Electric plant acquisition adjustment	739.0	739.0	—
Accumulated depreciation	(4,651.7)	(4,651.7)	(4,070.3)
Plant in service	9,041.6	9,041.6	6,142.9
Construction work in progress	434.9	434.9	350.3
Nuclear fuel, net	71.4	71.4	72.4
Plant to be retired, net ^(b)	5.9	5.9	—
Net property, plant and equipment	\$ 9,553.8	\$ 9,553.8	\$ 6,565.6

^(a) KCP&L amounts are not included in consolidated Evergy as of December 31, 2017.

^(b) As of December 31, 2018 and 2017, represents the planned retirement of Westar Energy analog meters prior to the end of their remaining useful lives.

The following table summarizes the property, plant and equipment of VIEs for Evergy and Westar Energy.

	December 31	
	2018	2017
		(millions)
Electric plant of VIEs	\$ 392.1	\$ 392.1
Accumulated depreciation of VIEs	(222.9)	(215.8)
Net property, plant and equipment of VIEs	\$ 169.2	\$ 176.3

Depreciation Expense

The Evergy Companies' depreciation expense is detailed in the following table.

	2018	2017	2016
		(millions)	
Evergy ^(a)	\$ 567.9	\$ 350.0	\$ 316.7
Westar Energy ^(a)	371.3	350.0	316.7
KCP&L	235.3	228.4	215.4

^(a) Approximately \$7.1 million, \$8.3 million and \$9.5 million of depreciation expense in 2018, 2017 and 2016, respectively, was attributable to property, plant and equipment of VIEs.

8. JOINTLY-OWNED ELECTRIC UTILITY PLANTS

Evergy's, Westar Energy's and KCP&L's share of jointly-owned electric utility plants at December 31, 2018, are detailed in the following tables.

Evergy

	Wolf Creek Unit	La Cygne Units ^(a)	Iatan No. 1 Unit	Iatan No. 2 Unit	Iatan Common	Jeffrey Energy Center ^(b)	State Line
	(millions, except MW amounts)						
Evergy's share	94%	100%	88%	73%	79%	100%	40%
Utility plant in service	\$ 3,724.9	\$ 2,228.0	\$ 707.3	\$ 1,374.5	\$ 504.9	\$ 2,392.5	\$ 114.1
Accumulated depreciation	1,760.8	737.1	257.3	426.7	127.8	861.0	71.3
Nuclear fuel, net	133.1	—	—	—	—	—	—
Construction work in progress	171.6	41.8	27.1	30.5	26.5	33.2	0.4
2019 accredited capacity-MWs	1,104	1,398	616	641	NA	2,187	196

^(a) The VIE consolidated by Evergy and Westar Energy holds its 50% leasehold interest in La Cygne Unit 2. This 50% leasehold interest in La Cygne Unit 2 is reflected in the information provided above. See Note 7 for additional information.

^(b) Evergy and Westar Energy's 8% leasehold interest in Jeffrey Energy Center is reflected in the information provided above.

Westar Energy

	Wolf Creek Unit	La Cygne Units ^(a)	Jeffrey Energy Center ^(b)	State Line
	(millions, except MW amounts)			
Westar Energy's share	47%	50%	92%	40%
Utility plant in service	\$ 1,833.7	\$ 1,033.5	\$ 2,189.6	\$ 114.1
Accumulated depreciation	825.3	408.6	778.6	71.3
Nuclear fuel, net	66.1	—	—	—
Construction work in progress	83.7	34.0	30.6	0.4
2019 accredited capacity-MWs	552	699	2,012	196

^(a) The VIE consolidated by Evergy and Westar Energy holds its 50% leasehold interest in La Cygne Unit 2. This 50% leasehold interest in La Cygne Unit 2 is reflected in the information provided above. See Note 7 for additional information.

^(b) Evergy's and Westar Energy's 8% leasehold interest in Jeffrey Energy Center is reflected in the information provided above.

KCP&L

	Wolf Creek Unit	La Cygne Units	Iatan No. 1 Unit	Iatan No. 2 Unit	Iatan Common
	(millions, except MW amounts)				
KCP&L's share	47%	50%	70%	55%	61%
Utility plant in service	\$ 1,891.2	\$ 1,194.5	\$ 567.4	\$ 1,060.3	\$ 414.8
Accumulated depreciation	935.5	328.5	203.2	378.4	112.8
Nuclear fuel, net	67.0	—	—	—	—
Construction work in progress	87.9	7.8	3.3	6.2	15.0
2019 accredited capacity-MWs	552	699	490	482	NA

Each owner must fund its own portion of the plant's operating expenses and capital expenditures. The Evergy Companies' share of direct expenses are included in the appropriate operating expense classifications in Evergy's, Westar Energy's and KCP&L's consolidated financial statements.

9. PENSION PLANS AND POST-RETIREMENT BENEFITS

Evergy and certain of its subsidiaries maintain, and Westar Energy and KCP&L participate in, qualified non-contributory defined benefit pension plans covering the majority of Westar Energy's and KCP&L's employees as well as certain non-qualified plans covering certain active and retired officers. Evergy is also responsible for its 94% ownership share of Wolf Creek's defined benefit plans, consisting of Westar Energy's and KCP&L's respective 47% ownership shares.

For the majority of employees, pension benefits under these plans reflect the employees' compensation, years of service and age at retirement. However, for the plan covering Westar Energy's employees, the benefits for non-union employees hired between 2002 and the second quarter of 2018 and union employees hired beginning in 2012 are derived from a cash balance account formula. The plan was closed to future non-union employees in 2018. For the plans covering KCP&L's employees, the benefits for union employees hired beginning in 2014 are derived from a cash balance account formula and the plans were closed to future non-union employees in 2014.

Evergy and its subsidiaries also provide certain post-retirement health care and life insurance benefits for substantially all retired employees of Westar Energy and KCP&L and their respective shares of Wolf Creek's post-retirement benefit plans.

The Evergy Companies record pension and post-retirement expense in accordance with rate orders from the KCC and MPSC that allow the difference between pension and post-retirement costs under GAAP and costs for ratemaking to be recognized as a regulatory asset or liability. This difference between financial and regulatory accounting methods is due to timing and will be eliminated over the life of the plans.

The following pension benefits tables provide information relating to the funded status of all defined benefit pension plans on an aggregate basis as well as the components of net periodic benefit costs. For financial reporting purposes, the market value of plan assets is the fair value. Net periodic benefit costs reflect total plan benefit costs prior to the effects of capitalization and sharing with joint owners of power plants. KCP&L amounts are only included in consolidated Evergy from the date of the closing of the merger, June 4, 2018, through December 31, 2018.

	Pension Benefits			Post-Retirement Benefits		
	Evergy	Westar Energy	KCP&L	Evergy	Westar Energy	KCP&L
Change in projected benefit obligation (PBO)	(millions)					
PBO at January 1, 2018	\$ 1,367.0	\$ 1,367.0	\$ 1,331.7	\$ 138.6	\$ 138.6	\$ 133.2
Service cost	60.7	32.2	48.6	2.3	1.3	2.0
Interest cost	82.5	50.7	49.9	8.0	5.0	4.8
Contribution by participants	—	—	—	5.6	1.8	6.6
Plan amendments	13.4	11.4	2.0	—	—	—
Actuarial (gain) loss	(98.8)	(100.1)	(89.6)	(11.3)	(2.6)	(18.0)
Benefits paid	(137.9)	(97.9)	(70.2)	(17.3)	(10.5)	(12.9)
Obligations assumed upon merger with Great Plains Energy	1,275.9	—	—	123.4	—	—
Other	(9.4)	(4.4)	—	—	—	—
PBO at December 31, 2018	\$ 2,553.4	\$ 1,258.9	\$ 1,272.4	\$ 249.3	\$ 133.6	\$ 115.7
Change in plan assets						
Fair value of plan assets at January 1, 2018	\$ 887.0	\$ 887.0	\$ 848.4	\$ 124.1	\$ 124.1	\$ 115.8
Actual return on plan assets	(79.7)	(30.9)	(60.1)	(7.5)	(7.4)	(1.2)
Contributions by employer and participants	114.5	47.9	80.3	11.6	3.2	11.4
Benefits paid	(134.0)	(95.0)	(69.8)	(16.7)	(10.2)	(12.4)
Assets acquired upon merger with Great Plains Energy	825.0	—	—	111.8	—	—
Other	(9.4)	(4.4)	—	—	—	—
Fair value of plan assets at December 31, 2018	\$ 1,603.4	\$ 804.6	\$ 798.8	\$ 223.3	\$ 109.7	\$ 113.6
Funded status at December 31, 2018	\$ (950.0)	\$ (454.3)	\$ (473.6)	\$ (26.0)	\$ (23.9)	\$ (2.1)

	Pension Benefits			Post-Retirement Benefits		
	Evergy	Westar Energy	KCP&L	Evergy	Westar Energy	KCP&L
Amounts recognized in the consolidated balance sheets						
	(millions)					
Non-current asset	\$ —	\$ —	\$ —	\$ 17.5	\$ —	\$ 17.5
Current pension and other post-retirement liability	(4.4)	(2.6)	(0.5)	(1.7)	(0.9)	(0.8)
Noncurrent pension liability and other post-retirement liability	(945.6)	(451.7)	(473.1)	(41.8)	(23.0)	(18.8)
Net amount recognized before regulatory treatment	(950.0)	(454.3)	(473.6)	(26.0)	(23.9)	(2.1)
Accumulated OCI or regulatory asset/liability	419.9	337.5	362.4	(6.0)	0.8	(26.0)
Net amount recognized at December 31, 2018	\$ (530.1)	\$ (116.8)	\$ (111.2)	\$ (32.0)	\$ (23.1)	\$ (28.1)
Amounts in accumulated OCI or regulatory asset/liability not yet recognized as a component of net periodic benefit cost:						
Actuarial (gain) loss	\$ 403.6	\$ 323.2	\$ 226.3	\$ (7.8)	\$ (1.0)	\$ (11.0)
Prior service cost	16.3	14.3	3.8	1.8	1.8	(8.1)
Other	—	—	132.3	—	—	(6.9)
Net amount recognized at December 31, 2018	\$ 419.9	\$ 337.5	\$ 362.4	\$ (6.0)	\$ 0.8	\$ (26.0)
Change in projected benefit obligation (PBO)						
	(millions)					
PBO at January 1, 2017	\$ 1,241.0	\$ 1,241.0	\$ 1,220.6	\$ 136.8	\$ 136.8	\$ 130.1
Service cost	28.7	28.7	44.2	1.2	1.2	2.1
Interest cost	52.4	52.4	52.6	5.5	5.5	5.4
Contribution by participants	—	—	—	1.5	1.5	6.0
Actuarial loss	107.0	107.0	134.9	2.8	2.8	2.1
Benefits paid	(62.1)	(62.1)	(34.7)	(9.2)	(9.2)	(12.5)
Settlements and special termination benefits	—	—	(85.9)	—	—	—
PBO at December 31, 2017	\$ 1,367.0	\$ 1,367.0	\$ 1,331.7	\$ 138.6	\$ 138.6	\$ 133.2
Change in plan assets						
Fair value of plan assets at January 1, 2017	\$ 797.2	\$ 797.2	\$ 776.8	\$ 115.6	\$ 115.6	\$ 115.6
Actual return on plan assets	113.1	113.1	114.8	15.6	15.6	1.8
Contributions by employer and participants	36.3	36.3	76.9	1.9	1.9	10.4
Benefits paid	(59.6)	(59.6)	(34.5)	(9.0)	(9.0)	(12.0)
Settlements	—	—	(85.6)	—	—	—
Fair value of plan assets at December 31, 2017	\$ 887.0	\$ 887.0	\$ 848.4	\$ 124.1	\$ 124.1	\$ 115.8
Funded status at December 31, 2017	\$ (480.0)	\$ (480.0)	\$ (483.3)	\$ (14.5)	\$ (14.5)	\$ (17.4)

	Pension Benefits			Post-Retirement Benefits		
	Evergy	Westar Energy	KCP&L	Evergy	Westar Energy	KCP&L
Amounts recognized in the consolidated balance sheets						
	(millions)					
Non-current asset	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12.8
Current pension and other post-retirement liability	(2.5)	(2.5)	(0.6)	(0.8)	(0.8)	(0.8)
Noncurrent pension liability and other post-retirement liability	(477.5)	(477.5)	(482.7)	(13.7)	(13.7)	(29.4)
Net amount recognized before regulatory treatment	(480.0)	(480.0)	(483.3)	(14.5)	(14.5)	(17.4)
Accumulated OCI or regulatory asset/liability	372.6	372.6	379.7	(11.1)	(11.1)	(12.2)
Net amount recognized at December 31, 2017	\$ (107.4)	\$ (107.4)	\$ (103.6)	\$ (25.6)	\$ (25.6)	\$ (29.6)
Amounts in accumulated OCI or regulatory asset/liability not yet recognized as a component of net periodic benefit cost:						
Actuarial (gain) loss	\$ 369.0	\$ 369.0	\$ 245.5	\$ (13.3)	\$ (13.3)	\$ 2.8
Prior service cost	3.6	3.6	2.5	2.2	2.2	(8.0)
Other	—	—	131.7	—	—	(7.0)
Net amount recognized at December 31, 2017	\$ 372.6	\$ 372.6	\$ 379.7	\$ (11.1)	\$ (11.1)	\$ (12.2)

As of December 31, 2018 and 2017, Evergy's pension benefits include non-qualified benefit obligations of \$46.9 million and \$27.4 million, respectively, which are funded by trusts containing assets of \$43.8 million and \$34.3 million, respectively. As of December 31, 2018 and 2017, Westar Energy's pension benefits include non-qualified benefit obligations of \$24.8 million and \$27.4 million, respectively, which are funded by trusts containing assets of \$30.6 million and \$34.3 million, respectively. The assets in the aforementioned trusts are not included in the table above. See Note 13 for more information on these amounts.

Year Ended December 31, 2018	Pension Benefits			Post-Retirement Benefits		
	Evergy	Westar Energy	KCP&L	Evergy	Westar Energy	KCP&L
Components of net periodic benefit costs						
	(millions)					
Service cost	\$ 60.7	\$ 32.2	\$ 48.6	\$ 2.3	\$ 1.3	\$ 2.0
Interest cost	82.5	50.7	49.9	8.0	5.0	4.8
Expected return on plan assets	(86.4)	(55.9)	(55.5)	(8.8)	(7.0)	(2.8)
Prior service cost	0.7	0.7	0.7	0.5	0.5	0.1
Recognized net actuarial (gain) loss	32.6	32.6	45.1	(0.6)	(0.6)	(0.2)
Net periodic benefit costs before regulatory adjustment and intercompany allocations	90.1	60.3	88.8	1.4	(0.8)	3.9
Regulatory adjustment	8.3	8.8	0.7	(1.7)	(2.0)	(0.1)
Intercompany allocations	n/a	—	(21.6)	n/a	—	(1.1)
Net periodic benefit costs	98.4	69.1	67.9	(0.3)	(2.8)	2.7
Other changes in plan assets and benefit obligations recognized in OCI or regulatory assets/liabilities						
Current year net (gain) loss	67.2	(13.2)	25.9	4.9	11.7	(14.0)
Amortization of gain (loss)	(32.6)	(32.6)	(45.1)	0.6	0.6	0.2
Prior service cost	13.4	11.4	2.0	—	—	—
Amortization of prior service cost	(0.7)	(0.7)	(0.7)	(0.5)	(0.5)	(0.1)
Other regulatory activity	—	—	0.6	—	—	—
Total recognized in OCI or regulatory asset/liability	47.3	(35.1)	(17.3)	5.0	11.8	(13.9)
Total recognized in net periodic benefit costs and OCI or regulatory asset/liability	\$ 145.7	\$ 34.0	\$ 50.6	\$ 4.7	\$ 9.0	\$ (11.2)

Year Ended December 31, 2017	Pension Benefits			Post-Retirement Benefits		
	Evergy	Westar Energy	KCP&L	Evergy	Westar Energy	KCP&L
Components of net periodic benefit costs						
	(millions)					
Service cost	\$ 28.7	\$ 28.7	\$ 44.2	\$ 1.2	\$ 1.2	\$ 2.1
Interest cost	52.4	52.4	52.6	5.5	5.5	5.4
Expected return on plan assets	(53.6)	(53.6)	(51.2)	(6.9)	(6.9)	(2.5)
Prior service cost	0.7	0.7	0.7	0.5	0.5	—
Recognized net actuarial (gain) loss	26.9	26.9	49.0	(0.8)	(0.8)	(0.5)
Settlement and special termination benefits	0.4	0.4	16.3	—	—	—
Net periodic benefit costs before regulatory adjustment and intercompany allocations	55.5	55.5	111.6	(0.5)	(0.5)	4.5
Regulatory adjustment	14.5	14.5	(9.2)	(1.9)	(1.9)	1.3
Intercompany allocations	n/a	—	(37.1)	n/a	—	(1.5)
Net periodic benefit costs	70.0	70.0	65.3	(2.4)	(2.4)	4.3
Other changes in plan assets and benefit obligations recognized in OCI or regulatory assets/liabilities						
Current year net (gain) loss	47.1	47.1	71.3	(5.8)	(5.8)	3.0
Amortization of gain (loss)	(26.9)	(26.9)	(64.9)	0.8	0.8	0.5
Amortization of prior service cost	(0.7)	(0.7)	(0.7)	(0.5)	(0.5)	—
Other regulatory activity	—	—	6.1	—	—	—
Total recognized in OCI or regulatory asset/liability	19.5	19.5	11.8	(5.5)	(5.5)	3.5
Total recognized in net periodic benefit costs and OCI or regulatory asset/liability	\$ 89.5	\$ 89.5	\$ 77.1	\$ (7.9)	\$ (7.9)	\$ 7.8

Year Ended December 31, 2016	Pension Benefits			Post-Retirement Benefits		
	Evergy	Westar Energy	KCP&L	Evergy	Westar Energy	KCP&L
Components of net periodic benefit costs						
	(millions)					
Service cost	\$ 25.3	\$ 25.3	\$ 42.0	\$ 1.2	\$ 1.2	\$ 2.6
Interest cost	53.4	53.4	52.9	5.9	5.9	6.1
Expected return on plan assets	(52.3)	(52.3)	(49.2)	(6.9)	(6.9)	(3.0)
Prior service cost	0.8	0.8	0.7	0.5	0.5	1.2
Recognized net actuarial (gain) loss	24.9	24.9	51.8	(1.1)	(1.1)	(1.5)
Net periodic benefit costs before regulatory adjustment and intercompany allocations	52.1	52.1	98.2	(0.4)	(0.4)	5.4
Regulatory adjustment	16.4	16.4	(3.1)	(1.9)	(1.9)	3.6
Intercompany allocations	n/a	—	(36.0)	n/a	—	(1.9)
Net periodic benefit costs	68.5	68.5	59.1	(2.3)	(2.3)	7.1
Other changes in plan assets and benefit obligations recognized in OCI or regulatory assets/liabilities						
Current year net (gain) loss	62.8	62.8	63.6	3.1	3.1	1.0
Amortization of gain (loss)	(24.9)	(24.9)	(51.8)	1.1	1.1	1.5
Prior service cost	(3.4)	(3.4)	—	—	—	(10.1)
Amortization of prior service cost	(0.8)	(0.8)	(0.7)	(0.5)	(0.5)	(1.2)
Other regulatory activity	—	—	(2.9)	—	—	(1.9)
Total recognized in OCI or regulatory asset/liability	33.7	33.7	8.2	3.7	3.7	(10.7)
Total recognized in net periodic benefit costs and OCI or regulatory asset/liability	\$ 102.2	\$ 102.2	\$ 67.3	\$ 1.4	\$ 1.4	\$ (3.6)

For financial reporting purposes, the estimated prior service cost and net actuarial (gain) loss for the defined benefit plans are amortized from accumulated other comprehensive income (OCI) or a regulatory asset into net periodic benefit cost. The Evergy Companies amortize prior service cost on a straight-line basis over the average future service of the active employees (plan participants) benefiting under the plan at the time of the amendment. Evergy and Westar Energy amortize the net actuarial (gain) loss on a straight-line basis over the average future service of active plan participants benefiting under the plan without application of an amortization corridor. KCP&L amortizes the net actuarial (gain) loss on a rolling five-year average basis. The estimated amounts to be amortized in 2019 are detailed in the following table.

	Pension Benefits			Post-Retirement Benefits		
	Evergy	Westar Energy	KCP&L	Evergy	Westar Energy	KCP&L
	(millions)					
Actuarial (gain) loss amortization	\$ 27.5	\$ 25.4	\$ 48.3	\$ (1.2)	\$ (0.5)	\$ (1.5)
Prior service cost amortization	1.9	1.7	0.9	0.5	0.5	—

Pension and other post-retirement benefit plans with the PBO, ABO or accumulated other post-retirement benefit obligation (APBO) in excess of the fair value of plan assets at year-end are detailed in the following tables. KCP&L amounts are not included in consolidated Evergy as of December 31, 2017.

December 31, 2018			
	Evergy	Westar Energy	KCP&L
	(millions)		
ABO for all defined benefit pension plans	\$ 2,257.9	\$ 1,139.1	\$ 1,096.7
Pension plans with the PBO in excess of plan assets			
Projected benefit obligation	\$ 2,553.4	\$ 1,258.9	\$ 1,272.4
Fair value of plan assets	1,603.4	804.6	798.8
Pension plans with the ABO in excess of plan assets			
Accumulated benefit obligation	\$ 2,257.9	\$ 1,139.1	\$ 1,096.7
Fair value of plan assets	1,603.4	804.6	798.8
Other post-retirement benefit plans with the APBO in excess of plan assets			
Accumulated other post-retirement benefit obligation	\$ 249.3	\$ 133.6	\$ 57.7
Fair value of plan assets	223.3	109.7	38.2

December 31, 2017			
	Evergy	Westar Energy	KCP&L
	(millions)		
ABO for all defined benefit pension plans	\$ 1,219.6	\$ 1,219.6	\$ 1,155.5
Pension plans with the PBO in excess of plan assets			
Projected benefit obligation	\$ 1,367.0	\$ 1,367.0	\$ 1,331.7
Fair value of plan assets	887.0	887.0	848.4
Pension plans with the ABO in excess of plan assets			
Accumulated benefit obligation	\$ 1,219.6	\$ 1,219.6	\$ 1,155.5
Fair value of plan assets	887.0	887.0	848.4
Other post-retirement benefit plans with the APBO in excess of plan assets			
Accumulated other post-retirement benefit obligation	\$ 138.6	\$ 138.6	\$ 111.6
Fair value of plan assets	124.1	124.1	81.5

The expected long-term rate of return on plan assets represents the Evergy Companies' estimate of the long-term return on plan assets and is based on historical and projected rates of return for current and planned asset classes in the plans' investment portfolios. Assumed projected rates of return for each asset class were selected after analyzing historical experience and future expectations of the returns of various asset classes. Based on the target asset allocation for each asset class, the overall expected rate of return for the portfolios was developed and adjusted for the effect of projected benefits paid from plan assets and future plan contributions.

The following tables provide the weighted-average assumptions used to determine benefit obligations and net costs. KCP&L amounts are not included in consolidated Evergy as of December 31, 2017.

Weighted-average assumptions used to determine the benefit obligation at December 31, 2018	Pension Benefits			Post-Retirement Benefits		
	Evergy	Westar Energy	KCP&L	Evergy	Westar Energy	KCP&L
Discount rate	4.35%	4.35%	4.36%	4.33%	4.33%	4.33%
Rate of compensation increase	3.76%	4.03%	3.64%	3.50%	n/a	3.50%

Weighted-average assumption used to determine the benefit obligation at December 31, 2017	Pension Benefits			Post-Retirement Benefits		
	Evergy	Westar Energy	KCP&L	Evergy	Westar Energy	KCP&L
Discount rate	3.73%	3.73%	3.72%	3.67%	3.67%	3.64%
Rate of compensation increase	4.00%	4.00%	3.62%	4.00%	4.00%	3.50%

Weighted-average assumptions used to determine net costs for the year ended December 31, 2018	Pension Benefits			Post-Retirement Benefits		
	Evergy	Westar Energy	KCP&L	Evergy	Westar Energy	KCP&L
Discount rate	3.73%	3.73%	3.72%	3.67%	3.73%	3.64%
Expected long-term return on plan assets	6.52%	6.67%	6.46%	6.00%	6.00%	2.80%
Rate of compensation increase	3.92%	4.00%	3.62%	3.50%	n/a	3.50%

Weighted-average assumptions used to determine net costs for the year ended December 31, 2017	Pension Benefits			Post-Retirement Benefits		
	Evergy	Westar Energy	KCP&L	Evergy	Westar Energy	KCP&L
Discount rate	4.25%	4.25%	4.31%	4.31%	4.31%	4.20%
Expected long-term return on plan assets	6.64%	6.64%	6.73%	6.00%	6.00%	2.00%
Rate of compensation increase	4.00%	4.00%	3.62%	4.00%	4.00%	3.50%

Evergy expects to contribute \$115.5 million to the pension plans in 2019 to meet Employee Retirement Income Security Act of 1974, as amended (ERISA) funding requirements and regulatory orders, of which \$37.0 million is expected to be paid by Westar Energy and \$78.5 million is expected to be paid by KCP&L. The Evergy Companies' funding policy is to contribute amounts sufficient to meet the ERISA funding requirements and MPSC and KCC rate orders plus additional amounts as considered appropriate; therefore, actual contributions may differ from expected contributions. Also in 2019, Evergy expects to contribute \$2.8 million to the post-retirement benefit plans, of which \$0.7 million is expected to be paid by Westar Energy and \$2.1 million is expected to be paid by KCP&L.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid through 2028.

	Pension Benefits			Post-Retirement Benefits		
	Energy	Westar Energy	KCP&L	Energy	Westar Energy	KCP&L
	(millions)					
2019	\$ 193.0	\$ 96.7	\$ 94.9	\$ 20.3	\$ 10.9	\$ 9.4
2020	188.9	94.9	92.8	19.8	11.0	8.9
2021	189.4	95.3	92.8	20.6	11.3	9.3
2022	187.4	92.7	93.4	21.1	11.5	9.6
2023	186.1	90.0	94.7	21.5	11.7	9.8
2024-2028	928.7	432.7	488.3	110.7	58.5	52.1

Westar Energy and KCP&L each maintain separate trusts for both their qualified pension and post-retirement benefits. These plans are managed in accordance with prudent investor guidelines contained in the ERISA requirements.

The primary objective of the Westar Energy pension plan is to provide a source of retirement income for its participants and beneficiaries, and the primary financial objective of the plan is to improve its funded status. The primary objective of the Westar Energy post-retirement benefit plan is growth in assets and the preservation of principal, while minimizing interim volatility, to meet anticipated claims of plan participants.

The primary objective of the KCP&L pension plans is to earn the highest possible return on plan assets within a reasonable and prudent level of risk. The primary objective of the KCP&L post-retirement benefit plans is to preserve capital, maintain sufficient liquidity and earn a consistent rate of return.

The investment strategies of both the Westar Energy and KCP&L pension and post-retirement plans support the above objectives of the plans. The portfolios are invested, and periodically rebalanced, to achieve the targeted allocations detailed below. The following table provides the target asset allocations by asset class for the Westar Energy and KCP&L pension and other post-retirement plan assets.

	Pension Benefits		Post-Retirement Benefits	
	Westar Energy	KCP&L	Westar Energy	KCP&L
Domestic equities	29%	32%	52%	3%
International equities	20%	21%	13%	—%
Bonds	36%	36%	35%	85%
Mortgage & asset backed securities	—%	—%	—%	4%
Real estate investments	4%	6%	—%	—%
Other investments	11%	5%	—%	8%

Fair Value Measurements

Energy classifies recurring and non-recurring fair value measurements based on the fair value hierarchy as discussed in Note 13. The following are descriptions of the valuation methods of the primary fair value measurements disclosed below.

Domestic equities - consist of individually held domestic equity securities and domestic equity mutual funds. Securities and funds, which are publicly quoted, are valued based on quoted prices in active markets and are categorized as Level 1. Funds that are traded in less than active markets or priced with models using highly observable inputs are categorized as Level 2. Funds that are valued by fund administrators using the net asset value

(NAV) per fund share, derived from the quoted prices in active markets of the underlying securities are not classified within the fair value hierarchy.

International equities - consist of individually held international equity securities and international equity mutual funds. Securities and funds, which are publicly quoted, are valued based on quoted prices in active markets and are categorized as Level 1. Funds that are traded in less than active markets or priced with models using highly observable inputs are categorized as Level 2. Funds that are valued by fund administrators using the NAV per fund share, derived from the quoted prices in active markets of the underlying securities are not classified within the fair value hierarchy.

Bond funds - consist of funds maintained by investment companies that invest in various types of fixed income securities consistent with the funds' stated objectives. Funds that are traded in less than active markets or are priced with models using highly observable inputs are categorized as Level 2 and funds that are valued by fund administrators using the NAV per fund share, derived from the quoted prices in active markets of the underlying securities, are not classified within the fair value hierarchy.

Corporate bonds - consists of individually held, primarily domestic, corporate bonds that are traded in less than active markets or priced with models using highly observable inputs that are categorized as Level 2.

U.S. Treasury and agency bonds - consists of individually held U.S. Treasury securities and U.S. agency bonds. U.S. Treasury securities, which are publicly quoted, are valued based on quoted prices in active markets and are categorized as a Level 1. U.S. agency bonds, which are publicly quoted, are traded in less than active markets or priced with models using highly observable inputs and are categorized as Level 2.

Mortgage and asset backed securities - consists of individually held securities that are traded in less than active markets or valued with models using highly observable inputs that are categorized as Level 2.

Real estate investments - consists of traded real estate investment trusts valued at the closing price reported on the major market on which the trusts are traded and are categorized as Level 1 and institutional trust funds valued at NAV per fund share and are not categorized in the fair value hierarchy.

Combination debt/equity/other fund - consists of a fund that invests in various types of debt, equity and other asset classes consistent with the fund's stated objectives. The fund, which is publicly quoted, is valued based on quoted prices in active markets and is categorized as Level 1.

Alternative investments - consists of investments in institutional trust and hedge funds that are valued by fund administrators using the NAV per fund share, derived from the underlying investments of the fund, and are not classified within the fair value hierarchy.

Short-term investments - consists of fund investments in high-quality, short-term, U.S. dollar-denominated instruments with an average maturity of 60 days that are valued at NAV per fund share and are not categorized in the fair value hierarchy.

Cash and cash equivalents - consists of investments with original maturities of three months or less when purchased that are traded in active markets and are categorized as Level 1.

The fair values of the Evergy Companies' pension plan assets at December 31, 2018 and 2017, by asset category are in the following tables.

Description	December 31 2018	Fair Value Measurements Using			Assets measured at NAV
		Level 1	Level 2	Level 3	
(millions)					
Westar Energy Pension Plans					
Domestic equities	\$ 215.0	\$ 144.7	\$ —	\$ —	\$ 70.3
International equities	138.7	91.8	—	—	46.9
Bond funds	296.4	255.4	—	—	41.0
Real estate investments	44.8	—	—	—	44.8
Combination debt/equity/other fund	30.1	30.1	—	—	—
Alternative investment funds	73.6	—	—	—	73.6
Short-term investments	6.0	—	—	—	6.0
Total	\$ 804.6	\$ 522.0	\$ —	\$ —	\$ 282.6
KCP&L Pension Plans					
Domestic equities	\$ 238.1	\$ 198.6	\$ —	\$ —	\$ 39.5
International equities	150.9	104.0	—	—	46.9
Bond funds	67.4	19.3	—	—	48.1
Corporate bonds	123.6	—	123.6	—	—
U.S. Treasury and agency bonds	69.9	52.4	17.5	—	—
Mortgage and asset backed securities	5.5	—	5.5	—	—
Real estate investments	48.2	12.6	—	—	35.6
Combination debt/equity/other fund	13.5	13.5	—	—	—
Alternative investment funds	31.6	—	—	—	31.6
Cash and cash equivalents	49.8	49.8	—	—	—
Other	0.3	—	0.3	—	—
Total	\$ 798.8	\$ 450.2	\$ 146.9	\$ —	\$ 201.7

Description	Fair Value Measurements Using				Assets measured at NAV
	December 31 2017	Level 1	Level 2	Level 3	
			(millions)		
Westar Energy Pension Plans ^(a)					
Domestic equities	\$ 256.1	\$ —	\$ 232.2	\$ —	\$ 23.9
International equities	177.9	—	177.9	—	—
Bond funds	299.5	—	299.5	—	—
Real estate investments	41.8	—	—	—	41.8
Combination debt/equity/other fund	36.2	—	36.2	—	—
Alternative investment funds	70.3	—	17.0	—	53.3
Short-term investments	5.2	—	5.2	—	—
Total	\$ 887.0	\$ —	\$ 768.0	\$ —	\$ 119.0
KCP&L Pension Plans					
Domestic equities	\$ 263.9	\$ 220.5	\$ —	\$ —	\$ 43.4
International equities	176.0	123.5	—	—	52.5
Bond funds	71.8	21.4	—	—	50.4
Corporate bonds	125.8	—	125.8	—	—
U.S. Treasury and agency bonds	69.8	51.5	18.3	—	—
Mortgage and asset backed securities	5.9	—	5.9	—	—
Real estate investments	46.4	13.6	—	—	32.8
Combination debt/equity/other fund	15.9	15.9	—	—	—
Alternative investment funds	32.7	—	—	—	32.7
Cash and cash equivalents	35.6	35.6	—	—	—
Other	4.6	—	4.6	—	—
Total	\$ 848.4	\$ 482.0	\$ 154.6	\$ —	\$ 211.8

^(a) In 2018, Evergy and Westar Energy re-evaluated the classification, within the fair value hierarchy, of their various fund investments within the Westar Energy Pension Plans. As a result, Evergy and Westar Energy determined that certain fund investments within the Westar Energy Pension Plans in the amount of \$607.6 million as of December 31, 2017, should have been classified as Level 1, instead of Level 2. This determination is based on the fact that the fair value of these funds is based on daily published prices at which Evergy and Westar Energy are able to redeem their investments without restriction on a daily basis. Evergy and Westar Energy also determined that certain fund investments within the Westar Energy Pension Plans in the amount of \$160.4 million as of December 31, 2017, should have been measured using the NAV per share (or its equivalent) practical expedient, instead of as a Level 2 investment. This determination is based on the fact that these funds do not meet the definition of readily determinable fair value due to the absence of a published NAV. Evergy and Westar Energy have determined that these errors are immaterial to their current and previously filed financial reports and accordingly, have not revised prior periods but have reflected the changes in fair value hierarchy classification as of December 31, 2018.

The fair values of the Evergy Companies' post-retirement plan assets at December 31, 2018 and 2017, by asset category are in the following tables.

Description	December 31 2018	Fair Value Measurements Using			Assets measured at NAV
		Level 1	Level 2	Level 3	
(millions)					
Westar Energy Post-Retirement Benefit Plans					
Domestic equities	\$ 56.4	\$ —	\$ —	\$ —	\$ 56.4
International equities	14.0	—	—	—	14.0
Bond funds	38.4	—	—	—	38.4
Short-term investments	0.7	—	—	—	0.7
Cash and cash equivalents	0.2	0.2	—	—	—
Total	\$ 109.7	\$ 0.2	\$ —	\$ —	\$ 109.5
KCP&L Post-Retirement Benefit Plans					
Domestic equities	\$ 2.5	\$ 2.5	\$ —	\$ —	\$ —
International equities	0.9	0.9	—	—	—
Bond funds	75.0	0.2	—	—	74.8
Corporate bonds	17.4	—	17.4	—	—
U.S. Treasury and agency bonds	10.3	2.6	7.7	—	—
Mortgage and asset backed securities	2.5	—	2.5	—	—
Cash and cash equivalents	4.7	4.7	—	—	—
Other	0.3	—	0.3	—	—
Total	\$ 113.6	\$ 10.9	\$ 27.9	\$ —	\$ 74.8

Description	Fair Value Measurements Using				Assets measured at NAV
	December 31 2017	Level 1	Level 2	Level 3	
			(millions)		
Westar Energy Post-Retirement Benefit Plans^(a)					
Domestic equities	\$ 65.2	\$ —	\$ 65.2	\$ —	\$ —
International equities	16.2	—	16.2	—	—
Bond funds	42.1	—	42.1	—	—
Cash and cash equivalents	0.6	—	0.6	—	—
Total	\$ 124.1	\$ —	\$ 124.1	\$ —	\$ —
KCP&L Post-Retirement Benefit Plans					
Domestic equities	\$ 3.7	\$ 3.7	\$ —	\$ —	\$ —
Bond funds	56.6	0.2	—	—	56.4
Corporate bonds	16.7	—	16.7	—	—
U.S. Treasury and agency bonds	8.5	3.0	5.5	—	—
Mortgage and asset backed securities	3.6	—	3.6	—	—
Cash and cash equivalents	25.3	25.3	—	—	—
Other	1.4	—	1.4	—	—
Total	\$ 115.8	\$ 32.2	\$ 27.2	\$ —	\$ 56.4

^(a) In 2018, Evergy and Westar Energy re-evaluated the classification, within the fair value hierarchy, of their various fund investments within the Westar Energy Post-Retirement Benefit Plans. As a result, Evergy and Westar Energy determined that certain fund investments within the Westar Energy Post-Retirement Benefit Plans in the amount of \$124.1 million as of December 31, 2017, should have been measured using the NAV per share (or its equivalent) practical expedient, instead of as a Level 2 investment. This determination is based on the fact that these funds do not meet the definition of readily determinable fair value due to the absence of a published NAV. Evergy and Westar Energy have determined that this error is immaterial to their current and previously filed financial reports and accordingly, have not revised prior periods but have reflected the changes in fair value hierarchy classification as of December 31, 2018.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. The cost trend assumptions are detailed in the following table.

Assumed annual health care cost growth rates as of December 31, 2018	Evergy	Westar Energy	KCP&L
Health care cost trend rate assumed for next year	6.5%	6.5%	6.5%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	4.5%	4.5%	4.5%
Year that rate reaches ultimate trend	2027	2027	2027

Assumed annual health care cost growth rates as of December 31, 2017	Evergy	Westar Energy	KCP&L
Health care cost trend rate assumed for next year	6.0%	6.0%	6.8%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	5.0%	5.0%	4.5%
Year that rate reaches ultimate trend	2020	2020	2027

The effects of a one-percentage point change in the assumed health care cost trend rates, holding all other assumptions constant, at December 31, 2018, are detailed in the following table.

	Evergy	Westar Energy ^(a)		KCP&L
	(millions)			
Effect of 1% increase				
Effect on total service and interest component	\$	—	\$	0.1
Effect on post-retirement benefit obligation		0.2	(0.1)	—
Effect of 1% decrease				
Effect on total service and interest component	\$	—	\$	0.3
Effect on post-retirement benefit obligation		(0.1)	0.1	(0.2)

^(a)Westar Energy includes only the effect of health care cost trend rates for Wolf Creek because the Westar Energy post-retirement benefit plan includes a fixed monthly stipend for health care and therefore is not affected by changes in health care costs.

Employee Savings Plans

Evergy has defined contribution savings plans (401(k)) that cover substantially all employees. Evergy matches employee contributions, subject to limits. The annual costs of the plans are detailed in the following table. KCP&L amounts are only included in consolidated Evergy from the date of the closing of the merger, June 4, 2018, through December 31, 2018.

	2018		2017		2016
	(millions)				
Evergy	\$	16.3	\$	9.7	\$ 9.6
Westar Energy		9.9		9.7	9.6
KCP&L		8.3		7.7	8.0

10. EQUITY COMPENSATION

Upon the consummation of the merger, Evergy assumed both Westar Energy's Long-Term Incentive and Share Award plan (LTISA) and Great Plains Energy's Amended Long-Term Incentive Plan, which was renamed the Evergy, Inc. Long-Term Incentive Plan. All outstanding share-based payment awards under Westar Energy's LTISA vested at the closing of the merger transaction and were converted into a right to receive Evergy common stock with the exception of certain RSUs and deferred director share units issued prior to the closing of the merger to certain directors, officers and employees of Westar Energy. The vesting of these shares resulted in the recognition of \$14.6 million of compensation expense in Evergy's and Westar Energy's consolidated statements of income and comprehensive income for 2018.

All of Great Plains Energy's outstanding performance shares, restricted stock, RSUs and director deferred share units under Great Plains Energy's Amended Long-Term Incentive Plan were converted into equivalent Evergy performance shares, restricted stock, RSUs and director deferred share units at Great Plains Energy's merger exchange ratio of 0.5981. The estimated fair value of these converted awards that was allocated to the purchase price was \$12.5 million, after-tax. See Note 2 for more information regarding the merger.

The following table summarizes the Evergy Companies' equity compensation expense and the associated income tax benefit.

	2018	2017	2016
Evergy		(millions)	
Equity compensation expense	\$ 30.7	\$ 8.9	\$ 9.2
Income tax benefit	1.4	3.5	3.7
Westar Energy			
Equity compensation expense	\$ 24.8	\$ 8.9	\$ 9.2
Income tax benefit	1.4	3.5	3.7
KCP&L^(a)			
Equity compensation expense	\$ 6.5	\$ 4.2	\$ 3.2
Income tax benefit	0.1	1.6	1.0

^(a) KCP&L amounts are only included in consolidated Evergy from the date of the closing of the merger, June 4, 2018, through December 31, 2018.

Performance Shares

The vesting of performance shares is contingent upon achievement of specific performance goals over a stated period of time as approved by the Compensation and Leadership Development Committee of the Evergy Board. The number of performance shares ultimately vested can vary from the number of shares initially granted depending on either Great Plains Energy's performance prior to the closing of the merger transaction or Evergy's performance based on the stated performance period of the awards. Compensation expense for performance shares is calculated by recognizing the portion of the grant date fair value for each reporting period for which the requisite service has been rendered. Dividends are accrued over the vesting period and paid in cash based on the number of performance shares ultimately paid.

The fair value of the converted Great Plains Energy performance share awards was estimated using the market value of Westar Energy's and Great Plains Energy's common stock at the valuation date and a Monte Carlo simulation technique that incorporates assumptions for inputs of expected volatilities, dividend yield and risk-free rates. Expected volatility is based on daily stock price change based on historical common stock information during a historical period commensurate with the remaining term of the performance period of the grant. The risk-free rate is based upon the rate at the time of the evaluation for zero-coupon government bonds with a maturity consistent with the remaining performance period of the grant. The dividend yield is based on the most recent dividends paid by Westar Energy, as Evergy's stock price assumes Westar Energy's stock price on a forward basis, and the grant date stock price on the valuation date. For the Great Plains Energy performance shares converted into Evergy awards upon the closing of the merger, inputs for expected volatility, dividend yield, and risk-free rates were 16.6% - 18.5% , 2.96% and 1.8% - 2.6%, respectively. Evergy and Westar Energy did not have any performance share awards issued and outstanding prior to the close of the merger.

Performance share activity for 2018 is summarized in the following table.

	Performance Shares	Grant Date Fair Value*
Beginning balance January 1, 2018	—	\$ —
Converted Great Plains Energy awards upon merger	351,708	63.79
Forfeited	(3,212)	63.44
Ending balance December 31, 2018	348,496	63.80

* weighted-average

At December 31, 2018, the remaining weighted-average contractual term was 1.0 years. The weighted-average grant-date fair value of shares granted in 2018 was \$63.79. At December 31, 2018, there was \$6.6 million of total unrecognized compensation expense, net of forfeiture rates, related to converted Great Plains Energy performance

shares granted under its Amended Long-Term Incentive Plan, which will be recognized over the remaining weighted-average contractual term.

Restricted Stock

Restricted stock cannot be sold or otherwise transferred by the recipient prior to vesting and has a value equal to the fair market value of the shares on the issue date. Restricted stock shares vest over a stated period of time with accruing reinvested dividends subject to the same restrictions. Compensation expense, calculated by multiplying shares by the grant-date fair value related to restricted stock, is recognized on a straight-line basis over the requisite service period of the award. Evergy and Westar Energy did not have any restricted stock awards issued and outstanding prior to the close of the merger.

Restricted stock activity for 2018 is summarized in the following table.

	Nonvested Restricted Stock	Grant Date Fair Value*
Beginning balance January 1, 2018	—	\$ —
Converted Great Plains Energy awards upon merger	122,505	54.05
Vested	(4,760)	54.50
Forfeited	(1,070)	54.04
Ending balance December 31, 2018	116,675	54.03

* weighted-average

At December 31, 2018, the remaining weighted-average contractual term was 1.2 years. The weighted-average grant-date fair value of shares granted in 2018 was \$54.05. At December 31, 2018, there was \$2.6 million of total unrecognized compensation expense, net of forfeiture rates, related to converted Great Plains Energy restricted stock granted under its Amended Long-Term Incentive Plan, which will be recognized over the remaining weighted-average contractual term. The total fair value of shares vested was \$0.3 million for 2018.

Restricted Share Units

Evergy and Westar Energy have historically used RSUs for their stock-based compensation awards. RSU awards are grants that entitle the holder to receive shares of common stock as the awards vest. These RSU awards are defined as nonvested shares and do not include restrictions once the awards have vested. These RSUs have either taken the form of RSUs with only service requirements that vest solely upon the passage of time or RSUs with performance measures that vest upon expiration of the award term. All issued and outstanding Evergy and Westar Energy RSU awards with performance measures vested in connection with the closing of the merger transaction in June 2018.

Evergy measures the fair value of RSUs with only service requirements based on the fair market value of the underlying common stock as of the grant date. RSU awards with only service conditions recognize compensation expense by multiplying shares by the grant-date fair value related to the RSU and recognizing it on a straight-line basis over the requisite service period for the entire award, including for those RSUs that have a graded vesting schedule. Nonforfeitable dividend equivalents, or the rights to receive cash equal to the value of dividends paid on Evergy's common stock, are paid on certain of these RSUs during the vesting period. Nonforfeitable dividend equivalents are recorded directly to retained earnings.

RSU activity for awards with only service requirements for 2018 is summarized in the following table.

	Nonvested Restricted Share Units	Grant Date Fair Value*
Beginning balance January 1, 2018	255,964	\$ 46.09
Granted	222,465	52.16
Converted Great Plains Energy awards upon merger	82,331	53.77
Vested	(342,599)	46.81
Forfeited	(905)	50.73
Ending balance December 31, 2018	217,256	54.07

* weighted-average

At December 31, 2018, the remaining weighted-average contractual term related to RSU awards with only service requirements was 1.4 years. The weighted-average grant-date fair value of RSUs granted with only service requirements was \$52.16, \$53.25 and \$46.35 in 2018, 2017 and 2016, respectively. At December 31, 2018, there was \$7.8 million of unrecognized compensation expense related to unvested RSUs. The total fair value of RSUs with only service requirements that vested was \$16.0 million, \$6.1 million and \$5.2 million in 2018, 2017 and 2016, respectively.

11. SHORT-TERM BORROWINGS AND SHORT-TERM BANK LINES OF CREDIT

In September 2018, Evergy entered into a \$2.5 billion master credit facility, which expires in 2023. Evergy, Westar Energy, KCP&L and GMO have borrowing capacity under the master credit facility with specific sublimits for each borrower. These sublimits can be unilaterally adjusted by Evergy for each borrower provided the sublimits remain within minimum and maximum sublimits as specified in the facility. A default by any borrower under the facility or one of their significant subsidiaries on other indebtedness totaling more than \$100.0 million constitutes a default under the facility. Under the terms of this facility, each of Evergy, Westar Energy, KCP&L and GMO is required to maintain a total indebtedness to total capitalization ratio, as defined in the facility, of not greater than 0.65 to 1.00 at all times. As of December 31, 2018, Evergy, Westar Energy, KCP&L and GMO were in compliance with this covenant.

In connection with the entry into the master credit facility, each of Evergy (as successor to Great Plains Energy), Westar Energy, KCP&L and GMO terminated its existing credit facilities in September 2018.

The following table summarizes the committed credit facilities (excluding receivable sale facilities discussed in Note 4) available to the Evergy Companies as of December 31, 2018 and 2017.

	Amounts Drawn				Available Borrowings	Weighted Average Interest Rate on Short-Term Borrowings
	Credit Facility	Commercial Paper	Letters of Credit	Cash Borrowings		
December 31, 2018	(millions)					
Evergy, Inc.	\$ 450.0	n/a	\$ 1.0	\$ —	\$ 449.0	—%
Westar Energy	1,000.0	411.7	18.3	—	570.0	3.08%
KCP&L	600.0	176.9	2.7	—	420.4	2.95%
GMO	450.0	150.0	2.1	—	297.9	3.00%
Evergy	\$ 2,500.0	\$ 738.6	\$ 24.1	\$ —	\$ 1,737.3	
December 31, 2017						
Westar Energy ^(b)	\$ 979.3	\$ 275.7	\$ 11.8	\$ —	\$ 691.8	1.83%
KCP&L ^(a)	600.0	167.5	2.7	—	429.8	1.95%
Evergy	979.3	275.7	11.8	—	691.8	1.83%

^(a) KCP&L amounts are not included in consolidated Evergy as of December 31, 2017.

^(b) \$20.7 million of Westar Energy's \$730.0 million and \$270.0 million revolving credit facilities expired in September 2017.

12. LONG-TERM DEBT

The Evergy Companies' long-term debt is detailed in the following tables.

December 31, 2018	Issuing Entity	Year Due	Evergy	Westar Energy	KCP&L
(millions)					
Mortgage Bonds					
5.10% Series	Westar Energy, Inc.	2020	\$ 250.0	\$ 250.0	\$ —
3.25% Series	Westar Energy, Inc.	2025	250.0	250.0	—
2.55% Series	Westar Energy, Inc.	2026	350.0	350.0	—
3.10% Series	Westar Energy, Inc.	2027	300.0	300.0	—
4.125% Series	Westar Energy, Inc.	2042	550.0	550.0	—
4.10% Series	Westar Energy, Inc.	2043	430.0	430.0	—
4.625% Series	Westar Energy, Inc.	2043	250.0	250.0	—
4.25% Series	Westar Energy, Inc.	2045	300.0	300.0	—
6.70% Series	KGE	2019	300.0	300.0	—
6.15% Series	KGE	2023	50.0	50.0	—
6.53% Series	KGE	2037	175.0	175.0	—
6.64% Series	KGE	2038	100.0	100.0	—
4.30% Series	KGE	2044	250.0	250.0	—
2.95% EIRR bonds	KCP&L	2023	79.5	—	79.5
7.15% Series 2009A (8.59% rate) ^(a)	KCP&L	2019	400.0	—	400.0
9.44% Series	GMO	2019-2021	3.4	—	—
Pollution Control Bonds					
2.46% Series ^(b)	Westar Energy, Inc.	2032	45.0	45.0	—
2.46% Series ^(b)	Westar Energy, Inc.	2032	30.5	30.5	—
2.46% Series ^(b)	KGE	2027	21.9	21.9	—
2.50% Series	KGE	2031	50.0	50.0	—
2.46% Series ^(b)	KGE	2032	14.5	14.5	—
2.46% Series ^(b)	KGE	2032	10.0	10.0	—
1.865% Series 2007A and 2007B ^(b)	KCP&L	2035	146.5	—	146.5
2.75% Series 2008	KCP&L	2038	23.4	—	23.4
Senior Notes					
3.15% Series	KCP&L	2023	300.0	—	300.0
3.65% Series	KCP&L	2025	350.0	—	350.0
6.05% Series (5.78% rate) ^(a)	KCP&L	2035	250.0	—	250.0
5.30% Series	KCP&L	2041	400.0	—	400.0
4.20% Series	KCP&L	2047	300.0	—	300.0
4.20% Series	KCP&L	2048	300.0	—	300.0
8.27% Series	GMO	2021	80.9	—	—
3.49% Series A	GMO	2025	36.0	—	—
4.06% Series B	GMO	2033	60.0	—	—
4.74% Series C	GMO	2043	150.0	—	—
4.85% Series	Evergy, Inc. ^(g)	2021	350.0	—	—
5.292% Series	Evergy, Inc. ^(g)	2022	287.5	—	—
Medium Term Notes					
7.33% Series	GMO	2023	3.0	—	—
7.17% Series	GMO	2023	7.0	—	—
Fair value adjustment ^(f)			144.8	—	—
Current maturities ^(c)			(705.4)	(300.0)	(400.0)
Unamortized debt discount and debt issuance costs			(57.2)	(37.1)	(19.3)
Total excluding current maturities ^(d)			\$ 6,636.3	\$ 3,389.8	\$ 2,130.1

December 31, 2017	Issuing Entity	Year Due	Evergy	Westar Energy	KCP&L ^(e)
Mortgage Bonds					
(millions)					
5.10% Series	Westar Energy, Inc.	2020	\$ 250.0	\$ 250.0	\$ —
3.25% Series	Westar Energy, Inc.	2025	250.0	250.0	—
2.55% Series	Westar Energy, Inc.	2026	350.0	350.0	—
3.10% Series	Westar Energy, Inc.	2027	300.0	300.0	—
4.125% Series	Westar Energy, Inc.	2042	550.0	550.0	—
4.10% Series	Westar Energy, Inc.	2043	430.0	430.0	—
4.625% Series	Westar Energy, Inc.	2043	250.0	250.0	—
4.25% Series	Westar Energy, Inc.	2045	300.0	300.0	—
6.70% Series	KGE	2019	300.0	300.0	—
6.15% Series	KGE	2023	50.0	50.0	—
6.53% Series	KGE	2037	175.0	175.0	—
6.64% Series	KGE	2038	100.0	100.0	—
4.30% Series	KGE	2044	250.0	250.0	—
2.95% EIRR bonds	KCP&L	2023	—	—	79.5
7.15% Series 2009A (8.59% rate) ^(a)	KCP&L	2019	—	—	400.0
Pollution Control Bonds					
1.92% Series ^(b)	Westar Energy, Inc.	2032	45.0	45.0	—
1.94% Series ^(b)	Westar Energy, Inc.	2032	30.5	30.5	—
2.00% Series ^(b)	KGE	2027	21.9	21.9	—
2.50% Series	KGE	2031	50.0	50.0	—
2.00% Series ^(b)	KGE	2032	14.5	14.5	—
2.00% Series ^(b)	KGE	2032	10.0	10.0	—
1.329% Series 2007A and 2007B ^(b)	KCP&L	2035	—	—	146.5
2.875% Series 2008	KCP&L	2038	—	—	23.4
Senior Notes					
6.375% Series (7.49% rate) ^(a)	KCP&L	2018	—	—	350.0
3.15% Series	KCP&L	2023	—	—	300.0
3.65% Series	KCP&L	2025	—	—	350.0
6.05% Series (5.78% rate) ^(a)	KCP&L	2035	—	—	250.0
5.30% Series	KCP&L	2041	—	—	400.0
4.20% Series	KCP&L	2047	—	—	300.0
Current maturities			—	—	(350.0)
Unamortized debt discount and debt issuance costs			(39.3)	(39.3)	(17.2)
Total excluding current maturities ^(d)			\$ 3,687.6	\$ 3,687.6	\$ 2,232.2

^(a) Rate after amortizing gains/losses recognized in other comprehensive income (OCI) on settlements of interest rate hedging instruments.

^(b) Variable rate.

^(c) Evergy's current maturities total as of December 31, 2018, includes \$4.3 million of fair value adjustments recorded in connection with purchase accounting for the merger transaction.

^(d) At December 31, 2018 and 2017, does not include \$50.0 million and \$21.9 million of secured Series 2005 Environmental Improvement Revenue Refunding (EIRR) bonds because the bonds were repurchased in September 2015 and are held by KCP&L.

^(e) KCP&L amounts are not included in consolidated Evergy at December 31, 2017.

^(f) Represents the fair value adjustments recorded at Evergy consolidated related to the long-term debt of Great Plains Energy, KCP&L and GMO in connection with purchase accounting for the merger transaction. This amount is not part of future principal payments and will amortize over the remaining life of the associated debt instruments.

^(g) Originally issued by Great Plains Energy but assumed by Evergy, Inc. as part of the merger transaction.

The following table summarizes Evergy's and Westar Energy's long-term debt of VIEs.

	December 31	
	2018	2017
	(millions)	
2.398% due 2021	\$ 81.4	\$ 109.9
Current maturities	(30.3)	(28.5)
Total excluding current maturities	\$ 51.1	\$ 81.4

Mortgage Bonds

The Westar Energy and KGE mortgages each contain provisions restricting the amount of first mortgage bonds (FMBs) that could be issued by each entity. Westar Energy and KGE must be in compliance with such restrictions prior to the issuance of additional first mortgage bonds or other secured indebtedness. The amount of Westar Energy FMBs authorized by its Mortgage and Deed of Trust, dated July 1, 1939, as supplemented, is subject to certain limitations as described below. The amount of KGE FMBs authorized by the KGE Mortgage and Deed of Trust, dated April 1, 1940, as supplemented and amended, is limited to a maximum of \$3.5 billion, unless amended further. FMBs are secured by utility assets. Amounts of additional FMBs that may be issued are subject to property, earnings and certain restrictive provisions, except in connection with certain refundings, of each mortgage. As of December 31, 2018, approximately \$344.5 million principal amount of additional Westar Energy FMBs could be issued under the most restrictive provisions in Westar Energy's mortgage. As of December 31, 2018, KGE had sufficient capacity under the most restrictive provisions in the mortgage to meet its near term financing and refinancing needs.

KCP&L has issued mortgage bonds under the General Mortgage Indenture and Deed of Trust dated as of December 1, 1986, as supplemented, which creates a mortgage lien on substantially all of KCP&L's utility plant. Additional KCP&L mortgage bonds may be issued on the basis of property additions or retired bonds. As of December 31, 2018, KCP&L had sufficient capacity under the most restrictive provisions in the mortgage to meet its near term financing and refinancing needs.

GMO has issued mortgage bonds under the General Mortgage Indenture and Deed of Trust dated April 1, 1946, as supplemented, which creates a mortgage lien on a portion of GMO's utility plant.

Pollution Control Bonds

In July 2018, KCP&L remarketed its unsecured Series 2008 EIRR bonds maturing in 2038 totaling \$23.4 million at a fixed rate of 2.75% through June 30, 2022.

In December 2018, KCP&L remarketed its unsecured Series 2007A and 2007B EIRR bonds maturing in 2035 totaling \$146.5 million at a variable rate that will be determined weekly.

In December 2018, Westar Energy, Inc. remarketed its Series 1994 pollution control bonds maturing in 2032 totaling \$45.0 million and \$30.5 million, collateralized by Westar Energy FMBs, at variable rates that will be determined weekly.

In December 2018, KGE remarketed the following series of pollution control bonds, which are collateralized by KGE FMBs:

- Series 1994 maturing in 2032 totaling \$14.5 million and \$10.0 million at variable rates that will be determined weekly; and
- Series 1994B maturing in 2027 totaling \$21.9 million at a variable rate that will be determined weekly.

Senior Notes

Under the terms of the note purchase agreement for GMO's Series A, B and C Senior Notes, GMO is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the agreement, not greater than 0.65 to 1.00. In addition, GMO's priority debt, as defined in the agreement, cannot exceed 15% of consolidated tangible net worth, as defined in the agreement. At December 31, 2018, GMO was in compliance with these covenants.

In March 2018, KCP&L issued, at a discount, \$300.0 million of 4.20% unsecured Senior Notes, maturing in 2048. KCP&L also repaid its \$350.0 million of 6.375% unsecured Senior Notes at maturity in March 2018.

As a result of the consummation of the merger transaction, a change in control provision in GMO's Series A, B and C Senior Notes was triggered that allowed holders a one-time option to elect for early repayment of their notes at par value, plus accrued interest. Several holders of GMO's Series A and B Senior Notes elected this option and in July 2018, GMO redeemed \$89.0 million of its Series A Senior Notes and \$15.0 million of its Series B Senior Notes.

Scheduled Maturities

Evergy's, Westar Energy's and KCP&L's long-term debt maturities and the long-term debt maturities of VIEs for the next five years are detailed in the following table.

	2019	2020	2021	2022	2023
	(millions)				
Evergy ^(a)	\$ 701.1	\$ 251.1	\$ 432.0	\$ 287.5	\$ 439.5
Westar Energy ^(a)	300.0	250.0	—	—	50.0
KCP&L	400.0	—	—	—	379.5
VIEs	30.3	32.3	18.8	—	—

^(a)Excludes long-term debt maturities of VIEs.

13. FAIR VALUE MEASUREMENTS

Values of Financial Instruments

GAAP establishes a hierarchical framework for disclosing the transparency of the inputs utilized in measuring assets and liabilities at fair value. Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of assets and liabilities within the fair value hierarchy levels. In addition, the Evergy Companies measure certain investments that do not have a readily determinable fair value at NAV, which are not included in the fair value hierarchy. Further explanation of these levels and NAV is summarized below.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted prices, such as equities listed on public exchanges.

Level 2 – Pricing inputs are not quoted prices in active markets, but are either directly or indirectly observable. The types of assets and liabilities included in Level 2 are certain marketable debt securities, financial instruments traded in less than active markets or other financial instruments priced with models using highly observable inputs.

Level 3 – Significant inputs to pricing have little or no transparency. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation.

NAV - Investments that do not have a readily determinable fair value are measured at NAV. These investments do not consider the observability of inputs and, therefore, they are not included within the fair value hierarchy. The Evergy Companies include in this category investments in private equity, real estate and alternative investment funds that do not have a readily determinable fair value. The underlying alternative investments include collateralized debt obligations, mezzanine debt and a variety of other investments.

The Evergy Companies record cash and cash equivalents, accounts receivable and short-term borrowings on their consolidated balance sheets at cost, which approximates fair value due to the short-term nature of these instruments.

Interest Rate Derivatives

The Evergy Companies are exposed to market risks arising from changes in interest rates and may use derivative instruments to manage these risks. From time to time, this may include entering into interest rate swap agreements to protect against unfavorable interest rate changes relating to forecasted debt transactions. These interest rate swap agreements can be designated as cash flow hedges, in which case, gains and losses on the interest rate swaps are deferred in other comprehensive income to be recognized as an adjustment to interest expense over the same period that the hedged interest payments affect earnings.

In December 2018, Evergy entered into an interest rate swap agreement with a notional amount of \$500.0 million that has been designated as a cash flow hedge of a forecasted debt issuance in 2019. As of December 31, 2018, the interest rate swap had a fair value of \$5.4 million and was recorded within other current liabilities on Evergy's consolidated balance sheet. For 2018, Evergy recorded a corresponding \$5.4 million pre-tax loss in other comprehensive loss on Evergy's consolidated statements of comprehensive income.

Fair Value of Long-Term Debt

The Evergy Companies measure the fair value of long-term debt using Level 2 measurements available as of the measurement date. The book value and fair value of the Evergy Companies' long-term debt and long-term debt of variable interest entities is summarized in the following table.

	December 31					
	2018		2017			
	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
Long-term debt^(a)	(millions)					
Evergy ^(b)	\$ 7,341.7	\$ 7,412.1	\$ 3,687.6	\$ 4,010.6		
Westar Energy	3,689.8	3,771.3	3,687.6	4,010.6		
KCP&L ^(c)	2,530.1	2,637.5	2,582.2	2,799.1		
Long-term debt of variable interest entities^(a)						
Evergy	\$ 81.4	\$ 81.3	\$ 109.9	\$ 110.8		
Westar Energy	81.4	81.3	109.9	110.8		

^(a) Includes current maturities.

^(b) Book value as of December 31, 2018, includes \$144.8 million of fair value adjustments recorded in connection with purchase accounting for the Great Plains Energy and Westar Energy merger, which are not part of future principal payments and will amortize over the remaining life of the associated debt instrument. See Note 2 for more information regarding the merger transaction.

^(c) KCP&L amounts are not included in consolidated Evergy as of December 31, 2017.

Recurring Fair Value Measurements

The following tables include the Evergy Companies' balances of financial assets and liabilities measured at fair value on a recurring basis.

Description	December 31, 2018	Level 1	Level 2	Level 3	NAV
Westar Energy					
(millions)					
Assets					
Nuclear decommissioning trust ^(a)					
Domestic equity funds	\$ 70.6	\$ 63.9	\$ —	\$ —	\$ 6.7
International equity funds	36.2	36.2	—	—	—
Core bond fund	37.5	37.5	—	—	—
High-yield bond fund	18.9	18.9	—	—	—
Emerging markets bond fund	15.4	15.4	—	—	—
Combination debt/equity/other fund	12.9	12.9	—	—	—
Alternative investments fund	24.1	—	—	—	24.1
Real estate securities fund	11.8	—	—	—	11.8
Cash equivalents	0.1	0.1	—	—	—
Total nuclear decommissioning trust	227.5	184.9	—	—	42.6
Rabbi trust					
Core bond fund	24.8	—	—	—	24.8
Combination debt/equity/other fund	5.6	—	—	—	5.6
Cash equivalents	0.2	0.2	—	—	—
Total rabbi trust	30.6	0.2	—	—	30.4
Total	\$ 258.1	\$ 185.1	\$ —	\$ —	\$ 73.0
KCP&L					
Assets					
Nuclear decommissioning trust ^(a)					
Equity securities	\$ 166.6	\$ 166.6	\$ —	\$ —	\$ —
Debt securities					
U.S. Treasury	42.1	42.1	—	—	—
U.S. Agency	0.4	—	0.4	—	—
State and local obligations	2.1	—	2.1	—	—
Corporate bonds	30.9	—	30.9	—	—
Foreign governments	0.1	—	0.1	—	—
Cash equivalents	1.7	1.7	—	—	—
Other	0.7	0.7	—	—	—
Total nuclear decommissioning trust	244.6	211.1	33.5	—	—
Self-insured health plan trust ^(b)					
Equity securities	0.5	0.5	—	—	—
Debt securities	3.9	0.3	3.6	—	—
Cash and cash equivalents	8.0	8.0	—	—	—
Total self-insured health plan trust	12.4	8.8	3.6	—	—
Total	\$ 257.0	\$ 219.9	\$ 37.1	\$ —	\$ —
Other Evergy					
Assets					
Rabbi trusts					
Fixed income fund	\$ 13.2	\$ —	\$ —	\$ —	\$ 13.2
Total rabbi trusts	\$ 13.2	\$ —	\$ —	\$ —	\$ 13.2
Liabilities					
Interest rate swaps ^(c)	\$ 5.4	\$ —	\$ 5.4	\$ —	\$ —
Total	\$ 5.4	\$ —	\$ 5.4	\$ —	\$ —
Evergy					
Assets					
Nuclear decommissioning trust ^(a)	\$ 472.1	\$ 396.0	\$ 33.5	\$ —	\$ 42.6
Rabbi trusts	43.8	0.2	—	—	43.6
Self-insured health plan trust ^(b)	12.4	8.8	3.6	—	—
Total	\$ 528.3	\$ 405.0	\$ 37.1	\$ —	\$ 86.2
Liabilities					
Interest rate swaps ^(c)	\$ 5.4	\$ —	\$ 5.4	\$ —	\$ —
Total	\$ 5.4	\$ —	\$ 5.4	\$ —	\$ —

Description	December 31, 2017	Level 1	Level 2	Level 3	NAV
Westar Energy					
(millions)					
Assets					
Nuclear decommissioning trust ^{(a)(c)}					
Domestic equity funds	\$ 73.8	\$ —	\$ 68.7	\$ —	\$ 5.1
International equity funds	47.9	—	47.9	—	—
Core bond fund	33.3	—	33.3	—	—
High-yield bond fund	18.1	—	18.1	—	—
Emerging markets bond fund	17.3	—	17.3	—	—
Combination debt/equity/other fund	14.1	—	14.1	—	—
Alternative investments fund	21.7	—	—	—	21.7
Real estate securities fund	10.8	—	—	—	10.8
Cash equivalents	0.1	0.1	—	—	—
Total nuclear decommissioning trust	237.1	0.1	199.4	—	37.6
Rabbi trust ^(c)					
Core bond fund	27.3	—	27.3	—	—
Combination debt/equity/other fund	6.8	—	6.8	—	—
Cash equivalents	0.2	0.2	—	—	—
Total rabbi trust	34.3	0.2	34.1	—	—
Total	\$ 271.4	\$ 0.3	\$ 233.5	\$ —	\$ 37.6
KCP&L^(d)					
Assets					
Nuclear decommissioning trust ^(a)					
Equity securities	\$ 183.8	\$ 183.8	\$ —	\$ —	\$ —
Debt securities					
U.S. Treasury	35.3	35.3	—	—	—
U.S. Agency	0.4	—	0.4	—	—
State and local obligations	2.1	—	2.1	—	—
Corporate bonds	34.1	—	34.1	—	—
Foreign governments	0.1	—	0.1	—	—
Cash equivalents	2.5	2.5	—	—	—
Other	0.1	0.1	—	—	—
Total nuclear decommissioning trust	258.4	221.7	36.7	—	—
Self-insured health plan trust ^(b)					
Equity securities	0.5	0.5	—	—	—
Debt securities	2.7	0.3	2.4	—	—
Cash and cash equivalents	7.7	7.7	—	—	—
Total self-insured health plan trust	10.9	8.5	2.4	—	—
Total	\$ 269.3	\$ 230.2	\$ 39.1	\$ —	\$ —
Evergy					
Assets					
Nuclear decommissioning trust ^{(a)(c)}	\$ 237.1	\$ 0.1	\$ 199.4	\$ —	\$ 37.6
Rabbi trust ^(c)	34.3	0.2	34.1	—	—
Total	\$ 271.4	\$ 0.3	\$ 233.5	\$ —	\$ 37.6

^(a) Fair value is based on quoted market prices of the investments held by the trust and/or valuation models.

^(b) Fair value is based on quoted market prices of the investments held by the trust. Debt securities classified as Level 1 are comprised of U.S. Treasury securities. Debt securities classified as Level 2 are comprised of corporate bonds, U.S. Agency, state and local obligations, and other asset-backed securities.

^(c) In the second quarter of 2018, Evergy and Westar Energy re-evaluated the classification, within the fair value hierarchy, of their various fund investments within both Westar Energy's nuclear decommissioning trust and rabbi trusts. As a result, Evergy and Westar Energy determined that certain fund investments within the nuclear decommissioning trust in the amount of \$199.4 million as of December 31, 2017, should have been classified as Level 1, instead of Level 2. This determination is based on the fact that the fair value of these funds is based on daily published prices at which Evergy and Westar Energy are able to redeem their investments without restriction on a daily basis. Evergy and Westar Energy also determined that certain fund investments within their rabbi trusts in the amount of \$34.1 million as of December 31, 2017, should have been measured using the NAV per share (or its equivalent) practical expedient, instead of as a Level 2 investment. This determination is based on the fact that these funds do not meet the definition of readily determinable fair value due to the absence of a published NAV. Evergy and Westar Energy have determined that these errors are immaterial to their current and previously filed financial reports and accordingly, have not revised prior periods but have reflected the changes in fair value hierarchy classification as of December 31, 2018.

^(d) KCP&L amounts are not included in consolidated Evergy as of December 31, 2017.

^(e) The fair value of interest rate swaps are determined by calculating the net present value of expected payments and receipts under the interest rate swaps using observable market inputs including interest rates and LIBOR swap rates.

Certain Evergy and Westar Energy investments included in the table above are measured at NAV as they do not have readily determinable fair values. In certain situations, these investments may have redemption restrictions.

The following table provides additional information on these Evergy and Westar Energy investments.

	December 31, 2018		December 31, 2017		December 31, 2018	
	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments	Redemption Frequency	Length of Settlement
Westar Energy	(millions)					
Nuclear decommissioning trust:						
Domestic equity funds	\$ 6.7	\$ 4.3	\$ 5.1	\$ 2.8	(a)	(a)
Alternative investments fund ^(b)	24.1	—	21.7	—	Quarterly	65 days
Real estate securities fund ^(b)	11.8	—	10.8	—	Quarterly	65 days
Total	\$ 42.6	\$ 4.3	\$ 37.6	\$ 2.8		
Rabbi trust:						
Core bond fund	\$ 24.8	\$ —	\$ —	\$ —	(c)	(c)
Combination debt/equity/other fund	5.6	—	—	—	(c)	(c)
Total	\$ 30.4	\$ —	\$ —	\$ —		
Other Evergy						
Rabbi trusts:						
Fixed income fund ^(d)	\$ 13.2	\$ —	\$ —	\$ —	(c)	(c)
Total Evergy investments at NAV	\$ 86.2	\$ 4.3	\$ 37.6	\$ 2.8		

^(a) This investment is in five long-term private equity funds that do not permit early withdrawal. Investments in these funds cannot be distributed until the underlying investments have been liquidated, which may take years from the date of initial liquidation. Three funds have begun to make distributions. The initial investment in the fourth and fifth fund occurred in the second quarter of 2016 and first quarter of 2018, respectively. The fourth fund's term is 15 years, subject to the general partner's right to extend the term for up to three additional one-year periods. The fifth fund's term will be 15 years after the initial closing date, subject to additional extensions approved by the Advisory Committee to provide for an orderly liquidation of fund investments and dissolution of the fund.

^(b) There is a holdback on final redemptions.

^(c) This investment can be redeemed immediately and is not subject to any restrictions on redemptions.

^(d) This investment is recorded at GMO. GMO amounts are not included in consolidated Evergy as of December 31, 2017.

The Evergy Companies hold equity and debt investments classified as securities in various trusts including for the purposes of funding the decommissioning of Wolf Creek and for the benefit of certain retired executive officers of Westar Energy. The Evergy Companies record net realized and unrealized gains and losses on the nuclear decommissioning trusts in regulatory liabilities on their consolidated balance sheets and record net realized and unrealized gains and losses on Westar Energy's rabbi trust in the consolidated statements of income and comprehensive income.

The following table summarizes the net unrealized gains (losses) for the Evergy Companies' nuclear decommissioning trusts and rabbi trusts.

	2018		2017		2016
Westar Energy			(millions)		
Nuclear decommissioning trust - equity securities	\$ (31.8)	\$	15.7	\$	9.0
Rabbi trust	1.0		(14.3)		1.4
Total	\$ (30.8)	\$	1.4	\$	10.4
KCP&L^(a)					
Nuclear decommissioning trust - equity securities	\$ (20.7)	\$	26.7	\$	14.8
Nuclear decommissioning trust - debt securities	(2.5)		0.5		(0.3)
Total	\$ (23.2)	\$	27.2	\$	14.5
Evergy					
Nuclear decommissioning trust - equity securities	\$ (54.1)	\$	15.7	\$	9.0
Nuclear decommissioning trust - debt securities	(0.5)		—		—
Rabbi trusts	1.0		(14.3)		1.4
Total	\$ (53.6)	\$	1.4	\$	10.4

^(a) KCP&L amounts are only included in consolidated Evergy from the date of the merger, June 4, 2018 through December 31, 2018.

14. COMMITMENTS AND CONTINGENCIES

Environmental Matters

Set forth below are descriptions of contingencies related to environmental matters that may impact the Evergy Companies' operations or their financial results. Management's assessment of these contingencies, which are based on federal and state statutes and regulations, and regulatory agency and judicial interpretations and actions, has evolved over time. There are a variety of final and proposed laws and regulations that could have a material adverse effect on the Evergy Companies operations and consolidated financial results. Due in part to the complex nature of environmental laws and regulations, the Evergy Companies are unable to assess the impact of potential changes that may develop with respect to the environmental contingencies described below.

Cross-State Air Pollution Update Rule

In September 2016, the Environmental Protection Agency (EPA) finalized the Cross-State Air Pollution Update Rule (CSAPR). The final rule addresses interstate transport of nitrogen oxides emissions in 22 states including Kansas, Missouri and Oklahoma during the ozone season and the impact from the formation of ozone on downwind states with respect to the 2008 ozone National Ambient Air Quality Standards (NAAQS). Starting with the 2017 ozone season, the final rule revised the existing ozone season allowance budgets for Missouri and Oklahoma and established an ozone season budget for Kansas. In December 2018, the EPA finalized the CSAPR Close-Out Rule, which determined that the existing CSAPR Update Rule fully addresses applicable states' interstate pollution transport obligations for the 2008 ozone NAAQS. Therefore, the EPA is proposing no additional reduction in the current ozone season allowance budgets in order to address obligations for the 2008 ozone NAAQS. Various states and others are challenging the rule in the U.S. Court of Appeals for the D.C. Circuit (D.C. Circuit), but the rule remains in effect. It is not expected that this rule will have a material impact on the Evergy Companies' operations and consolidated financial results.

National Ambient Air Quality Standards

Under the Clean Air Act Amendments of 1990 (CAA), the EPA set NAAQS for certain emissions known as the "criteria pollutants" considered harmful to public health and the environment, including two classes of particulate matter (PM), ozone, nitrogen dioxide (NO₂) (a precursor to ozone), carbon monoxide and sulfur dioxide (SO₂), which result from fossil fuel combustion. Areas meeting the NAAQS are designated attainment areas while those that do not meet the NAAQS are considered nonattainment areas. Each state must develop a plan to bring nonattainment areas into compliance with the NAAQS. NAAQS must be reviewed by the EPA at five-year intervals.

In October 2015, the EPA strengthened the ozone NAAQS by lowering the standards from 75 ppb to 70 ppb. In November 2017, the EPA designated all counties in the State of Kansas as well as the Missouri counties in KCP&L's and GMO's service territories as attainment/unclassifiable. It is not expected that this will have a material impact on the Evergy Companies' consolidated financial results.

If areas surrounding the Evergy Companies' facilities are designated in the future as nonattainment and/or it is required to install additional equipment to control emissions at facilities of the Evergy Companies, it could have a material impact on the operations and consolidated financial results of the Evergy Companies.

Greenhouse Gases

Burning coal and other fossil fuels releases carbon dioxide (CO₂) and other gases referred to as greenhouse gases (GHG). Various regulations under the federal CAA limit CO₂ and other GHG emissions, and in addition, other measures are being imposed or offered by individual states, municipalities and regional agreements with the goal of reducing GHG emissions.

In October 2015, the EPA published a rule establishing new source performance standards (NSPS) for GHGs that limit CO₂ emissions for new, modified and reconstructed coal and natural gas fueled electric generating units to various levels per MWh depending on various characteristics of the units. Legal challenges to the GHG NSPS have been filed in the D.C. Circuit by various states and industry members. Also in October 2015, the EPA published a rule establishing guidelines for states to regulate CO₂ emissions from existing power plants. The standards for existing plants are known as the Clean Power Plan (CPP). Under the CPP, interim emissions performance rates must be achieved beginning in 2022 and final emissions performance rates must be achieved by 2030. Legal challenges to the CPP were filed by groups of states and industry members, including Westar Energy, in the D.C. Circuit. The CPP was stayed by the Supreme Court in February 2016 and, accordingly, is not currently being implemented by the states.

In April 2017, the EPA published in the Federal Register a notice of withdrawal of the proposed CPP federal plan, proposed model trading rules and proposed Clean Energy Incentive Program design details. Also in April 2017, the EPA published a notice in the Federal Register that it was initiating administrative reviews of the CPP and the GHG NSPS.

In October 2017, the EPA issued a proposed rule to repeal the CPP. The proposed rule indicates the CPP exceeds the EPA's authority and the EPA has not determined whether they will issue a replacement rule. The EPA solicited comments on the legal interpretations contained in this rulemaking.

In December 2017, the EPA issued an advance notice of proposed rulemaking to solicit feedback on specific areas of the CPP that could be changed.

In August 2018, the EPA published in the Federal Register proposed regulations, which contained (1) emission guidelines for GHG emissions from existing electric utility generating units (EGUs), (2) revisions to emission guideline implementing regulations and (3) revisions to the new source review (NSR) program. The proposed emission guidelines are better known as the Affordable Clean Energy (ACE) Rule. The ACE Rule would establish emission guidelines for states to use in the development of plans to reduce GHG emissions from existing coal-fired EGUs. The ACE Rule is also the replacement rule for the CPP. The ACE rule proposes to determine the "best system of emission reduction" (BSER) for GHG emissions from existing coal-fired EGUs as on-site, heat-rate

efficiency improvements. The proposed rule also provides states with a list of candidate technologies that can be used to establish standards of performance and incorporate these performance standards into state plans. In order for the states to be able to effectively implement the proposed emission guidelines contained in the ACE Rule, the EPA is proposing new regulations under 111(d) of the CAA to help clarify this process. In addition, the EPA is proposing revisions to the NSR program that will reduce the likelihood of triggering NSR for proposed heat-rate efficiency improvement projects at existing coal-fired EGUs. The public comment period for these proposed regulatory changes closed on October 31, 2018.

In December 2018, the EPA released a proposed rule to revise the existing GHG NSPS for new, modified and reconstructed fossil fuel-fired EGUs, which was issued in October 2015. This proposed rule would determine that BSER for new EGUs is "the most efficient demonstrated steam cycle (e.g. supercritical steam conditions for large units and subcritical steam conditions for small units) in combination with the best operating practices." This replaces the current determination that BSER for these units is the use of partial carbon capture and sequestration technology. The EPA is also proposing to address, in potential future rule making, existing operational limitations imposed by the rule on aero-derivative simple cycle combustion turbines.

Due to the future uncertainty of the CPP and ACE rules, the Evergy Companies cannot determine the impact on their operations or consolidated financial results, but the cost to comply with the CPP, should it be upheld and implemented in its current or a substantially similar form, or ACE in its current or a substantially similar form, could be material.

Water

The Evergy Companies discharge some of the water used in generation and other operations. This water may contain substances deemed to be pollutants. A November 2015 EPA rule establishes effluent limitations guidelines (ELG) and standards for wastewater discharges, including limits on the amount of toxic metals and other pollutants that can be discharged. Implementation timelines for these requirements vary from 2018 to 2023. In April 2017, the EPA announced it is reconsidering the ELG rule and court challenges have been placed in abeyance pending the EPA's review. In September 2017, the EPA finalized a rule to postpone the compliance dates for the new, more stringent, effluent limitations and pretreatment standards for bottom ash transport water and flue gas desulfurization wastewater. These compliance dates have been postponed for two years while the EPA completes its administrative reconsideration of the ELG rule. The Evergy Companies are evaluating the final rule and related developments and cannot predict the resulting impact on their operations or consolidated financial results, but believe costs to comply could be material if the rule is implemented in its current or substantially similar form.

In October 2014, the EPA's final standards for cooling intake structures at power plants to protect aquatic life took effect. The standards, based on Section 316(b) of the federal Clean Water Act (CWA), require subject facilities to choose among seven best available technology options to reduce fish impingement. In addition, some facilities must conduct studies to assist permitting authorities to determine whether and what site-specific controls, if any, would be required to reduce entrainment of aquatic organisms. The Evergy Companies' current analysis indicates this rule will not have a significant impact on their coal plants that employ cooling towers or cooling lakes that can be classified as closed cycle cooling and do not expect the impact from this rule to be material. Plants without closed cycle cooling are under evaluation for compliance with these standards and may require additional controls that could be material.

KCP&L holds a permit from MDNR covering water discharge from its Hawthorn Station. The permit authorizes KCP&L to, among other things, withdraw water from the Missouri River for cooling purposes and return the heated water to the Missouri River. KCP&L has applied for a renewal of this permit and the EPA has submitted an interim objection letter regarding the allowable amount of heat that can be contained in the returned water. Until this matter is resolved, KCP&L continues to operate under its current permit. Evergy and KCP&L cannot predict the outcome of this matter; however, while less significant outcomes are possible, this matter may require a reduction in generation, installation of cooling towers or other technology to cool the water, or both, any of which could have a material impact on Evergy's and KCP&L's operations and consolidated financial results.

In June 2015, the EPA along with the U.S. Army Corps of Engineers issued a final rule, effective August 2015, defining the Waters of the United States (WOTUS) for purposes of the CWA. This rulemaking has the potential to impact all programs under the CWA. Expansion of regulated waterways is possible under the rule depending on regulating authority interpretation, which could impact several permitting programs. Various states and others have filed lawsuits challenging the WOTUS rule. In February 2018, the EPA and the U.S. Army Corps of Engineers finalized a rule adding an applicability date to the 2015 rule, which makes the implementation date of the rule February 2020. In December 2018, the EPA and the U.S. Army Corps of Engineers published in the Federal Register a proposed rule titled "Revised Definition of Waters of the United States." This proposed rule narrows the extent of the CWA jurisdiction as compared to the 2015 rule. The Evergy Companies are currently evaluating the WOTUS rule and related developments, but do not believe the rule, if upheld and implemented in its current or substantially similar form, will have a material impact on the Evergy Companies' operations or consolidated financial results.

Regulation of Coal Combustion Residuals

In the course of operating their coal generation plants, the Evergy Companies produce CCRs, including fly ash, gypsum and bottom ash. Some of this ash production is recycled, principally by selling to the aggregate industry. The EPA published a rule to regulate CCRs in April 2015, which will require additional CCR handling, processing and storage equipment and closure of certain ash disposal units. The Water Infrastructure Improvements for the Nation (WIIN) Act allows states to achieve delegated authority for CCR rules from the EPA. This has the potential to impact compliance options. In July 2018, KDHE submitted a CCR permit program application to the EPA under authority of the WIIN Act. In November 2018, KDHE received notice from the EPA that its application is deficient and requested additional clarifying information. KDHE has decided it is not going to move forward with additional submittals at this time and will wait until current legal action associated with the CCR rule is final along with planned upcoming modifications to the CCR rule. The Missouri Department of Natural Resources (MDNR) is working on a rule revision, which will allow the state to apply for authority over the federal CCR regulation. The regulation is expected to be promulgated by early 2019. MDNR will then determine when to submit a WIIN Act application to the EPA. Similar to the process in Kansas, this would allow Missouri state regulators to gain control of the CCR program. It will take up to one year from submittal of the Missouri application for the EPA to take final action and grant authority to the state, if such authority is granted.

On July 30, 2018, the EPA published in the Federal Register a final rule called the Phase I, Part I CCR Remand Rule in order to modify portions of the 2015 rulemaking. The Phase I, Part I rule provides a timeline extension for unlined impoundments and landfills that must close due to groundwater impacts or location restrictions. The rule also sets risk-based limits for certain groundwater constituents where a maximum contaminant level did not previously exist. These rule modifications add flexibility when assessing compliance.

On August 21, 2018, the D.C. Circuit court issued a ruling in the CCR rule litigation between the Utility Solid Waste Activities Group, the EPA and environmental organizations. Portions of the rule were vacated and were remanded back to the EPA for potential modification. Potential revisions to remanded sections could force all unlined surface impoundments to close regardless of groundwater conditions. Any changes to the rule based on this court decision will require additional rulemaking from the EPA. In October 2018, a coalition of environmental groups (including Sierra Club) filed a petition for review in the D.C. Circuit challenging the Phase I, Part I revisions to the CCR Rule. In November 2018, this coalition requested the EPA to stay the October 31, 2020 deadline extension for initiating closure for unlined impoundments and landfills that must close due to groundwater impacts or location restrictions. The EPA has rejected this request and the coalition has filed a petition with the court for a similar stay. If granted, the compliance date will revert to the previously established date in April of 2019. In response, the EPA has filed a motion with the D.C. Circuit to voluntarily remand without vacatur the Part I, Phase I rule. If the October 31, 2020 deadline is modified by either of these actions, then some CCR units in the Evergy Companies' fleet could have to initiate closure on an earlier timeline than what currently exists, but the Evergy Companies do not believe the earlier closure timeline would have a material impact on their operations or consolidated financial results.

The Evergy Companies have recorded AROs for their current estimates for the closure of ash disposal ponds, but the revision of these AROs may be required in the future due to changes in existing CCR regulations, the results of

groundwater monitoring of CCR units or changes in interpretation of existing CCR regulations or changes in the timing or cost to close ash disposal ponds. If revisions to these AROs are necessary, the impact on the Evergy Companies' operations or consolidated financial results could be material.

Storage of Spent Nuclear Fuel

Under the Nuclear Waste Policy Act of 1982, the Department of Energy (DOE) is responsible for the permanent disposal of spent nuclear fuel. In 2010, the DOE filed a motion with the Nuclear Regulatory Commission (NRC) to withdraw its then pending application to construct a national repository for the disposal of spent nuclear fuel and high-level radioactive waste at Yucca Mountain, Nevada. The NRC has not yet issued a final decision on the matter.

Wolf Creek has elected to build a dry cask storage facility to expand its existing on-site spent nuclear fuel storage, which is expected to provide additional capacity prior to 2022. Wolf Creek has finalized a settlement agreement through 2019 with the DOE for reimbursement of costs to construct this facility that would not have otherwise been incurred had the DOE begun accepting spent nuclear fuel. The Evergy Companies expect the majority of the remaining cost to construct the dry cask storage facility that would not have otherwise been incurred will be reimbursed by the DOE. The Evergy Companies cannot predict when, or if, an off-site storage site or alternative disposal site will be available to receive Wolf Creek's spent nuclear fuel and will continue to monitor this activity.

Nuclear Insurance

Nuclear liability, property and accidental outage insurance is maintained for Wolf Creek. These policies contain certain industry standard terms, conditions and exclusions, including, but not limited to, ordinary wear and tear and war. An industry aggregate limit of \$3.2 billion for nuclear events (\$1.8 billion of non-nuclear events) plus any reinsurance, indemnity or any other source recoverable by Nuclear Electric Insurance Limited (NEIL), provider of property and accidental outage insurance, exists for acts of terrorism affecting Wolf Creek or any other NEIL insured plant within 12 months from the date of the first act. In addition, participation is required in industry-wide retrospect assessment programs as discussed below.

Nuclear Liability Insurance

Pursuant to the Price-Anderson Act, liability insurance includes coverage against public nuclear liability claims resulting from nuclear incidents to the required limit of public liability, which is approximately \$14.1 billion. This limit of liability consists of the maximum available commercial insurance of \$0.5 billion and the remaining \$13.6 billion is provided through mandatory participation in an industry-wide retrospective assessment program. Under this retrospective assessment program, the owners of Wolf Creek are jointly and severally subject to an assessment of up to \$137.6 million (Evergy's share is \$129.2 million and each of Westar Energy's and KCP&L's is \$64.6 million), payable at no more than \$20.5 million (Evergy's share is \$19.2 million and each of Westar Energy's and KCP&L's is \$9.6 million) per incident per year per reactor for any commercial U.S. nuclear reactor qualifying incident. Both the total and yearly assessment is subject to an inflationary adjustment based on the Consumer Price Index and applicable premium taxes. In addition, the U.S. Congress could impose additional revenue-raising measures to pay claims.

Nuclear Property and Accidental Outage Insurance

The owners of Wolf Creek carry decontamination liability, nuclear property damage and premature nuclear decommissioning liability insurance for Wolf Creek totaling approximately \$2.8 billion. Insurance coverage for non-nuclear property damage accidents total approximately \$2.3 billion. In the event of an extraordinary nuclear accident, insurance proceeds must first be used for reactor stabilization and site decontamination in accordance with a plan mandated by the NRC. The Evergy Companies' share of any remaining proceeds can be used to pay for property damage or, if certain requirements are met, including decommissioning the plant, toward a shortfall in the nuclear decommissioning trust fund. The owners also carry additional insurance with NEIL to help cover costs of replacement power and other extra expenses incurred during a prolonged outage resulting from accidental property damage at Wolf Creek. If significant losses were incurred at any of the nuclear plants insured under the NEIL policies, the owners of Wolf Creek may be subject to retrospective assessments under the current policies of approximately \$37.4 million (Evergy's share is \$35.2 million and each of Westar Energy's and KCP&L's is \$17.6 million).

Nuclear Insurance Considerations

Although the Evergy Companies maintain various insurance policies to provide coverage for potential losses and liabilities resulting from an accident or an extended outage, the insurance coverage may not be adequate to cover the costs that could result from a catastrophic accident or extended outage at Wolf Creek. Any substantial losses not covered by insurance, to the extent not recoverable in prices, would have a material effect on the Evergy Companies' consolidated financial results.

Contractual Commitments - Leases

The Evergy Companies lease office buildings, computer equipment, vehicles, rail cars and other property and equipment, including rail cars to serve jointly-owned generating units where Westar Energy or KCP&L is the managing partner and are reimbursed by other joint-owners for their proportionate share of the cost. In determining lease expense, the effects of scheduled rent increases on a straight-line basis over the minimum lease term are recognized. Rental expense and estimated future commitments under operating leases are detailed in the following table.

	Total Operating Leases		
	Evergy	Westar Energy	KCP&L ^(a)
Rental expense:	(millions)		
2016	\$ 13.6	\$ 13.6	\$ 13.7
2017	15.7	15.7	13.1
2018	24.5	17.7	11.4
Future commitments:			
2019	\$ 24.2	\$ 14.0	\$ 10.2
2020	20.7	10.1	10.6
2021	18.4	8.1	10.3
2022	15.2	5.2	10.0
2023	12.4	2.8	9.6
After 2023	95.0	3.1	91.8
Total	\$ 185.9	\$ 43.3	\$ 142.5

^(a) KCP&L amounts are only included in consolidated Evergy following the date of the closing of the merger, June 4, 2018.

The Evergy Companies identify capital leases based on defined criteria. For both vehicles and computer equipment, new leases are signed each month based on the terms of master lease agreements. Assets recorded under capital leases are detailed in the following table.

	December 31					
	2018			2017		
	Evergy	Westar Energy	KCP&L	Evergy	Westar Energy	KCP&L ^(a)
	(millions)					
Vehicles	\$ 20.2	\$ 20.2	\$ —	\$ 19.7	\$ 19.7	\$ —
Computer equipment	0.2	0.2	—	0.9	0.9	—
Generation plant	296.7	40.1	—	40.1	40.1	—
Other	5.2	—	2.6	—	—	2.6
Accumulated amortization	(160.0)	(20.3)	(1.1)	(17.1)	(17.1)	(1.1)
Total capital leases	\$ 162.3	\$ 40.2	\$ 1.5	\$ 43.6	\$ 43.6	\$ 1.5

^(a) KCP&L amounts are not included in consolidated Evergy as of December 31, 2017.

Capital leases are treated as operating leases for rate making purposes. Minimum annual rental payments, excluding administrative costs such as property taxes, insurance and maintenance, under capital leases are detailed in the following table.

	Total Capital Leases		
	Evergy	Westar Energy	KCP&L
	(millions)		
2019	\$ 6.4	\$ 6.0	\$ 0.2
2020	5.8	5.4	0.2
2021	5.3	4.9	0.2
2022	4.7	4.3	0.2
2023	4.0	3.6	0.2
After 2023	48.6	46.4	1.1
Total capital lease payments	74.8	70.6	2.1
Amounts representing imputed interest	(25.8)	(24.6)	(0.6)
Present value of net minimum lease payments under capital leases	49.0	46.0	1.5
Less: current portion	(3.9)	(3.7)	(0.1)
Total long-term obligations under capital leases	\$ 45.1	\$ 42.3	\$ 1.4

Contractual Commitments - Fuel, Power and Other

The Evergy Companies' contractual commitments at December 31, 2018, excluding pensions, long-term debt and leases, are detailed in the following tables.

Evergy

	2019	2020	2021	2022	2023	After 2023	Total
Purchase commitments	(millions)						
Fuel	\$ 423.6	\$ 364.4	\$ 95.3	\$ 82.9	\$ 87.5	\$ 116.2	\$ 1,169.9
Power	47.3	47.3	47.4	47.6	47.8	366.8	604.2
Other	137.8	18.8	13.4	6.8	2.1	34.4	213.3
Total contractual commitments	\$ 608.7	\$ 430.5	\$ 156.1	\$ 137.3	\$ 137.4	\$ 517.4	\$ 1,987.4

Westar Energy

	2019	2020	2021	2022	2023	After 2023	Total
Purchase commitments	(millions)						
Fuel	\$ 240.9	\$ 218.1	\$ 25.9	\$ 45.7	\$ 46.9	\$ 74.1	\$ 651.6
Other	87.4	8.9	5.5	2.2	—	—	104.0
Total contractual commitments	\$ 328.3	\$ 227.0	\$ 31.4	\$ 47.9	\$ 46.9	\$ 74.1	\$ 755.6

KCP&L

	2019	2020	2021	2022	2023	After 2023	Total
Purchase commitments	(millions)						
Fuel	\$ 162.6	\$ 126.9	\$ 69.4	\$ 37.2	\$ 40.6	\$ 42.1	\$ 478.8
Power	34.8	34.8	34.9	35.1	35.3	254.5	429.4
Other	34.7	9.0	7.0	3.8	1.6	29.7	85.8
Total contractual commitments	\$ 232.1	\$ 170.7	\$ 111.3	\$ 76.1	\$ 77.5	\$ 326.3	\$ 994.0

Fuel commitments consist of commitments for nuclear fuel, coal and coal transportation. Power commitments consist of certain commitments for renewable energy under power purchase agreements. Other represents individual commitments entered into in the ordinary course of business.

15. GUARANTEES

In the ordinary course of business, Evergy and certain of its subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries. Such agreements include, for example, guarantees and letters of credit. These agreements are entered into primarily to support or enhance the creditworthiness otherwise attributed to a subsidiary on a stand-alone basis, thereby facilitating the extension of sufficient credit to accomplish the subsidiary's intended business purposes. In connection with the closing of the merger, Evergy assumed the guarantees previously provided to GMO by Great Plains Energy. The majority of these agreements guarantee Evergy's own future performance, so a liability for the fair value of the obligation is not recorded.

At December 31, 2018, Evergy has provided \$111.3 million of credit support for GMO as follows:

- Evergy direct guarantees to GMO counterparties totaling \$17.0 million, which expire in 2020, and
- Evergy's guarantee of GMO long-term debt totaling \$94.3 million, which includes debt with maturity dates ranging from 2019 to 2023.

Evergy has also guaranteed GMO's commercial paper program. At December 31, 2018, GMO had \$150.0 million of commercial paper outstanding. None of the guaranteed obligations are subject to default or prepayment if GMO's credit ratings were downgraded.

16. RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

In the normal course of business, Westar Energy, KCP&L and GMO engage in related party transactions with one another. A summary of these transactions and the amounts associated with them is provided below. All related party transaction amounts between Westar Energy and either KCP&L or GMO only reflect activity between June 4, 2018, the date of the merger, and December 31, 2018.

Jointly-Owned Plants and Shared Services

KCP&L employees manage GMO's business and operate its facilities at cost, including GMO's 18% ownership interest in KCP&L's Iatan Nos. 1 and 2. The operating expenses and capital costs billed from KCP&L to GMO were \$183.2 million for 2018, \$196.3 million for 2017 and \$194.4 million for 2016.

Westar Energy employees manage Jeffrey Energy Center and operate its facilities at cost, including GMO's 8% ownership interest in Jeffrey Energy Center. The operating expenses and capital costs billed from Westar Energy to GMO for Jeffrey Energy Center and other various business activities were \$12.3 million for 2018.

KCP&L employees manage La Cygne Station and operate its facilities at cost, including Westar Energy's 50% ownership interest in La Cygne Station. KCP&L and Westar Energy employees also provide one another with shared service support, including costs related to human resources, information technology, accounting and legal services. The operating expenses and capital costs billed from KCP&L to Westar Energy were \$82.9 million for 2018. The operating and capital costs billed from Westar Energy to KCP&L were \$17.5 million for 2018.

Money Pool

KCP&L and GMO are also authorized to participate in the Evergy, Inc. money pool, an internal financing arrangement in which funds may be lent on a short-term basis to KCP&L and GMO from Evergy, Inc. and between KCP&L and GMO. At December 31, 2018 and 2017, KCP&L had no outstanding receivables or payables under the money pool.

The following table summarizes Westar Energy's and KCP&L's related party net receivables and payables.

	December 31	
	2018	2017
Westar Energy	(millions)	
Net receivable from GMO	\$ 2.6	\$ —
Net payable to KCP&L	(13.5)	—
Net payable to Evergy	(1.4)	—
KCP&L		
Net receivable from GMO	\$ 72.6	\$ 65.8
Net receivable from Westar Energy	13.5	—
Net receivable from Evergy	15.7	—
Net receivable from Great Plains Energy	—	18.9

Tax Allocation Agreement

Evergy files a consolidated federal income tax return as well as unitary and combined income tax returns in several state jurisdictions with Kansas and Missouri being the most significant. Income taxes for consolidated or combined subsidiaries are allocated to the subsidiaries based on separate company computations of income or loss. As of December 31, 2018, Westar Energy and KCP&L had income taxes receivable from (payable to) Evergy of \$42.7 million and \$(2.0) million, respectively.

17. SHAREHOLDERS' EQUITY

Evergy's authorized capital stock consists of 600 million shares of common stock, without par value, and 12 million shares of Preference Stock, without par value.

Evergy Registration Statements

In November 2018, Evergy filed an automatic shelf registration statement providing for the sale of unlimited amounts of securities with the SEC, which expires in November 2021.

In September 2018, Evergy registered shares of its common stock with the SEC for its Dividend Reinvestment and Direct Stock Purchase Plan. Shares issued under the plan may be either newly issued shares or shares purchased on the open market.

In June 2018, Evergy registered shares of its common stock with the SEC for the Great Plains Energy 401(k) Savings Plan and Westar Energy, Inc. Employees' 401(k) Savings Plan, among other compensation plans, that Evergy assumed in connection with the merger transaction. Shares issued under the plans may be either newly issued shares or shares purchased on the open market.

Common Stock Repurchase Program

In July 2018, the Evergy Board authorized the repurchase of up to 60 million shares of Evergy's common stock. Although this repurchase authorization has no expiration date, Evergy expects to repurchase the 60 million shares by mid-2020. Evergy plans to utilize various methods to effectuate the share repurchase program, including but not limited to, a series of transactions that may include accelerated share repurchases, open market transactions or other means, subject to market conditions and applicable legal requirements. The repurchase program may be suspended, discontinued or resumed at any time. For 2018, Evergy had total repurchases of common stock of approximately \$1,042 million and had repurchased 16.4 million shares under the repurchase program. These repurchase totals include shares repurchased under accelerated share repurchase (ASR) agreements, one of which had not reached final settlement as of December 31, 2018, and are discussed further below. Evergy retires repurchased common stock shares in the period the shares are repurchased.

In August 2018, Evergy entered into two ASR agreements with financial institutions to purchase \$450.0 million of Evergy common stock. The ASR agreements reached final settlement in the fourth quarter of 2018 and resulted in

the delivery of 7.9 million shares to Evergy based on the average daily volume weighted-average price of Evergy common stock during the term of the ASR agreements, less a negotiated discount.

In November 2018, Evergy entered into an ASR agreement with a financial institution to purchase \$475.0 million of Evergy common stock. In December 2018, the financial institution delivered to Evergy 6.4 million shares of common stock, representing a partial settlement of the contract, based on then-current market prices and Evergy paid a total of \$475.0 million. The upfront payment was recorded as a reduction to Evergy, Inc. shareholders' equity and as a repurchase of common stock on Evergy's consolidated statements of cash flows.

The final number of shares of Evergy common stock that Evergy may receive or be required to remit upon settlement of the ASR agreement will be based on the average daily volume weighted-average price of Evergy common stock during the term of the ASR agreement, less a negotiated discount. Final settlement of the ASR agreement will occur by March 2019, but may occur earlier at the option of the financial institution. Evergy expects that the final settlement of the ASR agreement will result in the delivery of additional shares of common stock to Evergy at no additional cost.

Evergy reflects ASRs as a repurchase of common stock in the period the shares are delivered for purposes of calculating earnings per share and as forward contracts indexed to its own common stock. Evergy's ASRs have met all of the applicable criteria for equity classification and therefore are not accounted for as derivative instruments.

Dividend Restrictions

Evergy depends on its subsidiaries to pay dividends on its common stock. The Evergy Companies have certain restrictions stemming from statutory requirements, corporate organizational documents, covenants and other conditions that could affect dividend levels or the ability to pay dividends.

The KCC order authorizing the merger transaction requires Evergy to maintain consolidated common equity of at least 35% of total consolidated capitalization.

Under the Federal Power Act, Westar Energy, KCP&L and GMO generally can pay dividends only out of retained earnings. Certain conditions in the MPSC and KCC orders authorizing the merger transaction also require Westar Energy and KCP&L to maintain consolidated common equity of at least 40% of total capitalization. Other conditions in the MPSC and KCC merger orders require Westar Energy, KCP&L and GMO to maintain credit ratings of at least investment grade. If Westar Energy's, KCP&L's or GMO's credit ratings are downgraded below the investment grade level as a result of their affiliation with Evergy or any of Evergy's affiliates, the impacted utility shall not pay a dividend to Evergy without KCC or MPSC approval or until the impacted utility's investment grade credit rating has been restored.

The master credit facility of Evergy, Westar Energy, KCP&L and GMO and the note purchase agreement for GMO's Series A, B and C Senior Notes contain covenants requiring the respective company to maintain a consolidated indebtedness to consolidated total capitalization ratio of not more than 0.65 to 1.00 at all times.

As of December 31, 2018, all of Evergy's and Westar Energy's retained earnings and net income were free of restrictions and KCP&L had a retained earnings restriction of \$192.0 million. Evergy's subsidiaries had restricted net assets of approximately \$5.1 billion as of December 31, 2018. These restrictions are not expected to affect the Evergy Companies' ability to pay dividends at the current level for the foreseeable future.

18. VARIABLE INTEREST ENTITIES

In determining the primary beneficiary of a VIE, the Evergy Companies assess the entity's purpose and design, including the nature of the entity's activities and the risks that the entity was designed to create and pass through to its variable interest holders. A reporting enterprise is deemed to be the primary beneficiary of a VIE if it has (a) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses or right to receive benefits from the VIE that could potentially be significant to the VIE. The primary beneficiary of a VIE is required to consolidate the VIE. The trust holding an 8% interest in Jeffrey

Energy Center was a VIE until the expiration of a purchase option in July 2017. The trust holding Westar Energy's 50% interest in La Cygne Unit 2 is a VIE and Westar Energy remains the primary beneficiary of the trust.

All involvement with entities by the Evergy Companies is assessed to determine whether such entities are VIEs and, if so, whether or not the Evergy Companies are the primary beneficiaries of the entities. The Evergy Companies also continuously assess whether they are the primary beneficiary of the VIE with which they are involved. Prospective changes in facts and circumstances may cause identification of the primary beneficiary to be reconsidered.

8% Interest in Jeffrey Energy Center

Under an agreement with an original expiration of January 2019, Westar Energy leased an 8% interest in Jeffrey Energy Center from a trust. The trust was financed with an equity contribution from an owner participant and debt issued by the trust. The trust was created specifically to purchase the 8% interest in Jeffrey Energy Center and lease it to a third party, and does not hold any other assets. Westar Energy met the requirements to be considered the primary beneficiary of the trust until July 2017, when a contractual option to purchase the 8% interest in the plant covered by the lease expired. Accordingly, Westar Energy deconsolidated the trust in the third quarter of 2017.

In February 2019, Westar Energy entered into an agreement to extend the lease of the 8% interest in Jeffrey Energy Center owned by the trust until August 2019. At the expiration of the lease term, Westar Energy will purchase the 8% interest from the trust.

50% Interest in La Cygne Unit 2

Under an agreement that expires in September 2029, Westar Energy entered into a sale-leaseback transaction with a trust under which the trust purchased Westar Energy's 50% interest in La Cygne Unit 2 and subsequently leased it back to Westar Energy. The trust was financed with an equity contribution from an owner participant and debt issued by the trust. The trust was created specifically to purchase the 50% interest in La Cygne Unit 2 and lease it back to Westar Energy, and does not hold any other assets. Westar Energy meets the requirements to be considered the primary beneficiary of the trust. In determining the primary beneficiary of the trust, Westar Energy concluded that the activities of the trust that most significantly impact its economic performance and that Westar Energy has the power to direct include (1) the operation and maintenance of the 50% interest in La Cygne Unit 2 and (2) Westar Energy's ability to exercise a purchase option at the end of the agreement at the lesser of fair value or a fixed amount. Westar Energy has the potential to receive benefits from the trust that could potentially be significant if the fair value of the 50% interest in La Cygne Unit 2 at the end of the agreement is greater than the fixed amount.

The following table summarizes the assets and liabilities related to the VIE described above that are recorded on Evergy's and Westar Energy's consolidated balance sheets.

	December 31	
	2018	2017
Assets:	(millions)	
Property, plant and equipment of variable interest entities, net	\$ 169.2	\$ 176.3
Liabilities:		
Current maturities of long-term debt of variable interest entities	\$ 30.3	\$ 28.5
Accrued interest ^(a)	0.5	0.7
Long-term debt of variable interest entities, net	51.1	81.4

^(a) Included in accrued interest on Evergy's and Westar Energy's consolidated balance sheets.

All of the liabilities noted in the table above relate to the purchase of the property, plant and equipment of the VIE. The assets of the VIE can be used only to settle obligations of the VIE and the VIE's debt holders have no recourse to the general credit of Evergy and Westar Energy. Evergy and Westar Energy have not provided financial or other support to the VIE and are not required to provide such support. Evergy and Westar Energy did not record any gain or loss upon the initial consolidation of the VIE.

19. TAXES

Components of income tax expense are detailed in the following tables.

Evergy	2018	2017	2016
Current income taxes		(millions)	
Federal	\$ (67.4)	\$ 0.1	\$ (1.0)
State	2.2	0.4	0.3
Total	(65.2)	0.5	(0.7)
Deferred income taxes			
Federal	160.1	122.8	155.2
State	(32.3)	30.7	32.9
Total	127.8	153.5	188.1
Investment tax credit			
Amortization	(3.6)	(2.8)	(2.9)
Total	(3.6)	(2.8)	(2.9)
Income tax expense	\$ 59.0	\$ 151.2	\$ 184.5

Westar Energy	2018	2017	2016
Current income taxes		(millions)	
Federal	\$ (0.3)	\$ 0.1	\$ (1.0)
State	(1.8)	0.4	0.3
Total	(2.1)	0.5	(0.7)
Deferred income taxes			
Federal	43.5	122.8	155.2
State	(42.9)	30.7	32.9
Total	0.6	153.5	188.1
Investment tax credit			
Amortization	(2.8)	(2.8)	(2.9)
Total	(2.8)	(2.8)	(2.9)
Income tax expense (benefit)	\$ (4.3)	\$ 151.2	\$ 184.5

KCP&L	2018	2017	2016
Current income taxes		(millions)	
Federal	\$ 29.8	\$ 37.4	\$ 24.8
State	8.9	8.3	4.7
Total	38.7	45.7	29.5
Deferred income taxes			
Federal	(3.4)	74.7	76.4
State	53.0	8.8	17.0
Total	49.6	83.5	93.4
Investment tax credit			
Amortization	(1.0)	(1.0)	(1.0)
Total	(1.0)	(1.0)	(1.0)
Income tax expense	\$ 87.3	\$ 128.2	\$ 121.9

Effective Income Tax Rates

Effective income tax rates reflected in the financial statements and the reasons for their differences from the statutory federal rates are detailed in the following tables.

Evergy	2018	2017	2016
Federal statutory income tax	21.0 %	35.0 %	35.0 %
COLI policies	(1.9)	(3.1)	(4.2)
State income taxes	4.9	4.1	4.0
Flow through depreciation for plant-related differences	0.8	2.3	3.1
Federal tax credits	(6.4)	(6.9)	(1.8)
Non-controlling interest	(0.4)	(0.9)	(0.9)
AFUDC equity	(0.1)	(0.2)	(0.8)
Amortization of federal investment tax credits	(0.6)	(0.6)	(0.5)
Changes in uncertain tax positions, net	0.1	—	—
Federal or state tax rate change	(8.7)	2.5	—
Valuation allowance	0.4	0.3	0.4
Stock compensation	(0.4)	(0.9)	(0.5)
Officer compensation limitation	1.2	0.2	—
Other	(0.2)	(0.8)	—
Effective income tax rate	9.7 %	31.0 %	33.8 %

Westar Energy	2018	2017	2016
Federal statutory income tax	21.0 %	35.0 %	35.0 %
COLI policies	(3.3)	(3.1)	(4.2)
State income taxes	5.0	4.1	4.0
Flow through depreciation for plant-related differences	1.6	2.3	3.1
Federal tax credits	(10.4)	(6.9)	(1.8)
Non-controlling interest	(0.6)	(0.9)	(0.9)
AFUDC equity	(0.2)	(0.2)	(0.8)
Amortization of federal investment tax credits	(0.8)	(0.6)	(0.5)
Changes in uncertain tax positions, net	0.1	—	—
Federal or state tax rate change	(15.3)	2.5	—
Valuation allowance	0.5	0.3	0.4
Stock compensation	(0.8)	(0.9)	(0.5)
Officer compensation limitation	1.8	0.2	—
Other	0.2	(0.8)	—
Effective income tax rate	(1.2)%	31.0 %	33.8 %

KCP&L	2018	2017	2016
Federal statutory income tax	21.0 %	35.0 %	35.0 %
COLI policies	(0.2)	(0.3)	(0.2)
State income taxes	5.5	3.8	4.1
Flow through depreciation for plant-related differences	(2.5)	0.5	0.3
Federal tax credits	(2.1)	(2.4)	(3.1)
AFUDC equity	(0.1)	(0.7)	(0.7)
Amortization of federal investment tax credits	(0.4)	(0.3)	(0.3)
Federal or state tax rate change	14.1	5.3	—
Valuation allowance	—	0.4	—
Stock compensation	—	0.2	—
Officer compensation limitation	0.6	0.1	0.2
Other	(1.0)	—	(0.1)
Effective income tax rate	34.9 %	41.6 %	35.2 %

Deferred Income Taxes

The tax effects of major temporary differences resulting in deferred income tax assets (liabilities) in the consolidated balance sheets is in the following table.

	December 31					
	2018			2017		
	Evergy	Westar Energy	KCP&L	Evergy	Westar Energy	KCP&L ^(a)
Deferred tax assets:	(millions)					
Tax credit carryforward	\$ 508.1	\$ 307.1	\$ 194.0	\$ 276.7	\$ 276.7	\$ 185.8
Income taxes refundable to customers, net	478.1	233.1	186.9	230.3	230.3	179.1
Deferred employee benefit costs	215.4	89.6	118.3	95.9	95.9	124.6
Net operating loss carryforward	383.3	60.7	119.2	70.0	70.0	131.2
Deferred state income taxes	62.5	62.5	—	63.8	63.8	—
Alternative minimum tax carryforward	73.4	26.7	—	52.2	52.2	—
Accrued liabilities	82.6	13.6	32.8	13.2	13.2	26.0
Other	193.5	101.7	46.7	97.9	97.9	35.7
Total deferred tax assets before valuation allowance	1,996.9	895.0	697.9	900.0	900.0	682.4
Valuation allowances	(27.3)	(1.7)	—	—	—	—
Total deferred tax assets, net	1,969.6	893.3	697.9	900.0	900.0	682.4
Deferred tax liabilities:						
Plant-related	(3,164.9)	(1,491.6)	(1,199.7)	(1,483.3)	(1,483.3)	(1,127.0)
Deferred employee benefit costs	(199.9)	(89.6)	(86.1)	(95.9)	(95.9)	(96.0)
Acquisition premium	(72.6)	(72.6)	—	(76.6)	(76.6)	—
Other	(131.4)	(54.9)	(43.9)	(59.9)	(59.9)	(75.5)
Total deferred tax liabilities	(3,568.8)	(1,708.7)	(1,329.7)	(1,715.7)	(1,715.7)	(1,298.5)
Net deferred income tax liabilities	\$ (1,599.2)	\$ (815.4)	\$ (631.8)	\$ (815.7)	\$ (815.7)	\$ (616.1)

^(a) KCP&L amounts are not included in consolidated Evergy at December 31, 2017.

Tax Credit Carryforwards

At December 31, 2018 and 2017, Evergy had \$333.8 million and \$100.0 million, respectively, of federal general business income tax credit carryforwards. At December 31, 2018 and 2017, Westar Energy had \$134.0 million and \$100.0 million, respectively, of federal general business income tax credit carryforwards. At December 31, 2018 and 2017, KCP&L had \$192.8 million and \$184.6 million, respectively, of federal general business income tax credit carryforwards. The carryforwards for Evergy, Westar Energy and KCP&L relate primarily to wind

production tax credits and advanced coal investment tax credits and expire in the years 2020 to 2038. Approximately \$0.5 million of Evergy's credits are related to Low Income Housing credits that were acquired in Great Plains Energy's acquisition of GMO. Due to federal limitations on the utilization of income tax attributes acquired in the GMO acquisition, Evergy expects a portion of these credits to expire unutilized and has provided a valuation allowance against \$0.4 million of the federal income tax benefit.

The year of origin of Evergy's, Westar Energy's and KCP&L's related tax benefit amounts for federal tax credit carryforwards as of December 31, 2018 are detailed in the following table.

Year of Origin	Amount of Benefit		
	Evergy	Westar Energy	KCP&L
		(millions)	
2000	\$ 7.3	\$ 7.3	\$ —
2001	9.8	9.7	—
2002	0.3	0.2	—
2003	0.3	0.2	—
2004	0.3	0.2	—
2005	0.3	0.2	—
2006	0.3	0.2	—
2007	0.6	0.5	—
2008	39.8	0.5	38.9
2009	47.7	0.2	47.4
2010	18.3	—	18.2
2011	13.3	—	13.2
2012	13.7	2.9	10.7
2013	23.5	10.5	12.9
2014	23.6	10.2	13.0
2015	23.5	10.1	12.8
2016	26.1	10.1	12.4
2017	43.3	34.5	8.2
2018	41.8	36.5	5.1
	\$ 333.8	\$ 134.0	\$ 192.8

At December 31, 2018 and 2017, Evergy had \$73.4 million and \$52.2 million of federal alternative minimum tax (AMT) credit carryforwards. At December 31, 2018 and 2017, Westar Energy had \$26.7 million and \$52.2 million of federal AMT carryforwards. These credits do not expire and can be used to reduce taxes paid in the future or become refundable starting in 2018. Due to potential federal budget sequestration reductions for refundable income tax credits, Evergy expects a portion of these credits will not be refunded and has provided a valuation allowance against \$7.9 million of the federal income tax benefit.

At December 31, 2018 and 2017, Evergy had \$174.3 million and \$176.7 million, respectively, of tax benefits related to state income tax credit carryforwards. At December 31, 2018 and 2017, Westar Energy had \$173.1 million and \$176.7 million, respectively, of tax benefit related to state income tax credit carryforwards. At December 31, 2018 and 2017, KCP&L had \$1.2 million of tax benefits related to state income tax credit carryforwards. The state income tax credits relate primarily to the Kansas high performance incentive program tax credits and expire in the years 2024 to 2033.

Net Operating Loss Carryforwards

At December 31, 2018 and 2017, Evergy had \$324.2 million and \$38.0 million, respectively, of tax benefits related to federal net operating loss (NOL) carryforwards. At December 31, 2018 and 2017, Westar Energy had \$40.1

million and \$38.0 million, respectively, of tax benefits related to federal NOL carryforwards. At December 31, 2018 and 2017, KCP&L had \$107.5 million and \$107.3 million, respectively, of tax benefits related to federal NOL carryforwards. Approximately \$78.1 million at December 31, 2018 are tax benefits related to NOLs that were acquired in the GMO acquisition. Due to federal limitations on the utilization of income tax attributes acquired in the GMO acquisition, Evergy expects a portion of these credits to expire unutilized and has provided a valuation allowance against \$7.1 million of the federal income tax benefit. The federal NOL carryforwards expire in years 2022 to 2037.

The year of origin of Evergy's, Westar Energy's and KCP&L's related tax benefit amounts for federal NOL carryforwards as of December 31, 2018 are detailed in the following table.

Year of Origin	Evergy	Amount of Benefit		
		Westar Energy	KCP&L	
		(millions)		
2004	\$ 1.6	\$ —	\$ —	
2005	44.4	—	—	
2006	32.0	—	—	
2009	21.9	—	—	
2010	2.5	—	—	
2011	65.3	—	38.4	
2012	0.2	0.2	—	
2013	1.5	0.8	0.3	
2014	77.2	25.0	12.3	
2015	59.3	0.2	55.6	
2016	0.8	0.4	0.3	
2017	16.2	12.3	0.6	
2018	1.3	1.2	—	
	\$ 324.2	\$ 40.1	\$ 107.5	

In addition, Evergy also had deferred tax benefits of \$59.1 million and \$26.0 million related to state NOLs as of December 31, 2018 and 2017, respectively. Westar Energy had deferred tax benefits of \$20.6 million and \$26.0 million related to state NOLs as of December 31, 2018 and 2017, respectively. KCP&L had deferred tax benefits of \$11.7 million and \$23.9 million related to state NOLs as of December 31, 2018 and 2017, respectively. The state NOL carryforwards expire in years 2019 to 2037. Evergy does not expect to utilize \$11.9 million of NOLs before the expiration date of the carryforwards of NOLs in certain states. Therefore, a valuation allowance has been provided against \$11.9 million of state tax benefits.

Valuation Allowances

Evergy is required to assess the ultimate realization of deferred tax assets using a "more likely than not" assessment threshold. This assessment takes into consideration tax planning strategies within Evergy's control. As a result of this assessment, Evergy has established a partial valuation allowance for federal and state tax NOL carryforwards and tax credit carryforwards. During 2018, \$0.5 million of tax expense was recorded in continuing operations primarily related to AMT credits offset by the tax benefit recorded for the expiration of certain state NOL carryforwards. The remaining valuation allowances against federal and state NOL carryforwards and tax credit carryforwards were acquired as part of the merger and were recorded as part of the purchase accounting entries.

Federal Tax Reform

In December 2017, the U.S. Congress passed and President Donald Trump signed Public Law No. 115-97, commonly referred to as the TCJA. The TCJA represents the first major reform in U.S. income tax law since 1986. Most notably, the TCJA reduces the current top corporate income tax rate from 35% to 21% beginning in 2018, repeals the corporate AMT, makes existing AMT tax credit carryforwards refundable, and changes the deductibility

and taxability of certain items, among other things. Prior to the change in tax rates that has been reflected in their 2018 rate cases, Westar Energy, KCP&L and GMO recovered the cost of income taxes in rates from their customers based on the 35% federal corporate income tax rate.

In January 2018, the KCC issued an order requiring certain regulated public utilities, including Westar Energy and KCP&L, to begin recording a regulatory liability for the difference between the new federal corporate tax rate and amounts currently collected in rates. In the second quarter of 2018, Westar Energy and KCP&L entered into settlement agreements with KCC staff and other intervenors in which they further agreed to begin deferring any impacts of the TCJA on their excess accumulated deferred income taxes to a regulatory liability. The KCC approved these settlement agreements in June 2018. KCP&L and GMO had also recorded regulatory liabilities in 2018 due to the probability that they would also be required to make similar refunds to their Missouri customers. The final regulatory treatment of these regulatory liabilities was determined in each of Westar Energy's, KCP&L's and GMO's rate cases with the KCC and MPSC. See Note 5 for more information and the amounts of the regulatory liabilities recorded by the Evergy Companies.

Missouri Tax Reform

On June 1, 2018, the Missouri governor signed Senate Bill (S.B.) 884 into law. Most notably, S.B. 884 reduces the corporate income tax rate from 6.25% to 4.0% beginning in 2020, provides for the mandatory use of the single sales factor formula and eliminates intercompany transactions between corporations that file a consolidated Missouri income tax return.

As a result of the change in the Missouri corporate income tax rate, KCP&L revalued and restated its deferred income tax assets and liabilities as of June 1, 2018. KCP&L decreased its net deferred income tax liabilities by \$46.6 million, primarily consisting of a \$28.8 million adjustment for the revaluation and restatement of deferred income tax assets and liabilities included in Missouri jurisdictional rate base and a \$9.9 million tax gross-up adjustment for ratemaking purposes. The decrease to KCP&L's net deferred income tax liabilities included in Missouri jurisdictional rate base were offset by a corresponding increase in regulatory liabilities. The net regulatory liabilities will be amortized to customers over a period to be determined in a future rate case.

KCP&L recognized \$15.5 million of income tax benefit primarily related to the difference between KCP&L's revaluation of its deferred income tax assets and liabilities for financial reporting purposes and the amount of the revaluation pertaining to KCP&L's Missouri jurisdictional rate base.

20. QUARTERLY OPERATING RESULTS (UNAUDITED)

<i>Evergy</i>	Quarter			
	1st	2nd	3rd	4th
2018	(millions, except per share amounts)			
Operating revenue	\$ 600.2	\$ 893.4	\$ 1,582.5	\$ 1,199.8
Operating income	123.5	126.9	533.1	150.1
Net income	62.9	104.4	357.6	21.1
Net income attributable to Evergy, Inc.	60.5	101.8	355.0	18.5
Basic and diluted earnings per common share	0.42	0.56	1.32	0.07
2017				
Operating revenue	\$ 572.6	\$ 609.3	\$ 794.3	\$ 594.8
Operating income	131.4	160.2	264.9	122.3
Net income	63.5	76.0	160.7	36.3
Net income attributable to Evergy, Inc.	59.7	72.1	158.3	33.8
Basic and diluted earnings per common share	0.42	0.50	1.11	0.24

<i>Westar Energy</i>	Quarter			
	1st	2nd	3rd	4th
2018	(millions)			
Operating revenue	\$ 600.2	\$ 650.9	\$ 764.8	\$ 599.0
Operating income	123.5	76.1	256.9	94.0
Net income	62.9	77.6	178.0	30.6
Net income attributable to Westar Energy, Inc.	60.5	75.0	175.4	28.0
2017				
Operating revenue	\$ 572.6	\$ 609.3	\$ 794.3	\$ 594.8
Operating income	131.4	160.2	264.9	122.3
Net income	63.5	76.0	160.7	36.3
Net income attributable to Westar Energy, Inc.	59.7	72.1	158.3	33.8

<i>KCP&L</i>	Quarter			
	1st	2nd	3rd	4th
2018	(millions)			
Operating revenue	\$ 397.1	\$ 452.2	\$ 559.6	\$ 414.2
Operating income	61.0	114.7	189.4	44.7
Net income (loss)	20.2	24.6	120.3	(2.2)
2017				
Operating revenue	\$ 395.9	\$ 482.7	\$ 595.7	\$ 416.4
Operating income	65.0	126.2	219.8	75.4
Net income	14.2	49.6	114.1	1.9

Quarterly data is subject to seasonal fluctuations with peak periods occurring in the summer months. Evergy's results reflect the results of operations of Westar Energy for all periods in 2017. Evergy had separate operations and includes the results of operation of KCP&L and GMO beginning with the quarter ended June 30, 2018. See Note 1 for more information.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

EVERGY

Disclosure Controls and Procedures

Evergy carried out an evaluation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). This evaluation was conducted under the supervision, and with the participation, of Evergy's management, including the chief executive officer and chief financial officer, and Evergy's disclosure committee. Based upon this evaluation, the chief executive officer and chief financial officer of Evergy have concluded as of the end of the period covered by this report that the disclosure controls and procedures of Evergy were effective at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There has been no change in Evergy's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarterly period ended December 31, 2018, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) for Evergy. Under the supervision and with the participation of Evergy's chief executive officer and chief financial officer, management evaluated the effectiveness of Evergy's internal control over financial reporting as of December 31, 2018. Management used for this evaluation the framework in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has concluded that, as of December 31, 2018, Evergy's internal control over financial reporting is effective based on the criteria set forth in the COSO framework. Deloitte & Touche LLP, the independent registered public accounting firm that audited the financial statements included in this annual report on Form 10-K, has issued its attestation report on Evergy's internal control over financial reporting, which is included below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Evergy, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Evergy, Inc. and subsidiaries (the "Company") as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements and financial statement schedules as of and for the year ended December 31, 2018, of the Company and our report dated February 21, 2019, expressed an unqualified opinion on those financial statements and financial statement schedules.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/DELOITTE & TOUCHE LLP

Kansas City, Missouri
February 21, 2019

WESTAR ENERGY

Disclosure Controls and Procedures

Westar Energy carried out an evaluation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). This evaluation was conducted under the supervision, and with the participation, of Westar Energy's management, including the chief executive officer and chief financial officer, and Westar Energy's disclosure committee. Based upon this evaluation, the chief executive officer and chief financial officer of Westar Energy have concluded as of the end of the period covered by this report that the disclosure controls and procedures of Westar Energy were effective at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There has been no change in Westar Energy's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarterly period ended December 31, 2018, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) for Westar Energy. Under the supervision and with the participation of Westar Energy's chief executive officer and chief financial officer, management evaluated the effectiveness of Westar Energy's internal control over financial reporting as of December 31, 2018. Management used for this evaluation the framework in *Internal Control - Integrated Framework (2013)* issued by the COSO of the Treadway Commission.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has concluded that, as of December 31, 2018, Westar Energy's internal control over financial reporting is effective based on the criteria set forth in the COSO framework.

KCP&L

Disclosure Controls and Procedures

KCP&L carried out an evaluation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). This evaluation was conducted under the supervision, and with the participation, of KCP&L's management, including the chief executive officer and chief financial officer, and KCP&L's disclosure committee. Based upon this evaluation, the chief executive officer and chief financial officer of KCP&L have concluded as of the end of the period covered by this report that the disclosure controls and procedures of KCP&L were effective at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There has been no change in KCP&L's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarterly period ended December 31, 2018, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) for KCP&L. Under the supervision and with the participation of KCP&L's chief executive officer and chief financial officer, management evaluated the effectiveness of KCP&L's internal control over financial reporting as of December 31, 2018. Management used for

this evaluation the framework in *Internal Control - Integrated Framework (2013)* issued by the COSO of the Treadway Commission.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has concluded that, as of December 31, 2018, KCP&L's internal control over financial reporting is effective based on the criteria set forth in the COSO framework.

ITEM 9B. OTHER INFORMATION

None.

PART III

Information required by Items 10-14 of Part III of this Form 10-K with respect to Evergy will be incorporated by reference to Evergy's definitive proxy statement with respect to its 2019 Annual Meeting of Shareholders (Proxy Statement), which will be filed with the SEC on or before April 30, 2019.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Evergy

The information required by this item is incorporated by reference from the Proxy Statement for the 2019 Annual Meeting of Shareholders:

- Information regarding the directors of Evergy is contained in the Proxy Statement section titled "Election of Directors."
- Information regarding compliance with Section 16(a) of the Exchange Act is contained in the Proxy Statement section titled "Security Ownership of Certain Beneficial Owners, Directors and Officers - Section 16(a) Beneficial Ownership Reporting Compliance."
- Information regarding the Audit Committee of Evergy is contained in the Proxy Statement section titled "Corporate Governance - Committees of the Board."
- Information regarding Evergy's Code of Ethical Business Conduct is contained in the Proxy Statement section titled "Corporate Governance - Code of Ethical Business Conduct."

Information required by this item regarding Evergy's executive officers is contained in this report in Part I, Item 1 in "Executive Officers."

Westar Energy and KCP&L

Other information required by this item regarding Westar Energy and KCP&L has been omitted in reliance on General Instruction (I) to Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

Evergy

The information required by this item contained in the sections titled "Executive Compensation," "Director Compensation," "Compensation Discussion and Analysis", "Compensation Committee Report" and "Director

Independence - Compensation Committee Interlocks and Insider Participation" of the Proxy Statement is incorporated by reference.

Westar Energy and KCP&L

Other information required by this item regarding Westar Energy and KCP&L has been omitted in reliance on General Instruction (I) to Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Evergy

The information required by this item regarding security ownership of the directors and executive officers of Evergy contained in the section titled "Security Ownership of Certain Beneficial Owners, Directors and Officers" of the Proxy Statement is incorporated by reference.

Westar Energy and KCP&L

The information required by this item regarding Westar Energy and KCP&L has been omitted in reliance on General Instruction (I) to Form 10-K.

Equity Compensation Plans

Upon the consummation of the merger, Evergy assumed both Westar Energy's LTISA and Great Plains Energy's Amended Long-Term Incentive Plan, which was renamed the Evergy, Inc. Long-Term Incentive Plan. The renamed Evergy Long-Term Incentive Plan permits the grant of restricted stock, restricted stock units, bonus shares, stock options, stock appreciation rights, director shares, director deferred share units, performance shares and other stock-based awards to directors, officers and other employees of Evergy.

The following table provides information, as of December 31, 2018, regarding the number of common shares to be issued upon exercise of outstanding options, warrants and rights, their weighted average exercise price, and the number of shares of common stock remaining available for future issuance. The table excludes shares issued or issuable under any defined contribution savings plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾			
Evergy Long-Term Incentive Plan	530,359 ⁽²⁾	\$ — ⁽³⁾	2,168,693
Equity compensation plans not approved by security holders			
Total	530,359 ⁽²⁾	\$ — ⁽³⁾	2,168,693

⁽¹⁾The Westar Energy, Inc. Long-Term Incentive and Share Award Plan will not be used for future awards. As of December 31, 2018, there were approximately 134,538 time-based restricted stock units outstanding under the plan, and approximately 362,324 units outstanding that were deferred pursuant to the Westar Energy, Inc. non-employee deferred compensation program. Deferred units will continue to receive deferred dividend equivalents in the form of additional deferred units until payouts pursuant to elections begin.

⁽²⁾Includes 348,496 performance shares at target performance levels, 82,331 time-based restricted share units and director deferred share units for 99,532 shares of Evergy common stock outstanding at December 31, 2018.

⁽³⁾The performance shares, time-based restricted share units and director deferred share units have no exercise price and therefore are not reflected in the weighted average exercise price.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**Evergy**

The information required by this item contained in the sections titled "Director Independence" and "Related Party Transactions" of the Proxy Statement is incorporated by reference.

Westar Energy and KCP&L

The information required by this item regarding Westar Energy and KCP&L has been omitted in reliance on General Instruction (I) to Form 10-K.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**Evergy**

The information required by this item regarding the independent auditors of Evergy and its subsidiaries contained in the section titled "Ratification of Appointment of Independent Auditors" of the Proxy Statement is incorporated by reference.

Westar Energy and KCP&L

The Audit Committee of the Evergy Board functions as the Audit Committee of Westar Energy and KCP&L. The following tables set forth the aggregate fees billed by Deloitte & Touche LLP for audit services rendered in connection with the consolidated financial statements and reports for 2018 and 2017 and for other services rendered during 2018 and 2017 on behalf of Westar Energy and KCP&L, as well as all out-of-pocket costs incurred in connection with these services:

Westar Energy	2018	2017
Fee Category		
Audit Fees	\$ 2,168,000	\$ 2,691,000
Audit-Related Fees	40,000	54,000
Tax Fees	—	—
All Other Fees	—	—
Total Fees	\$ 2,208,000	\$ 2,745,000

KCP&L	2018	2017
Fee Category		
Audit Fees	\$ 1,801,396	\$ 1,304,550
Audit-Related Fees	23,000	22,000
Tax Fees	34,765	24,905
All Other Fees	—	—
Total Fees	\$ 1,859,161	\$ 1,351,455

Audit Fees: Consists of fees billed for professional services rendered for the audits of the annual consolidated financial statements of Westar Energy and KCP&L and reviews of the interim condensed consolidated financial statements included in quarterly reports. Audit fees also include: services provided by Deloitte & Touche LLP in connection with statutory and regulatory filings or engagements; audit reports on audits of the effectiveness of internal control over financial reporting and other attest services, except those not required by statute or regulation; services related to filings with the SEC, including comfort letters, consents and assistance with and review of documents filed with the SEC; and accounting research in support of the audit.

Audit-Related Fees: Consists of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of consolidated financial statements of Westar Energy and KCP&L and are not reported under "Audit Fees." These services include consultation concerning financial accounting and reporting standards.

Tax Fees: Consists of fees billed for tax compliance and related support of tax returns and other tax services, including assistance with tax audits, and tax research and planning.

All Other Fees: Consists of fees for all other services other than those described above.

Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services

The Audit Committee has adopted policies and procedures for the pre-approval of all audit services, audit-related services, tax services and other services to be provided by the independent registered public accounting firm for Westar Energy and KCP&L. Under these policies and procedures, the Audit Committee may pre-approve certain types of services, up to the aggregate fee levels it sets. Any proposed service within a pre-approved type of service that would cause the applicable fee level to be exceeded cannot be provided unless the Audit Committee either amends the applicable fee level or specifically approves the proposed service. The Audit Committee, as well, may specifically approve audit, audit-related, tax or other services on a case-by-case basis. Pre-approval is generally provided for up to one year, unless the Audit Committee specifically provides for a different period. Management provides quarterly updates to the Audit Committee regarding actual fees spent with respect to pre-approved services. The Chair of the Audit Committee may pre-approve audit, audit-related, tax and other services provided by the independent registered public accounting firm as required between meetings and report such pre-approval at the next Audit Committee meeting.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

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KCP&L

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Exhibits

<u>Exhibit Number</u>	<u>Description of Document</u>	<u>Registrant</u>
2.1	*Δ Agreement and Plan of Merger, dated May 29, 2016, by and among Westar Energy, Inc., Great Plains Energy Incorporated and, from and after its accession thereto, Merger Sub (as defined therein) (Exhibit 2.1 to Great Plains Energy's Form 8-K filed on May 31, 2016).	Evergy Westar Energy
2.2	*Δ Amended and Restated Merger Agreement, dated July 9, 2017, by and among Great Plains Energy Incorporated, Westar Energy, Inc., Monarch Energy Holding, Inc., King Energy, Inc. and, solely for the purposes set forth therein, GP Star, Inc. (Exhibit 2.1 to Great Plains Energy's Form 8-K filed on July 10, 2017).	Evergy Westar Energy
3.1	* Amended and Restated Articles of Incorporation of Evergy, Inc., effective June 4, 2018 (Exhibit 3.1 to Form 8-K filed on June 4, 2018).	Evergy
3.2	* Amended and Restated By-laws of Evergy, Inc., effective June 4, 2018 (Exhibit 3.2 to Form 8-K filed on June 4, 2018).	Evergy
3.3	* Amended and Restated Articles of Consolidation of Kansas City Power & Light Company, restated as of May 6, 2014 (Exhibit 3.2 to KCP&L's Form 10-Q for the quarter ended March 31, 2014).	KCP&L
3.4	* Amended and Restated By-laws of Kansas City Power & Light Company, as amended December 10, 2013 (Exhibit 3.3 to KCP&L's Form 8-K filed on December 16, 2013).	KCP&L
3.5	* Amended and Restated Articles of Incorporation of Westar Energy, Inc., as amended June 4, 2018 (Exhibit 3.3 to Westar Energy's Form 10-Q for the quarter ended June 30, 2018).	Westar Energy
3.6	* Amended and Restated By-laws of Westar Energy, Inc., as amended June 4, 2018 (Exhibit 3.4 to Westar Energy's Form 10-Q for the quarter ended June 30, 2018).	Westar Energy
4.1	* Indenture, dated June 1, 2004, between Great Plains Energy Incorporated and BNY Midwest Trust Company, as trustee (Exhibit 4.4 to Great Plains Energy's Form 8-A/A filed on June 14, 2004).	Evergy
4.2	* First Supplemental Indenture, dated June 14, 2004, between Great Plains Energy Incorporated and BNY Midwest Trust Company, as trustee (Exhibit 4.5 to Great Plains Energy's Form 8-A/A filed on June 14, 2004).	Evergy
4.3	* Second Supplemental Indenture, dated September 25, 2007, between Great Plains Energy Incorporated and The Bank of New York Trust Company, N.A., as trustee (Exhibit 4.1 to Great Plains Energy's Form 8-K filed on September 26, 2007).	Evergy

4.4	* Third Supplemental Indenture, dated August 13, 2010, between Great Plains Energy Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Great Plains Energy's Form 8-K filed on August 13, 2010).	Evergy
4.5	* Fourth Supplemental Indenture, dated May 19, 2011, between Great Plains Energy Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Great Plains Energy's Form 8-K filed on May 19, 2011).	Evergy
4.6	* Fifth Supplemental Indenture, dated March 9, 2017, between Great Plains Energy and The Bank of New York Trust Company, N.A. as trustee (Exhibit 4.1 to Great Plains Energy's Form 8-K filed on March 9, 2017).	Evergy
4.7	* Sixth Supplemental Indenture, dated June 4, 2018, by and among Great Plains Energy Incorporated, Evergy, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Evergy's Form 8-K filed on June 4, 2018).	Evergy
4.8	* Subordinated Indenture, dated May 18, 2009, between Great Plains Energy Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Great Plains Energy's Form 8-K filed on May 19, 2009).	Evergy
4.9	* Supplemental Indenture No. 1, dated May 18, 2009, between Great Plains Energy Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.2 to Great Plains Energy's Form 8-K filed on May 19, 2009).	Evergy
4.10	* Supplemental Indenture No. 2, dated March 22, 2012, between Great Plains Energy Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Great Plains Energy's Form 8-K filed on March 23, 2012).	Evergy
4.11	* Supplemental Indenture No. 3, dated June 4, 2018, by and among Great Plains Energy Incorporated, Evergy, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.2 to Evergy's Form 8-K filed on June 4, 2018).	Evergy
4.12	* Indenture, dated August 24, 2001, between Aquila, Inc. and BankOne Trust Company, N.A., as trustee (Exhibit 4(d) to Registration Statement on Form S-3 (File No. 333-68400) filed by Aquila, Inc. on August 27, 2001).	Evergy
4.13	* Second Supplemental Indenture, dated July 3, 2002, between Aquila, Inc. and BankOne Trust Company, N.A., as trustee (Exhibit 4(c) to Form S-4 (File No. 333-100204) filed by Aquila, Inc. on September 30, 2002).	Evergy
4.14	* General Mortgage and Deed of Trust, dated December 1, 1986, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4.12 to KCP&L's Form 10-K for the year ended December 31, 2017).	Evergy KCP&L

4.15	* Fifth Supplemental Indenture, dated September 1, 1992, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4.13 to KCP&L's Form 10-K for the year ended December 31, 2017).	Evergy KCP&L
4.16	* Seventh Supplemental Indenture, dated October 1, 1993, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4.14 to KCP&L's Form 10-K for the year ended December 31, 2017).	Evergy KCP&L
4.17	* Eighth Supplemental Indenture, dated December 1, 1993, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4.15 to KCP&L's Form 10-K for the year ended December 31, 2017).	Evergy KCP&L
4.18	* Eleventh Supplemental Indenture, dated August 15, 2005, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4.2 to KCP&L's Form 10-Q for the quarter ended September 30, 2005).	Evergy KCP&L
4.19	* Twelfth Supplemental Indenture, dated March 1, 2009, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4.2 to KCP&L's Form 8-K filed on March 24, 2009).	Evergy KCP&L
4.20	* Thirteenth Supplemental Indenture, dated March 1, 2009, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4.3 to KCP&L's Form 8-K filed on March 24, 2009).	Evergy KCP&L
4.21	* Fourteenth Supplemental Indenture, dated March 1, 2009, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4.4 to KCP&L's Form 8-K filed on March 24, 2009).	Evergy KCP&L
4.22	* Fifteenth Supplemental Indenture, dated June 30, 2011, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4.1 to KCP&L's Form 10-Q for the quarter ended June 30, 2011).	Evergy KCP&L
4.23	* Indenture, dated December 1, 2000, between Kansas City Power & Light Company and The Bank of New York, as trustee (Exhibit 4(a) to KCP&L's Form 8-K filed on December 18, 2000).	Evergy KCP&L
4.24	* Indenture, dated March 1, 2002, between Kansas City Power & Light Company and The Bank of New York, as trustee (Exhibit 4.1.b. to KCP&L's Form 10-Q for the quarter ended March 31, 2002).	Evergy KCP&L

4.25	* Supplemental Indenture No. 1, dated November 15, 2005, between Kansas City Power & Light Company and The Bank of New York, as trustee (Exhibit 4.2.j to KCP&L's Form 10-K for the year ended December 31, 2005).	Evergy KCP&L
4.26	* Indenture, dated May 1, 2007, between Kansas City Power & Light Company and The Bank of New York Trust Company, N.A., as trustee (Exhibit 4.1 to KCP&L's Form 8-K filed on June 4, 2007).	Evergy KCP&L
4.27	* Supplemental Indenture No. 1, dated June 4, 2007, between Kansas City Power & Light Company and The Bank of New York Trust Company, N.A., as trustee (Exhibit 4.2 to KCP&L's Form 8-K filed on June 4, 2007).	Evergy KCP&L
4.28	* Supplemental Indenture No. 2, dated March 11, 2008, between Kansas City Power & Light Company and The Bank of New York Trust Company, N.A., as trustee (Exhibit 4.2 to KCP&L's Form 8-K filed on March 11, 2008).	Evergy KCP&L
4.29	* Supplemental Indenture No. 3, dated September 20, 2011, between Kansas City Power & Light Company and The Bank of New York Mellon Trust Company, N.A., trustee (Exhibit 4.1 to KCP&L's Form 8-K filed on September 20, 2011).	Evergy KCP&L
4.30	* Supplemental Indenture No. 4, dated March 14, 2013, between Kansas City Power & Light Company and The Bank of New York Mellon Trust Company, N.A., trustee (Exhibit 4.1 to KCP&L's Form 8-K filed on March 14, 2013).	Evergy KCP&L
4.31	* Supplemental Indenture No. 5, dated August 18, 2015, between Kansas City Power & Light Company and The Bank of New York Mellon Trust Company, N.A., trustee (Exhibit 4.1 to KCP&L's Form 8-K filed on August 18, 2015).	Evergy KCP&L
4.32	* Supplemental Indenture No. 6, dated June 15, 2017, between KCP&L and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to KCP&L's Form 8-K filed on June 15, 2017).	Evergy KCP&L
4.33	* Supplemental Indenture No. 7, dated March 1, 2018, between Kansas City Power & Light Company and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to KCP&L's Form 8-K filed on March 1, 2018).	Evergy KCP&L
4.34	* Note Purchase Agreement, dated August 16, 2013, among KCP&L Greater Missouri Operations Company and the purchasers party thereto (Exhibit 4.1 to Great Plains Energy's Form 8-K filed on August 19, 2013).	Evergy
4.35	Mortgage and Deed of Trust, dated July 1, 1939, between Westar Energy, Inc. (formerly The Kansas Power and Light Company) and Harris Trust and Savings Bank, as trustee.	Evergy Westar Energy

4.36	First Supplemental Indenture, dated July 1, 1939, between Westar Energy, Inc. (formerly The Kansas Power and Light Company) and Harris Trust and Savings Bank, as trustee.	Evergy Westar Energy
4.37	Second Supplemental Indenture, dated April 1, 1949, between Westar Energy, Inc. (formerly The Kansas Power and Light Company) and Harris Trust and Savings Bank, as trustee.	Evergy Westar Energy
4.38	Sixth Supplemental Indenture, dated October 4, 1951, between Westar Energy, Inc. (formerly The Kansas Power and Light Company) and Harris Trust and Savings Bank, as trustee.	Evergy Westar Energy
4.39	Fourteenth Supplemental Indenture, dated May 1, 1976, between Westar Energy, Inc. (formerly The Kansas Power and Light Company) and Harris Trust and Savings Bank, as trustee.	Evergy Westar Energy
4.40	Twenty-Eighth Supplemental Indenture, dated July 1, 1992, between Westar Energy, Inc. (formerly Western Resources, Inc.) and Harris Trust and Savings Bank, as trustee.	Evergy Westar Energy
4.41	* Thirty-Second Supplemental Indenture, dated April 15, 1994, between Westar Energy, Inc. (formerly Western Resources, Inc.) and Harris Trust and Savings Bank, as trustee (Exhibit 4(s) to Westar Energy's Form 10-K for the fiscal year ended December 31, 1994).	Evergy Westar Energy
4.42	* Thirty-Fourth Supplemental Indenture, dated June 28, 2000, between Westar Energy, Inc. (formerly Western Resources, Inc.) and Harris Trust and Savings Bank, as trustee (Exhibit 4(v) to Westar Energy's Form 10-K for the fiscal year ended December 31, 2000).	Evergy Westar Energy
4.43	* Thirty-Sixth Supplemental Indenture, dated June 1, 2004, between Westar Energy, Inc. and BNY Midwest Trust Company, as trustee (Exhibit 4.1 to Westar Energy's Form 8-K filed on January 18, 2005).	Evergy Westar Energy
4.44	* Thirty-Eighth Supplemental Indenture, dated January 18, 2005, between Westar Energy, Inc. and BNY Midwest Trust Company, as trustee (Exhibit 4.3 to Westar Energy's Form 8-K filed on January 18, 2005).	Evergy Westar Energy
4.45	* Thirty-Ninth Supplemental Indenture, dated June 30, 2005, between Westar Energy, Inc. and BNY Midwest Trust Company, as trustee (Exhibit 4.1 to Westar Energy's Form 8-K filed on July 1, 2005).	Evergy Westar Energy
4.46	* Forty-Second Supplemental Indenture, dated March 1, 2012, between Westar Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Westar Energy's Form 8-K filed on February 29, 2012).	Evergy Westar Energy

4.47	* Forty-Second Supplemental (Reopening) Indenture, dated May 17, 2012, between Westar Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Westar Energy's Form 8-K filed on May 16, 2012).	Evergy Westar Energy
4.48	* Forty-Third Supplemental Indenture, dated March 28, 2013, between Westar Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Westar Energy's Form 8-K filed on March 22, 2013).	Evergy Westar Energy
4.49	* Forty-Fourth Supplemental Indenture, dated August 19, 2013, between Westar Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Westar Energy's Form 8-K filed on August 14, 2013).	Evergy Westar Energy
4.50	* Forty-Fifth Supplemental Indenture, dated November 13, 2015, between Westar Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Westar Energy's Form 8-K filed on November 6, 2015).	Evergy Westar Energy
4.51	* Forty-Sixth Supplemental Indenture, dated June 20, 2016, between Westar Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Westar Energy's Form 8-K filed on June 17, 2016).	Evergy Westar Energy
4.52	* Forty-Seventh Supplemental Indenture, dated March 6, 2017, between Westar Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Westar Energy's Form 8-K filed on March 3, 2017).	Evergy Westar Energy
4.53	* Forty-Eighth Supplemental Indenture, dated June 4, 2018, between Westar Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Westar Energy's Form 8-K filed on June 4, 2018).	Evergy Westar Energy
4.54	* Senior Indenture, dated August 1, 1998, between Westar Energy, Inc. and Deutsche Bank Trust Company Americas, as trustee, including Form of Senior Note (Exhibit 4.1 to Westar Energy's Form 10-Q for the quarter ended June 30, 1998).	Evergy Westar Energy
4.55	* Form of Subordinated Indenture between Westar Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee, including Form of Subordinated Note (Exhibit 4.3 to Westar Energy's Form S-3 filed on March 18, 2016 (No. 333-210266)).	Evergy Westar Energy
10.1	*+ Great Plains Energy Incorporated Amended Long-Term Incentive Plan, as amended effective on May 3, 2016 (Exhibit 10.4 to Great Plains Energy's Form 10-Q for the quarter ended June 30, 2016).	Evergy KCP&L
10.2	*+ Great Plains Energy Incorporated Long-Term Incentive Plan Awards Standards and Performance Criteria Effective as of January 1, 2016 (Exhibit 10.3 to Great Plains Energy's Form 10-Q for the quarter ended March 31, 2016).	Evergy KCP&L

10.3	*+	Great Plains Energy Incorporated Long-Term Incentive Plan Awards Standards and Performance Criteria Effective as of January 1, 2017 (Exhibit 10.3 to Great Plains Energy's Form 10-Q for the quarter ended March 31, 2017).	Evergy KCP&L
10.4	*+	Great Plains Energy Incorporated Long-Term Incentive Plan Awards Standards and Performance Criteria Effective as of January 1, 2018 (Exhibit 10.3 to Great Plains Energy's Form 10-Q for the quarter ended March 31, 2018).	Evergy KCP&L
10.5	*+	Form of Great Plains Energy Incorporated 2016 three-year Performance Share Agreement (Exhibit 10.1 to Great Plains Energy's Form 10-Q for the quarter ended March 31, 2016).	Evergy KCP&L
10.6	+	Form of Amendment to Appendix A to Great Plains Energy Incorporated 2016 three-year Performance Share Agreement.	Evergy KCP&L
10.7	*+	Form of Great Plains Energy Incorporated 2016 Restricted Stock Agreement (Exhibit 10.2 to Great Plains Energy's Form 10-Q for the quarter ended March 31, 2016).	Evergy KCP&L
10.8	*+	Form of Great Plains Energy Incorporated 2017 three-year Performance Share Agreement (Exhibit 10.1 to Great Plains Energy's Form 10-Q for the quarter ended March 31, 2017).	Evergy KCP&L
10.9	+	Form of Amendment to Appendix A to Great Plains Energy Incorporated 2017 three-year Performance Share Agreement.	Evergy KCP&L
10.10	*+	Form of Great Plains Energy Incorporated 2017 Restricted Stock Agreement (Exhibit 10.2 to Great Plains Energy's Form 10-Q for the quarter ended March 31, 2017).	Evergy KCP&L
10.11	*+	Form of Great Plains Energy Incorporated 2018 three-year Performance Share Agreement (Exhibit 10.1 to Great Plains Energy's Form 10-Q for the quarter ended March 31, 2018).	Evergy KCP&L
10.12	+	Form of Amendment to Appendix A to Great Plains Energy Incorporated 2018 three-year Performance Share Agreement.	Evergy KCP&L
10.13	*+	Form of Great Plains Energy Incorporated 2018 Restricted Stock Agreement (Exhibit 10.2 to Great Plains Energy's Form 10-Q for the quarter ended March 31, 2018).	Evergy KCP&L
10.14	*+	Form of Great Plains Energy Incorporated 2018 Restricted Stock Unit Agreement (Exhibit 10.1 to Great Plains Energy's Form 8-K filed on June 4, 2018).	Evergy KCP&L
10.15	*+	Form of Great Plains Energy Incorporated 2018 Cash Retention Payment Agreement (Exhibit 10.2 to Great Plains Energy's Form 8-K filed on June 4, 2018).	Evergy KCP&L

10.16	*+ Evergy, Inc. Long-Term Incentive Plan (formerly the Great Plains Energy Incorporated Long-Term Incentive Plan, as amended), effective as of June 4, 2018 (Exhibit 99.1 to Evergy's Registration Statement on Form S-8 filed on June 15, 2018 (File No. 333-225673)) .	Evergy KCP&L Westar Energy
10.17	*+ Westar Energy, Inc. Amended and Restated Long-Term Incentive and Share Award Plan, effective January 1, 2016 (Appendix B to Westar Energy's Proxy Statement filed on April 1, 2016) .	Evergy Westar Energy
10.18	*+ Form of Westar Energy, Inc. 2018 Restricted Share Unit Agreement (Exhibit 10.1 to Westar Energy's Form 8-K filed on June 4, 2018) .	Evergy Westar Energy
10.19	*+ Great Plains Energy Incorporated Annual Incentive Plan, effective January 1, 2018 - June 30, 2018 (Exhibit 10.4 to Great Plains Energy's Form 10-Q for the quarter ended March 31, 2018) .	Evergy KCP&L
10.20	*+ Evergy, Inc. Annual Incentive Plan, effective July 1, 2018 - December 31, 2018 (Exhibit 10.3 to Evergy's Form 10-Q for the quarter ended September 30, 2018) .	Evergy KCP&L Westar Energy
10.21	*+ Form of Indemnification Agreement with each Great Plains Energy Incorporated officer and director (Exhibit 10-f to Great Plains Energy's Form 10-K for year ended December 31, 1995) .	Evergy KCP&L
10.22	*+ Form of Conforming Amendment to Indemnification Agreement with each Great Plains Energy Incorporated officer and director (Exhibit 10.1.a to Great Plains Energy's Form 10-Q for the quarter ended March 31, 2003) .	Evergy KCP&L
10.23	*+ Form of Indemnification Agreement with each Great Plains Energy Incorporated director and officer (Exhibit 10.1 to Great Plains Energy's Form 8-K filed on December 8, 2008) .	Evergy KCP&L
10.24	*+ Form of Indemnification Agreement with Great Plains Energy Incorporated officers and directors (Exhibit 10.1.p to Great Plains Energy's Form 10-K for the year ended December 31, 2005) .	Evergy KCP&L
10.25	*+ Form of Indemnification Agreement with Great Plains Energy Incorporated officers and directors (Exhibit 10.1 to Great Plains Energy's Form 8-K filed on December 16, 2013) .	Evergy KCP&L
10.26	*+ Form of Indemnification Agreement with Evergy, Inc. officers and directors (Exhibit 10.2 to Evergy's Form 10-Q for the quarter ended September 30, 2018) .	Evergy KCP&L Westar Energy
10.27	*+ Form of Great Plains Energy Incorporated Change in Control Severance Agreement (Exhibit 10.1.e to Great Plains Energy's Form 10-Q for the quarter ended September 30, 2006) .	Evergy KCP&L

10.28	**+	Form of Westar Energy, Inc. Amended and Restated Change in Control Agreement (Exhibit 10(g) to Westar Energy's Form 10-K for the period ended December 31, 2015).	Evergy Westar Energy
10.29	**+	Great Plains Energy Incorporated Supplemental Executive Retirement Plan (As Amended and Restated for I.R.C. §409A) (Exhibit 10.1.10 to Great Plains Energy's Form 10-Q for the quarter ended September 30, 2007).	Evergy KCP&L
10.30	**+	Great Plains Energy Incorporated Supplemental Executive Retirement Plan (As Amended and Restated for I.R.C. §409A), as amended February 10, 2009 (Exhibit 10.1.29 to Great Plains Energy's Form 10-K for the year ended December 31, 2008).	Evergy KCP&L
10.31	**+	Great Plains Energy Incorporated Supplemental Executive Retirement Plan (As Amended and Restated for I.R.C. §409A), as amended December 8, 2009 (Exhibit 10.1.27 to Great Plains Energy's Form 10-K for the year ended December 31, 2009).	Evergy KCP&L
10.32	**+	Amendment dated October 28, 2014, to the Great Plains Energy Incorporated Supplemental Executive Retirement Plan as amended and restated on December 8, 2009 (Exhibit 10.1 to Great Plains Energy's Form 10-Q for the quarter ended September 30, 2014).	Evergy KCP&L
10.33	**+	Evergy, Inc. Supplemental Executive Retirement Plan, effective June 4, 2018 (Exhibit 10.6 to Evergy's Form 10-Q for the quarter ended June 30, 2018).	Evergy KCP&L Westar Energy
10.34	**+	Westar Energy, Inc. Retirement Benefit Restoration Plan (Exhibit 10.1 to Westar Energy's Form 8-K filed on April 2, 2010).	Evergy Westar Energy
10.35	+	Amendment to Westar Energy, Inc. Retirement Benefit Restoration Plan.	Evergy Westar Energy
10.36	**+	Great Plains Energy Incorporated Nonqualified Deferred Compensation Plan (As Amended and Restated for I.R.C. §409A) (Exhibit 10.1.11 to Great Plains Energy's Form 10-Q for the quarter ended September 30, 2007).	Evergy KCP&L
10.37	**+	Great Plains Energy Incorporated Nonqualified Deferred Compensation Plan (As Amended and Restated for I.R.C. §409A), amended effective January 1, 2010 (Exhibit 10.1.5 to Great Plains Energy's Form 10-Q for the quarter ended March 31, 2010).	Evergy KCP&L
10.38	**+	Westar Energy, Inc. Non-Employee Director Nonqualified Deferred Compensation Plan, as amended and restated May 17, 2018 (Exhibit 10.8 to Westar Energy's Form 10-Q for the quarter ended June 30, 2018).	Evergy Westar Energy
10.39	+	Evergy, Inc. Nonqualified Deferred Compensation Plan, effective June 4, 2018.	Evergy KCP&L Westar Energy

10.40	*+ Summary of Evergy, Inc. Non-Employee Director Compensation (Exhibit 10.9 to Evergy's Form 10-Q for the quarter ended June 30, 2018).	Evergy
10.41	* Credit Agreement, dated September 18, 2018, among Evergy, Inc., Kansas City Power & Light Company, KCP&L Greater Missouri Operations Company, Westar Energy, Inc., the several lenders from time to time parties thereto, Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender and Issuing Lender and the other issuing lenders and agents party thereto (Exhibit 10.1 to Evergy's Form 8-K filed September 18, 2018).	Evergy KCP&L Westar Energy
10.42	First Amendment, dated November 30, 2018, to Credit Agreement, dated September 18, 2018, among Evergy, Inc., Kansas City Power & Light Company, KCP&L Greater Missouri Operations Company, Westar Energy, Inc., the several lenders from time to time parties thereto, Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender and Issuing Lender and the other issuing lenders and agents party thereto.	Evergy KCP&L Westar Energy
10.43	* Guaranty, dated as of July 15, 2008, issued by Great Plains Energy Incorporated in favor of Union Bank of California, N.A., as successor trustee, and the holders of the Aquila, Inc., 8.27% Senior Notes due November 15, 2021 (Exhibit 10.6 to Great Plains Energy's Form 8-K filed on July 18, 2008).	Evergy
21.1	List of Subsidiaries of Evergy, Inc.	Evergy
21.2	List of Subsidiaries of Westar Energy, Inc.	Westar Energy
23.1	Consent of Independent Registered Public Accounting Firm.	Evergy
23.2	Consent of Independent Registered Public Accounting Firm.	KCP&L
23.3	Consent of Independent Registered Public Accounting Firm.	Westar Energy
24.1	Powers of Attorney.	Evergy
24.2	Powers of Attorney.	Westar Energy
24.3	Powers of Attorney.	KCP&L
31.1	Rule 13a-14(a)/15d-14(a) Certification of Terry Bassham.	Evergy
31.2	Rule 13a-14(a)/15d-14(a) Certification of Anthony D. Somma.	Evergy
31.3	Rule 13a-14(a)/15d-14(a) Certification of Terry Bassham.	KCP&L
31.4	Rule 13a-14(a)/15d-14(a) Certification of Anthony D. Somma.	KCP&L

31.5	Rule 13a-14(a)/15d-14(a) Certification of Terry Bassham.	Westar Energy
31.6	Rule 13a-14(a)/15d-14(a) Certification of Anthony D. Somma.	Westar Energy
32.1	** Section 1350 Certifications.	Evergy
32.2	** Section 1350 Certifications.	KCP&L
32.3	** Section 1350 Certifications.	Westar Energy
101.INS	XBRL Instance Document.	Evergy KCP&L Westar Energy
101.SCH	XBRL Taxonomy Extension Schema Document.	Evergy KCP&L Westar Energy
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	Evergy KCP&L Westar Energy
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	Evergy KCP&L Westar Energy
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document.	Evergy KCP&L Westar Energy
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	Evergy KCP&L Westar Energy

* Filed with the SEC as exhibits to prior SEC filings and are incorporated herein by reference and made a part hereof. The SEC filings and the exhibit number of the documents so filed, and incorporated herein by reference, are stated in parenthesis in the description of such exhibit.

** Furnished and shall not be deemed filed for the purpose of Section 18 of the Exchange Act. Such document shall not be incorporated by reference into any registration statement or other document pursuant to the Exchange Act or the Securities Act of 1933, as amended, unless otherwise indicated in such registration statement or other document.

+ Indicates management contract or compensatory plan or arrangement.

Δ Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K, and Evergy will furnish the omitted schedules to the SEC upon request.

Copies of any of the exhibits filed with the SEC in connection with this report may be obtained from the applicable registrant upon written request. The registrants agree to furnish to the SEC upon request any instrument with respect to long-term debt as to which the total amount of securities authorized does not exceed 10% of total assets of such registrant and its subsidiaries on a consolidated basis.

Schedule I - Parent Company Financial Statements

EVERGY, INC.
Statement of Income of Parent Company

Period from June 4, 2018 through
December 31, 2018

OPERATING EXPENSES:	(millions)
Operating and maintenance	\$ 54.6
Total Operating Expenses	54.6
INCOME FROM OPERATIONS	(54.6)
OTHER INCOME (EXPENSE)	
Equity in earnings from subsidiaries	364.7
Investment earnings	26.3
Other expense	(2.6)
Total Other Income (Expense), Net	388.4
Interest expense	19.6
INCOME BEFORE INCOME TAXES	314.2
Income tax benefit	(10.7)
NET INCOME	\$ 324.9
COMPREHENSIVE INCOME	
NET INCOME	\$ 324.9
OTHER COMPREHENSIVE INCOME	
Derivative hedging activity	
Loss on derivative hedging instruments	(5.4)
Income tax benefit	1.4
Net loss on derivative hedging instruments	(4.0)
Derivative hedging activity, net of tax	(4.0)
Other comprehensive income from subsidiaries, net	1.0
Total other comprehensive loss	(3.0)
COMPREHENSIVE INCOME	\$ 321.9

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

EVERGY, INC.
Balance Sheet of Parent Company

December 31
2018

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 107.1
Accounts receivable from subsidiaries	35.2
Notes receivable from subsidiaries	2.0
Prepaid expenses and other assets	2.2
Total Current Assets	<u>146.5</u>
OTHER ASSETS:	
Investment in subsidiaries	9,785.6
Note receivable from subsidiaries	634.9
Deferred income taxes	36.3
Other	1.1
Total Other Assets	<u>10,457.9</u>
TOTAL ASSETS	\$ 10,604.4
LIABILITIES AND EQUITY	
CURRENT LIABILITIES:	
Accounts payable to subsidiaries	28.1
Accrued interest	2.1
Derivative instruments	5.4
Other	6.3
Total Current Liabilities	<u>41.9</u>
LONG-TERM LIABILITIES:	
Long-term debt, net	638.1
Other	17.6
Total Long-Term Liabilities	<u>655.7</u>
Commitments and Contingencies (Note 14)	
EQUITY:	
Evergy, Inc. Shareholders' Equity:	
Common stock - 600,000,000 shares authorized, without par value, 255,326,252 shares issued	8,668.3
Retained earnings	1,241.5
Accumulated other comprehensive loss	(3.0)
Total shareholders' equity	<u>9,906.8</u>
TOTAL LIABILITIES AND EQUITY	10,604.4

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

EVERGY, INC.
Statement of Cash Flow of Parent Company

**Period from June 4, 2018 through
December 31, 2018**

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:	(millions)
Net income	\$ 324.9
Adjustments to reconcile income to net cash from operating activities:	
Non-cash compensation	10.0
Net deferred income taxes and credits	(6.3)
Equity in earnings from subsidiaries	(364.7)
Changes in working capital items:	
Accounts receivable from subsidiaries	(8.5)
Prepaid expenses and other current assets	(1.2)
Accounts payable to subsidiaries	4.7
Accrued taxes	(35.2)
Other current liabilities	(11.2)
Cash dividends from subsidiaries	236.0
Changes in other assets	0.1
Changes in other liabilities	20.0
Cash Flows from Operating Activities	168.6
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:	
Cash acquired from the merger with Great Plains Energy	1,142.2
Proceeds from interest rate swap	140.6
Cash Flows from Investing Activities	1,282.8
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:	
Short term debt, net	(56.1)
Cash dividends paid	(245.9)
Repurchase of common stock	(1,042.3)
Cash Flows used in Financing Activities	(1,344.3)
NET CHANGE IN CASH AND CASH EQUIVALENTS	107.1
CASH AND CASH EQUIVALENTS:	
Beginning of period	—
End of period	\$ 107.1

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

EVERGY, INC.
NOTES TO FINANCIAL STATEMENTS OF PARENT COMPANY

The Evergy, Inc. Notes to Consolidated Financial Statements in Part II, Item 8 should be read in conjunction with the Evergy, Inc. Parent Company Financial Statements.

1. ORGANIZATION AND BASIS OF PRESENTATION

The Evergy, Inc. Parent Company Financial Statements have been prepared to comply with Rule 12-04 of Regulation S-X.

Evergy, Inc. was incorporated in 2017 as Monarch Energy, a wholly-owned subsidiary of Great Plains Energy. Prior to the closing of the merger transactions, Monarch Energy changed its name to Evergy, Inc. and did not conduct any business activities other than those required for its formation and matters contemplated by the Amended Merger Agreement. On June 4, 2018, in accordance with the Amended Merger Agreement, Great Plains Energy merged into Evergy, Inc., with Evergy, Inc. surviving the merger and King Energy merged into Westar Energy, with Westar Energy surviving the merger. These merger transactions resulted in Evergy, Inc. becoming the parent entity of Westar Energy and the direct subsidiaries of Great Plains Energy, including KCP&L and GMO.

See Note 2 of the consolidated financial statements for additional information regarding the merger.

Evergy, Inc. operates primarily through its wholly-owned direct subsidiaries. Evergy, Inc.'s investments in subsidiaries are accounted for using the equity method. Fair value adjustments and goodwill related to the acquired assets and liabilities of Great Plains Energy and its direct subsidiaries are only reflected on Evergy's consolidated financial statements and as such, are not included in Evergy, Inc.'s Parent Company Financial Statements. See Note 1 to the consolidated financial statement for additional information.

2. LONG-TERM DEBT

See Note 12 to the consolidated financial statements for additional information on Evergy, Inc.'s long-term debt.

3. GUARANTEES

See Note 15 to the consolidated financial statements for additional information regarding Evergy, Inc.'s guarantees.

4. DIVIDENDS

Cash dividends paid to Evergy, Inc. by its subsidiaries were \$236.0 million for the period from June 4, 2018 through December 31, 2018. See Note 17 to the consolidated financial statements for information regarding the dividend restrictions of Evergy, Inc. and its subsidiaries.

Schedule II - Valuation and Qualifying Accounts and Reserves

Evergy, Inc.
Valuation and Qualifying Accounts
Years Ended December 31, 2018, 2017 and 2016

Description	Balance At Beginning Of Period	Additions		Deductions	Balance At End Of Period
		Charged To Costs And Expenses	Charged To Other Accounts		
Year Ended December 31, 2018					
Allowance for uncollectible accounts	\$ 6.7	\$ 20.7	\$ 16.9 ^(e)	\$ 35.1 ^(b)	\$ 9.2
Tax valuation allowance	—	2.2	26.8 ^(d)	1.7 ^(c)	27.3
Year Ended December 31, 2017					
Allowance for uncollectible accounts	\$ 6.7	\$ 10.5	\$ 7.0 ^(a)	\$ 17.5 ^(b)	\$ 6.7
Year Ended December 31, 2016					
Allowance for uncollectible accounts	\$ 5.3	\$ 12.2	\$ 6.2 ^(a)	\$ 17.0 ^(b)	\$ 6.7

^(a) Recoveries.

^(b) Uncollectible accounts charged off.

^(c) Reversal of tax valuation allowance.

^(d) Primarily represents the addition of Great Plains Energy's allowance as of the date of the merger.

^(e) Recoveries and the addition of Great Plains Energy's allowance as of the date of the merger.

Westar Energy, Inc.
Valuation and Qualifying Accounts
Years Ended December 31, 2018, 2017 and 2016

Description	Balance At Beginning Of Period	Additions		Deductions	Balance At End Of Period
		Charged To Costs And Expenses	Charged To Other Accounts		
Year Ended December 31, 2018					
Allowance for uncollectible accounts	\$ 6.7	\$ 9.0	\$ 7.4 ^(a)	\$ 19.2 ^(b)	\$ 3.9
Tax valuation allowance	—	1.7	—	—	1.7
Year Ended December 31, 2017					
Allowance for uncollectible accounts	\$ 6.7	\$ 10.5	\$ 7.0 ^(a)	\$ 17.5 ^(b)	\$ 6.7
Year Ended December 31, 2016					
Allowance for uncollectible accounts	\$ 5.3	\$ 12.2	\$ 6.2 ^(a)	\$ 17.0 ^(b)	\$ 6.7

^(a) Recoveries.

^(b) Uncollectible accounts charged off.

Kansas City Power & Light Company
Valuation and Qualifying Accounts
Years Ended December 31, 2018, 2017 and 2016

Description	Balance At Beginning Of Period	Additions		Deductions	Balance At End Of Period
		Charged To Costs And Expenses	Charged To Other Accounts		
Year Ended December 31, 2018					
Allowance for uncollectible accounts	\$ 2.2	\$ 13.1	\$ 4.4 ^(a)	\$ 15.9 ^(b)	\$ 3.8
Year Ended December 31, 2017					
Allowance for uncollectible accounts	\$ 1.8	\$ 7.5	\$ 5.6 ^(a)	\$ 12.7 ^(b)	\$ 2.2
Tax valuation allowance	—	1.2	—	1.2 ^(c)	—
Year Ended December 31, 2016					
Allowance for uncollectible accounts	\$ 1.8	\$ 6.4	\$ 5.5 ^(a)	\$ 11.9 ^(b)	\$ 1.8
Tax valuation allowance	0.7	—	—	0.7 ^(c)	—

^(a) Recoveries.

^(b) Uncollectible accounts charged off.

^(c) Reversal of tax valuation allowance.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EVERGY, INC.

Date: February 21, 2019

By: /s/ Terry Bassham
 Terry Bassham
 President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Terry Bassham</u> Terry Bassham	President and Chief Executive Officer (Principal Executive Officer))
<u>/s/ Anthony D. Somma</u> Anthony D. Somma	Executive Vice President and Chief Financial Officer (Principal Financial Officer))
<u>/s/ Steven P. Busser</u> Steven P. Busser	Vice President - Risk Management and Controller (Principal Accounting Officer))
Mark A. Ruelle*	Chairman of the Board of Directors)
Mollie Hale Carter*	Director)
Charles Q. Chandler IV*	Director)
Gary D. Forsee*	Director)
Scott D. Grimes*	Director)
Richard L. Hawley*	Director)
Thomas D. Hyde*	Director)
B. Anthony Isaac*	Director)
Sandra A.J. Lawrence*	Director)
Ann D. Murtlow*	Director)
Sandra J. Price*	Director)
John J. Sherman*	Director)
S. Carl Soderstrom Jr.*	Director)
By <u>/s/ Terry Bassham</u> Terry Bassham Attorney-in-Fact		February 21, 2019

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WESTAR ENERGY, INC.

Date: February 21, 2019

By: /s/ Terry Bassham
Terry Bassham
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Terry Bassham</u>	President and Chief Executive Officer)
Terry Bassham	(Principal Executive Officer))
)
<u>/s/ Anthony D. Somma</u>	Executive Vice President and Chief Financial Officer)
Anthony D. Somma	(Principal Financial Officer))
)
<u>/s/ Steven P. Busser</u>	Vice President - Risk Management and Controller)
Steven P. Busser	(Principal Accounting Officer))
)
Mark A. Ruelle*	Chairman of the Board of Directors)
)
Mollie Hale Carter*	Director)
)
Charles Q. Chandler IV*	Director)
)
Gary D. Forsee*	Director)
)
Scott D. Grimes*	Director)
)
Richard L. Hawley*	Director)
)
Thomas D. Hyde*	Director)
)
B. Anthony Isaac*	Director)
)
Sandra A.J. Lawrence*	Director)
)
Ann D. Murtlow*	Director)
)
Sandra J. Price*	Director)
)
John J. Sherman*	Director)
)
S. Carl Soderstrom Jr.*	Director)

February 21, 2019

*By /s/ Terry Bassham
Terry Bassham
Attorney-in-Fact*

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KANSAS CITY POWER & LIGHT COMPANY

Date: February 21, 2019

By: /s/ Terry Bassham
Terry Bassham
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Terry Bassham</u>	President and Chief Executive Officer)
Terry Bassham	(Principal Executive Officer))
)
<u>/s/ Anthony D. Somma</u>	Executive Vice President and Chief Financial Officer)
Anthony D. Somma	(Principal Financial Officer))
)
<u>/s/ Steven P. Busser</u>	Vice President - Risk Management and Controller)
Steven P. Busser	(Principal Accounting Officer))
)
Mark A. Ruelle*	Chairman of the Board of Directors)
)
Mollie Hale Carter*	Director)
)
Charles Q. Chandler IV*	Director)
)
Gary D. Forsee*	Director)
)
Scott D. Grimes*	Director)
)
Richard L. Hawley*	Director)
)
Thomas D. Hyde*	Director)
)
B. Anthony Isaac*	Director)
)
Sandra A.J. Lawrence*	Director)
)
Ann D. Murtlow*	Director)
)
Sandra J. Price*	Director)
)
John J. Sherman*	Director)
)
S. Carl Soderstrom Jr.*	Director)

February 21, 2019

*By /s/ Terry Bassham
Terry Bassham
Attorney-in-Fact*

THE KANSAS POWER AND LIGHT COMPANY

TO

HARRIS TRUST AND SAVINGS BANK
as Trustee

Mortgage and Deed of Trust

DATED JULY 1, 1939

THE KANSAS POWER AND LIGHT COMPANY

MORTGAGE AND DEED OF TRUST

Dated July 1, 1939

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Indenture, dated as of the first day of July in the year one thousand nine hundred thirty-nine (1939) made by and between THE KANSAS POWER AND LIGHT COMPANY, a corporation organized and existing under the laws of the State of Kansas (hereinafter called the "Company"), party of the first part, and HARRIS TRUST AND SAVINGS BANK, a corporation organized and existing under the laws of the State of Illinois (hereinafter called the "Trustee"), as Trustee, party of the second part;

WHEREAS, the Company deems it necessary from time to time to borrow money for its corporate purposes and to issue its Bonds therefor, and to mortgage and pledge its property hereinafter described to secure the payment of the Bonds, and to that end has authorized the issue of its Bonds, from time to time, not limited in aggregate principal amount except as otherwise hereinafter provided, to be issued in one or more series, the Bonds of each series to be issuable originally either as coupon Bonds registerable as to principal, with interest coupons attached, or as registered Bonds without coupons, or both, all such Bonds to be authenticated by the certificate of the Trustee, which Bonds, coupons and Trustee's certificate are to be substantially in the forms following, respectively—with such appropriate insertions, omissions and variations in respect to the form and terms of such Bonds and coupons as may be authorized from time to time by the Board of Directors to express the terms and conditions upon which the Bonds are issued as required or permitted by this Indenture:

[GENERAL FORM OF COUPON BOND]

THE KANSAS POWER AND LIGHT COMPANY
(Incorporated under the laws of the State of Kansas)

FIRST MORTGAGE BOND, ...% SERIES DUE

No..... \$.....

THE KANSAS POWER AND LIGHT COMPANY, a corporation organized and existing under the laws of the State of Kansas (here-

inafter called the "Company", which term shall include any successor corporation as defined in the Indenture hereinafter referred to), for value received, hereby promises to pay to the bearer or, if this Bond be registered, to the registered owner hereof, on theday of,, the sum of dollars in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, and to pay interest thereon in like coin or currency from the day of,, at the rate of per cent. (...%) per annum, payable semi-annually, on the days of and in each year until maturity, or, if the Company shall default in the payment of the principal hereof, until the Company's obligation with respect to the payment of such principal shall be discharged as provided in the Indenture hereinafter mentioned, but only, in case of interest due on or before maturity, according to the tenor and upon presentation and surrender of the respective coupons therefor hereto attached as they severally mature. Both principal of, and interest on, this Bond are payable at

This Bond is one of a duly authorized issue of Bonds of the Company (herein called the "Bonds"), in unlimited aggregate principal amount, of the series hereinafter specified, all issued and to be issued under and equally secured by a mortgage and deed of trust (herein called the "Indenture"), dated July 1, 1939, executed by the Company to Harris Trust and Savings Bank (herein called the "Trustee"), as Trustee, to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the bearers or registered owners of the Bonds and of the Trustee in respect thereto, and the terms and conditions upon which the Bonds are, and are to be, secured. The Bonds may be issued in series, for various principal sums, may mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided. This Bond is one of a series designated

as the "First Mortgage Bonds,% Series due....."
of the Company, issued under and secured by the Indenture and
described

To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the Bonds and coupons may be made with the consent of the Company by an affirmative vote of not less than 80% in amount of the Bonds entitled to vote then outstanding, at a meeting of Bondholders called and held as provided in the Indenture, and by an affirmative vote of not less than 80% in amount of the Bonds of any series entitled to vote then outstanding and affected by such modification or alteration, in case one or more but less than all of the series of Bonds then outstanding under the Indenture are so affected; provided, however, that no such modification or alteration shall be made which will affect the terms of payment of the principal of, or interest on, this Bond.

In case an event of default, as defined in the Indenture, shall occur, the principal of all the Bonds at any such time outstanding under the Indenture may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be waived by the holders of a majority in principal amount of the Bonds outstanding.

This Bond is transferable by delivery except while registered as to principal. This Bond may, from time to time, be registered as to principal in the name of the owner on books of the Company to be kept for that purpose at the agency of the Company in, and such registration shall be noted hereon, after which no transfer hereof shall be valid unless made on said books by the registered owner hereof in person or by duly authorized attorney, and similarly noted hereon; but this Bond may be discharged from registration by being in like manner transferred

to bearer, and thereupon transferability by delivery shall be restored; and this Bond may again, from time to time, be registered or discharged from registration in the same manner. Such registration, however, shall not affect the negotiability of the coupons hereto appertaining, which shall always be payable to bearer and transferable by delivery, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not this Bond at the time be registered.

No recourse shall be had for the payment of the principal of, or the interest on, this Bond, or for any claim based hereon or on the Indenture or any indenture supplemental thereto, against any incorporator, or against any stockholder, director or officer, past, present, or future, of the Company, or of any predecessor or successor corporation, as such, either directly or through the Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, of incorporators, stockholders, directors or officers being released by every bearer or registered owner hereof by the acceptance of this Bond and as part of the consideration for the issue hereof, and being likewise released by the terms of the Indenture.

Neither this Bond, nor any of the coupons for interest thereon, shall be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose, until Harris Trust and Savings Bank, the Trustee under the Indenture, or a successor trustee thereto under the Indenture, shall have signed the form of certificate endorsed hereon.

IN WITNESS WHEREOF, The Kansas Power and Light Company has caused this Bond to be signed in its name by its President or a Vice President, and its corporate seal (or a facsimile thereof) to be hereto affixed and attested by its Secretary or an Assistant Secretary, and interest coupons bearing the facsimile signature

of its Treasurer to be attached hereto, as of the
day of,

THE KANSAS POWER AND LIGHT COMPANY,

By
Vice President.

Attest:

.....
Assistant Secretary.

[GENERAL FORM OF COUPON]

No. \$.....
.....% Series due

On the day of,, unless the Bond herein mentioned shall have been duly called for previous redemption and payment thereof duly provided for The Kansas Power and Light Company will pay to bearer, on surrender of this coupon, at, dollars in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, being six months' interest then payable on its First Mortgage Bond,% Series due, No.

.....
Treasurer.

[GENERAL FORM OF REGISTERED BOND WITHOUT COUPONS]

THE KANSAS POWER AND LIGHT COMPANY

(Incorporated under the laws of the State of Kansas)

FIRST MORTGAGE BOND, ...% SERIES DUE

No. §.....

THE KANSAS POWER AND LIGHT COMPANY, a corporation organized and existing under the laws of the State of Kansas (hereinafter called the "Company", which term shall include any successor corporation as defined in the Indenture hereinafter referred to), for value received, hereby promises to pay to or registered assigns, on the day of, the sum of dollars in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, and to pay interest thereon in like coin or currency from at the rate of per cent. (...%) per annum, payable semi-annually, on the days of and in each year until maturity, or, if the Company shall default in the payment of the principal hereof, until the Company's obligation with respect to the payment of such principal shall be discharged as provided in the Indenture hereinafter mentioned. Both principal of, and interest on, this Bond are payable at

This Bond is one of a duly authorized issue of Bonds of the Company (herein called the "Bonds"), in unlimited aggregate principal amount, of the series hereinafter specified, all issued and to be issued under and equally secured by a mortgage and deed of trust (herein called the "Indenture"), dated July 1, 1939, executed by the Company to Harris Trust and Savings Bank (herein called the "Trustee"), as Trustee, to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the bearers or

registered owners of the Bonds and of the Trustee in respect thereto, and the terms and conditions upon which the Bonds are, and are to be, secured. The Bonds may be issued in series, for various principal sums, may mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided. This Bond is one of a series designated as the "First Mortgage Bonds,% Series due" of the Company, issued under and secured by the Indenture and described

To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the Bonds and coupons may be made with the consent of the Company by an affirmative vote of not less than 80% in amount of the Bonds entitled to vote then outstanding, at a meeting of Bondholders called and held as provided in the Indenture, and by an affirmative vote of not less than 80% in amount of the Bonds of any series entitled to vote then outstanding and affected by such modification or alteration, in case one or more but less than all of the series of Bonds then outstanding under the Indenture are so affected; provided, however, that no such modification or alteration shall be made which will affect the terms of payment of the principal of, or interest on, this Bond.

In case an event of default, as defined in the Indenture, shall occur, the principal of all the Bonds at any such time outstanding under the Indenture may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be waived by the holders of a majority in principal amount of the Bonds outstanding.

This Bond is transferable by the registered owner hereof, in person or by duly authorized attorney, on the books of the Company to be kept for that purpose at, upon surrender and cancellation of this Bond and on presentation of a duly executed written instrument of transfer, and

thereupon a new registered Bond or Bonds without coupons of the same series, of the same aggregate principal amount and in authorized denominations will be issued to the transferee or transferees in exchange herefor; and this Bond, with or without others of like form and series, may in like manner be exchanged for one or more new registered Bonds of the same series of other authorized denominations but of the same aggregate principal amount; or the registered owner of this Bond, at his option, may in like manner surrender the same for cancellation in exchange for the same aggregate principal amount of coupon Bonds of the same series and in authorized denominations, with coupons attached maturing on and after the next ensuing interest date; all upon payment of the charges and subject to the terms and conditions set forth in the Indenture.

No recourse shall be had for the payment of the principal of, or the interest on, this Bond, or for any claim based hereon or on the Indenture or any indenture supplemental thereto, against any incorporator, or against any stockholder, director or officer, past, present or future, of the Company, or of any predecessor or successor corporation, as such, either directly or through the Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, of incorporators, stockholders, directors or officers being released by every owner hereof by the acceptance of this Bond and as part of the consideration for the issue hereof, and being likewise released by the terms of the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose, until Harris Trust and Savings Bank, the Trustee under the Indenture, or a successor trustee thereto under the Indenture, shall have signed the form of certificate endorsed hereon.

IN WITNESS WHEREOF, The Kansas Power and Light Company has caused this Bond to be signed in its name by its President or

a Vice President, and its corporate seal (or a facsimile thereof) to be hereto affixed and attested by its Secretary or an Assistant Secretary.

Dated.....

THE KANSAS POWER AND LIGHT COMPANY,

By.....
Vice President.

Attest:

.....
Assistant Secretary.

[GENERAL FORM OF TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds (in temporary form), of the series designated therein, described in the within-mentioned Indenture and Supplemental Indenture of

HARRIS TRUST AND SAVINGS BANK,
Trustee,

By.....

; and

WHEREAS, the holders of the stock of the Company entitled to vote thereon, and the Board of Directors of the Company, at meetings thereof respectively duly convened and held, have duly authorized the execution and delivery of this Indenture to secure the Bonds to be issued hereunder; and

WHEREAS, all the requirements of law and the by-laws and articles of incorporation of the Company have been fully com-

plied with and all other acts and things necessary to make this Indenture a valid, binding and legal instrument for the security of the Bonds, have been done and performed;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That The Kansas Power and Light Company, in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof and of the sum of One Dollar to it duly paid by the Trustee at or before the ensembling and delivery of these presents, and for other valuable considerations, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest (and premium, if any) on all Bonds at any time issued and outstanding under this Indenture, according to their tenor and effect, and the performance and observance of all the covenants and conditions in the Bonds and herein contained, and to declare the terms and conditions upon and subject to which the Bonds are, and are to be, issued and secured, has executed and delivered this Indenture and has granted, bargained, sold, warranted, aliened, remised, released, conveyed, assigned, transferred, mortgaged, pledged, set over and confirmed, and by these presents does grant, bargain, sell, warrant, alien, remise, release, convey, assign, transfer, mortgage, pledge, set over and confirm unto Harris Trust and Savings Bank, as Trustee, and to its successors and assigns forever, all and singular the following described properties—that is to say:

FIRST.

ALL and singular the lands, real estate, chattels real, easements, servitudes and leasehold and other interests in real estate which the Company now owns or, subject to the provisions of Article XII, may hereafter acquire, including, among other things, the following property located in the State of Kansas (but reference to, or enumeration of, any particular kinds, classes or items of property shall not be deemed to exclude from the oper-

ation and effect of this Indenture any kind, class or item not so referred to or enumerated, except as hereinafter expressly provided):

PARCELS OF REAL ESTATE.

The following described parcels of real estate, all of which are located in the State of Kansas in the respective counties hereinafter specified:

ATCHISON COUNTY.

1. *Atchison Power Plant Site:* The North One Hundred Thirty (130) feet of Lots numbered Twelve (12), Thirteen (13), Fourteen (14), Fifteen (15), Sixteen (16), Seventeen (17), Eighteen (18), Nineteen (19), Twenty (20) and Twenty-one (21) in Block Twenty-three (23) in L. C. Challis Addition to the City of Atchison, as shown by the recorded plat thereof.

2. *Spray Pond and Service Building Site:* Lots Thirteen (13), Fourteen (14), Fifteen (15), Sixteen (16), Seventeen (17) and Eighteen (18) and Lots Twenty-three (23), Twenty-four (24), Twenty-five (25), Twenty-six (26), Twenty-seven (27) and Twenty-eight (28), all in Block Twenty-two (22), in L. C. Challis Addition to the City of Atchison, as shown by the recorded plat thereof.

3. *Transmission Tower Site:* A portion of Block Thirty (30) in the City of Atchison, commonly known and designated as Old Atchison; beginning at a point Seventy-five (75) feet South and Forty-nine (49) feet East of the intersection of the Center line of Utah Street with the East property line of Second Street, thence in a Northeasterly direction to a point Three (3) feet South of the North line of Lot One (1) in said Block Thirty (30), (Said Northeasterly line running to a point Sixty-eight (68) feet East of the intersection of the center line of Utah Street with the East property line of Second Street), thence East parallel with the North line of said Lot One (1) to the West bank of the Missouri River, thence Southwesterly along the West bank of the Missouri River to a point in said West bank Seventy-five (75) feet South if measured at right angles thereto, to the center line of Utah Street, thence West to the point of beginning, together with the right to enter upon a strip of land three (3) feet in width lying immediately North of and adjacent to the real estate hereinbefore described for the purpose of maintaining and repairing all structures located upon said real estate.

4. *Other Real Estate:* The following tracts of land:

(a) Part of the Southeast Quarter (SE $\frac{1}{4}$) of Section One (1) in Township Six (6) of Range Twenty (20) which is bounded as follows: Commencing at a point Nine Hundred (900) feet North of the Southwest

corner of said quarter section, thence running North Five Hundred Seventy-seven (577) feet; thence East Eight Hundred Twenty-four (824) feet; thence South Twenty-nine (29) degrees and Thirty-five (35) minutes West on the West line of the public road Six Hundred (600) feet; thence West Five Hundred (500) feet to the place of beginning, comprising Eight and Eighty-two Hundredths (8.82) acres, more or less.

(b) That part of said Southeast Quarter (SE $\frac{1}{4}$) of Section One (1) in Township Six (6), of Range Twenty (20), which is bounded as follows: Commencing Fourteen Hundred Seventy-seven (1477) feet North of the Southwest corner of said quarter section, running thence North Eight and One-half (8 $\frac{1}{2}$) feet; thence East Eight Hundred Forty-six (846) feet to the public road; thence Southwest with the West line of the public road to a point which is East of the point of beginning; thence West to the point of beginning.

EXCEPTING and excluding, however, from the above said lands the following tract: Commencing at a point Nine Hundred Four (904) feet North of the Southwest corner of the Southeast Quarter (SE $\frac{1}{4}$) of the said Section One (1) in Township Six (6) of Range Twenty (20), running thence East Three Hundred Two (302) feet; thence North Ten (10) feet; thence East Two Hundred Three and One-half (203 $\frac{1}{2}$) feet; thence South Twenty-nine (29) degrees and Thirty-five (35) minutes West Sixteen (16) feet; thence West Five Hundred (500) feet; thence North Four (4) feet to the beginning.

(c) That part of the Southwest Quarter (SW $\frac{1}{4}$) of Section One (1), in Township Six (6), of Range Twenty (20), which part is bounded as follows: Commencing at a point Four Hundred Seventy-five (475) feet North of the Southeast corner of said Southwest Quarter (SW $\frac{1}{4}$) section, running thence North Eight Hundred Five (805) feet; thence West Two Hundred Thirty-seven (237) feet; thence South Eight Hundred Five (805) feet, thence East Two Hundred Thirty-seven (237) feet to the beginning, comprising Four and Thirty-eight One-hundredths (4.38) acres, more or less.

SUBJECT, however, to right of way reserved by August Haeglin and Mary Haeglin, for the laying of water and gas pipes over the above described lands to their dwelling house located South of the said lands.

(d) That part of the Northwest Quarter (NW $\frac{1}{4}$) of Section Two (2) in Township number Six (6) of Range number Twenty (20) beginning at a point Seventeen (17) chains and Ten (10) links East of the Northwest corner of said quarter; running thence Southeasterly in center of public road known as Parallel Road, same being Sixty-six (66) feet wide, to East Line of said quarter; North to Northeast corner thereof; thence West to beginning; Forty-five (45) acres, more or less, including therein a strip Thirty-three (33) feet wide along the entire West and Southerly line thereof, being East Half (E $\frac{1}{2}$) of Parallel Road.

point of connection with Northern Natural Gas Company's 24-inch gas transmission line in the Southeast corner of the Northeast Quarter of Section 1, Township 35 South, Range 25 West, Clark County, Kansas, and extending therefrom in a Northwesterly direction to the Englewood Town Border Station, located in the Northwest Quarter of the Northeast Quarter of said Section 1.

Line 107. Gasoline Line—Extraction Plant to Loading Rack. A certain 2-inch steel pipe gasoline transmission line 4.5 miles in length, described as commencing at the McPherson Gasoline Plant, located in the Southeast Quarter of the Southwest Quarter of Section 29, Township 18 South, Range 2 West, McPherson County, Kansas, and extending thence southwardly to the loading rack, located in the Southeast corner of the Northeast Quarter of Section 19, Township 19 South, Range 2 West, in McPherson County, Kansas.

Line 108. 2-inch Water Line. A certain 2-inch galvanized pipe water line beginning at the McPherson gasoline extraction plant located in the Southwest Quarter of Section 29, Township 18 South, Range 2 West, running thence East between Sections 29 and 32, to the half section line, thence South approximately 1,000 feet; thence running in a Southeasterly direction through Sections 32 and 33 in Township 18 South, Range 2 West, to the center of the Northeast Quarter of Section 4, Township 19 South, Range 2 West; length approximately 10,500 feet, all in McPherson County, Kansas.

Line 109. Mahaska-Narka Branch Line. A certain 2-inch steel pipe gas transmission line approximately 11.25 miles in length described as commencing at a point of connection with Line 1 in the Northeast Quarter of Section 3, Township 2 South, Range 2 West, extending thence in a northeasterly direction through Sections 3 and 2 of Township 2 South, Range 2 West, through Sections 35, 36 and 25 of Township 1 South, Range 2 West, through Sections 30, 29, 20, 21 to the town border station of the City of Narka, located in the Northeast corner of Lot 1, Block 1, City of Narka, continuing thence in a westerly direction through Sections 16, 15, 14, 13 of Township 1 South, Range 1 West to a point near the center of the east line of said Section 13, all in Republic County; continuing thence west and northeasterly through Sections 18 and 7 of Township 1 South, Range 1 East to the town border station of City of Mahaska, located on a tract of land in the Northeast quarter of said Section 7 described as beginning at a point 1,080 feet south and 1,490 feet west of the Northeast corner of the Northeast Quarter of Section 7; thence running west parallel with the north line of Section 7 a distance of 30 feet, thence South 25 feet, East 30 feet, and North 25 feet to the place of beginning, all in Washington County, Kansas.

TELEPHONE LINES.

A certain telephone system approximately 253 miles in length described as commencing at the compressor station of Northern Natural Gas Company located in the Southeast Quarter of Section 7, Township 6 South,

Range 2 East, Clay County, Kansas, and extending thence Westwardly and Southwardly upon the poles of The Kansas Power Company a distance of 10.7 miles more or less to the City of Morganville in said County; continuing thence Southeastwardly to the power plant of The Kansas Power and Light Company near Clay Center in said County; continuing thence Southwardly to the office of said last mentioned company in the City of Abilene, Dickinson County, Kansas; continuing thence South and West to the office of said Company in the City of Salina, Saline County, Kansas; continuing thence Southwardly through the City of Lindsborg, McPherson County, Kansas to the office of Company in the City of McPherson in McPherson County, Kansas; continuing thence Westwardly and Southwardly through the Town of Inman in said County and through the City of Hutchinson, Reno County, Kansas, Southwestwardly to a point where the right of way of The Chicago, Rock Island and Pacific Railway Company intersects the West line of Section 24, Township 25 South, Range 9 West in Reno County, Kansas, a distance of approximately 168 miles all of which said line is located upon the poles of The Kansas Power and Light Company excepting $2\frac{1}{4}$ miles located in Sections 4 and 9, Township 23 South, Range 5 West in Reno County, Kansas, continuing thence Southwardly and westwardly through the Towns of Calista and Nashville in Kingman County, Kansas, to its terminus at the "Medicine Lodge Gasoline Plant" located in the Northeast Quarter of Section 13, Township 32 South, Range 12 West in Barber County, Kansas, together with lateral lines serving the compressor station, at or near the City of McPherson, McPherson County, Kansas; the compressor station at or near the Town of Calista, Kingman County, Kansas; and a line extending Eastwardly and Northwardly from Nashville, Kingman County, Kansas, approximately 2 miles; comprising in all approximately 74.3 miles, together with the poles; and a line approximately six (6) miles in length, commencing at the Watchorn substation in the Southeast quarter of Section 5, Township 22 South, Range 4 East, Marion County, Kansas, and extending west into the City of Peabody, Marion County, Kansas.

THIRD.

Also all franchises and all permits, ordinances, easements, privileges, immunities and licenses, all rights to construct, maintain and operate overhead, surface and underground systems for the distribution and transmission of electricity or steam for the supply to itself or others of light, heat, cold or power or any other purpose whatsoever, all rights-of-way, all waters, water rights and flowage rights and all grants and consents, now owned by the Company or, subject to the provisions of Article XII, which it may hereafter acquire.

ALSO all inventions, patent rights and licenses of every kind now owned by the Company or, subject to the provisions of Article XII, which it may hereafter acquire.

FOURTH.

ALSO, subject to the provisions of Article XII, all other property, real, personal and mixed (except as herein expressly excepted) of every nature and kind and wheresoever situated now or hereafter possessed by or belonging to the Company, or to which it is now, or may at any time hereafter be, in any manner entitled at law or in equity.

FIFTH.

ALSO any and all property of any kind or description which may from time to time after the date of this Indenture by delivery or by writing of any kind be conveyed, mortgaged, pledged, assigned or transferred to the Trustee by the Company or by any person, copartnership or corporation, with the consent of the Company or otherwise, and accepted by the Trustee, to be held as part of the mortgaged property; and the Trustee is hereby authorized to accept and receive any such property and any such conveyance, mortgage, pledge, assignment and transfer, as and for additional security hereunder, and to hold and apply any and all such property subject to and in accordance with the terms and provisions upon which such conveyance, mortgage, pledge, assignment or transfer shall be made.

SIXTH.

TOGETHER with all and singular the tenements, hereditaments and appurtenances belonging or in anywise appertaining to the aforesaid property or any part thereof; with the reversion and reversions, remainder and remainders, tolls, rents, revenues, issues, income, products and profits thereof, and all the estate, right, title, interest and claim whatsoever, at law as well as in

equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

EXPRESSLY EXCEPTING AND EXCLUDING, HOWEVER, from this Indenture and from the lien and operation hereof:

(a) All bills, notes and accounts receivable, cash on hand or in bank, contracts, operating agreements and choses in action, not specifically assigned to or pledged with the Trustee or required to be, and existing leases in which the Company is lessor and leases hereafter made of portions of the mortgaged property in which the Company is lessor;

(b) All shares of stock and other certificates or evidences of interest therein, and all bonds, notes and other evidences of indebtedness or certificates of interest therein and other securities now owned or hereafter acquired or possessed by the Company (except securities or obligations required to be pledged by the terms of this Indenture);

(c) All materials, merchandise, appliances and supplies acquired for the purposes of resale or leasing to its customers in the ordinary course and conduct of the business of the Company, and all materials and supplies held for consumption in operation or held in advance of use thereof for fixed capital purposes;

(d) All electric energy, gas, water and other materials or products generated, manufactured, produced or purchased by the Company for sale or distribution in the ordinary course and conduct of its business; and

(e) All property now owned or hereafter acquired by the Company, used in the operation of its bus business or its ice business.

AND FURTHER EXPRESSLY EXCEPTING AND EXCLUDING from this Indenture and from the lien and operation thereof, all property.

permits and franchises of any other corporation of whatever character, shares of stock or securities whereof, or obligations secured by lien upon the properties and franchises whereof, may be now owned or hereafter acquired or possessed by the Company, notwithstanding the fact that the Company may own or hereafter acquire all or substantially all of the shares of stock or other securities issued by, or secured by lien upon property of, any such corporation, or that any such corporation may be incorporated or organized at the instance of or for the account of the Company, or that all or any part of the shares of stock or other securities of such corporation may be subjected to the lien hereof by the Company.

TO HAVE AND TO HOLD all said properties, real, personal and mixed, mortgaged, pledged and conveyed by the Company as aforesaid, or intended so to be, unto the Trustee and its successors and assigns forever;

SUBJECT, HOWEVER, to the exceptions and reservations and matters hereinabove recited, to existing leases other than leases which by their terms are subordinate to the lien of this Indenture, to existing liens upon rights-of-way for transmission or distribution line purposes, as hereinafter in Article I defined, and any extensions thereof, and subject to existing easements for streets, alleys, highways, rights-of-way and railroad purposes over, upon and across certain of the property hereinbefore described, and subject also to all the terms, conditions, agreements, covenants, exceptions and reservations expressed or provided in the deeds or other instruments respectively under and by virtue of which the Company now owns or may hereafter acquire any property subject to the lien hereof, and to undetermined liens and charges, if any, incidental to construction or other existing permitted liens as hereinafter defined in Article I;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit and security of all present and future holders of the Bonds and coupons issued and

to be issued hereunder, or any of them, without preference of any of said Bonds and coupons of any particular series over the Bonds and coupons of any other series, by reason of priority in the time of the issue, sale or negotiation thereof, or by reason of the purpose of issue or otherwise howsoever, except as otherwise provided in Section 2 of Article IV.

PROVIDED, HOWEVER, and these presents are upon the condition that if the Company, its successors or assigns, shall pay or cause to be paid unto the holders of the Bonds the principal and interest (and premium, if any) to become due in respect thereof at the times and in the manner stipulated therein and herein, and shall keep, perform and observe all and singular the covenants and promises in the Bonds and coupons and in this Indenture expressed as to be kept, performed and observed by or on the part of the Company, then this Indenture and the estate and rights hereby granted shall cease, determine and be void, otherwise to remain in full force and effect;

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED, by and between the parties hereto, that all the Bonds and coupons are to be issued, authenticated and delivered, and that all the trust estate is to be held and applied subject to the further covenants, conditions, uses and trusts hereinafter set forth; and the Company, for itself and its successors, does hereby covenant and agree to and with the Trustee and its successors in said trust, for the benefit of those who shall hold the Bonds and coupons, or any of them, as follows:

ARTICLE I.

DEFINITIONS.

The terms defined in this Article I shall, for all purposes of this Indenture and of all indentures supplemental hereto now or hereafter entered into in accordance with the provisions hereof, have the meanings herein specified, unless the context otherwise requires:

Acquired plant or system:

The term "acquired plant or system" shall mean a plant or system, including any property used in connection therewith, purchased or acquired by the Company after June 30, 1939 (but not constructed or erected by or for the Company) which prior to the purchase or acquisition thereof by the Company has been used or operated by others than the Company.

Additional Bonds:

The term "additional Bonds" shall mean Bonds authorized hereunder of any series, duly authenticated and delivered pursuant to Sections 4, 5 or 6 of Article III.

Appraiser:

The term "appraiser" shall mean an individual or a co-partnership or a corporation engaged in the business of appraising property or competent to determine the value of the particular property in question, whether or not regularly or at intervals employed by the Company.

Appraiser's certificate:

The term "appraiser's certificate" shall mean a certificate signed and verified by an appraiser appointed by the Board and acceptable to the Trustee.

Authorized newspaper:

The term "authorized newspaper", when used in connection with the name of a particular city, shall mean a newspaper published at least once a day for at least six days (other than legal holidays) per calendar week, printed in the English language and published and of general circulation in the city in connection with which the term is so used.

Whenever successive publications in an authorized newspaper are required by any provision of the Indenture, such

successive publications may be made in the same or in different authorized newspapers.

Board:

The term "Board of Directors" shall mean the Board of Directors of the Company; and the term "Board" shall mean either the Board of Directors or the Executive Committee of the Board of Directors.

Bondable Property:

The term "bondable property" shall mean all property owned by the Company on June 30, 1939, of the same nature as property hereinafter defined as property additions, and all property additions purchased, constructed or otherwise acquired by the Company after June 30, 1939.

Bonded cost:

The term "bonded cost" shall mean:

(a) with respect to any property owned by the Company on June 30, 1939, the gross amount at which such property was carried on the books of the Company at such date; and

(b) with respect to any particular property additions, the amount at which such property additions shall have been included in an engineer's certificate with respect to net bondable value of property additions, on the basis of the distribution made therein, or, if the distribution does not show the amount with respect to the particular property addition, the amount at which the signers of the certificate in which the bonded cost is used shall estimate that such property addition was included in such previous certificate.

Bondholders:

The terms "Bondholders" or "holders of the Bonds" or "holders" shall mean the bearers of any coupon Bonds, the

ownership of which is not at the time registered as to principal, the registered owners of any coupon Bonds which are at the time duly registered as to principal and the registered owners of any registered Bonds without coupons.

Any reference to a particular percentage or proportion of the Bondholders, or to a particular percentage or proportion of the holders of Bonds of a particular series, shall mean the holders at the particular time of the specified percentage or proportion in aggregate principal amount of all Bonds then outstanding under this Indenture, or of all Bonds of the particular series then outstanding under this Indenture, as the case may be, exclusive of Bonds or of Bonds of the particular series, as the case may be, held by the Company, whether or not theretofore issued, and whether held in its treasury or, subject to Section 17 of Article IX, pledged to secure any indebtedness.

Bonds:

The term "Bond" or "Bonds" shall mean any Bond or all the Bonds, as the case may be, authenticated and delivered under this Indenture.

The term "outstanding under this Indenture" or "outstanding hereunder" or "outstanding", when used with reference to Bonds, shall mean as of any particular time all Bonds authenticated and delivered under this Indenture, except:

(a) Bonds canceled at or prior to the particular time,

(b) Bonds for the payment or redemption of which cash shall have theretofore been irrevocably deposited with the Trustee in trust (whether upon or prior to the maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been published as in Article V provided or provision satisfactory to the Trustee shall have been made for such publication, and

(c) Bonds in lieu of and in substitution for which other Bonds shall have been authenticated and delivered pursuant to Section 13 of Article II.

The term "issued" when used with respect to Bonds, shall mean sold or otherwise disposed of for value by the Company except by way of pledge unless the pledge shall have been foreclosed.

Certified resolution:

The term "certified resolution" shall mean a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company, under its corporate seal, to have been duly adopted by the Board and to be in full force and effect on the date of such certification.

Company:

The term "Company" shall mean the party of the first part hereto, The Kansas Power and Light Company, and, subject to Article XII, shall also include its successors and assigns.

Corporation:

The term "corporation" shall also include voluntary associations, joint stock companies and business trusts.

Cost to the Company:

The term "cost to the Company", when used with respect to any particular property additions or any particular other property, shall be deemed to include:

- (a) the fair value in cash of any shares of stock or other securities issued or delivered in payment, in whole or in part, for such property additions or other property at the time of the acquisition by the Company of such property additions or other property,

(b) the principal amount of any outstanding prior lien bonds secured by a lien upon such property additions or other property at the time of the acquisition by the Company of such property additions or other property, unless the principal amount of such prior lien bonds shall have theretofore been included in the cost of other property additions or other property subject to the same prior lien,

(c) the amount of cash (if any) paid by the Company therefor, or which the Company is obligated to pay therefor,

(d) the fair value, as stated in an engineer's certificate filed pursuant to Section 3(b) of Article VII, of any property transferred in payment, in whole or in part, for such property additions or other property, and

(e) with respect to any property additions constructed by or for the Company, such allowances or charges for interest, taxes, engineering, legal expenses, superintendence, insurance, casualties and other items during construction as the signers of a certificate of the nature required by Section 4(a) of Article III or Section 1(b) of Article VIII shall certify are properly chargeable to fixed property accounts under the regulations, rules and orders, if any, with respect to such matters in force at the time of construction, of the State Corporation Commission of Kansas or other public body or authority having jurisdiction or supervisory authority over the accounts of the Company, and as, in the opinion of the signers of such certificate, are proper in respect of the particular property additions specified in said certificate.

The "cost to the Company" of any property additions consisting of acquired plants or systems shall be deemed to include the cost to the Company of any franchises or other rights or non-bondable property acquired simultaneously

therewith for which no separate or distinct consideration shall have been paid or apportioned.

"Cost to another corporation" of any property of such other corporation shall be determined in a manner similar to the determination of "cost to the Company."

Counsel:

The term "counsel" shall mean counsel, who may be of counsel to the Company appointed by the Board, and acceptable to the Trustee.

Coupons:

The term "coupon" or "coupons" shall mean any interest coupon or all the interest coupons, as the case may be, appertaining to the Bonds.

Electric properties:

The term "electric properties" shall mean as of any particular time any property owned by the Company used or useful for the business of generating, manufacturing, transmitting, distributing or supplying electricity for light, heat, cold, power or other purposes.

Engineer:

The term "engineer" shall mean an individual or a partnership or a corporation qualified to pass upon engineering questions, whether or not employed by or in any way affiliated with the Company.

Engineer's certificate:

The term "engineer's certificate" shall mean a certificate signed and verified by the President or a Vice President of the Company and by an engineer appointed by the Board and acceptable to the Trustee.

Event of default:

The term "event of default" shall mean any event of default specified in Section 1 of Article IX, continued for the period of time, if any, therein designated.

Fair value to the Company:

The term "fair value to the Company", when used with respect to any particular property additions or any other particular property, shall mean the fair value thereof to the Company determined:

(a) in the case of property additions described in an engineer's certificate with respect to net bondable value of property additions filed with the Trustee, as of a date not more than ninety (90) days prior to the date of filing of the first such certificate in which such property additions are described,

(b) in the case of property additions or other property described in any other certificate filed with the Trustee, as of a date not more than ninety (90) days prior to the date of filing of such certificate, or

(c) in other cases as of a date not more than ninety (90) days prior to the particular time in question.

Any of the certificates described in Subdivisions (a) and (b) above shall be deemed to have been filed at the time when all of the documents, cash and securities required to be filed, paid, or delivered, for the granting of the application in connection with which such certificate is filed shall have been filed, paid or delivered, as required by this Indenture.

The "fair value" of any particular property additions or particular property subject to any lien shall be determined as if such property additions or other property were free of such lien.

The "fair value" of any property additions consisting of an acquired plant or system shall not include any amount for any franchises, contracts, operating agreements or other rights or non-bondable property acquired simultaneously therewith, even though no separate or distinct consideration shall have been paid for, or apportioned to, such franchises, contracts, operating agreements or other rights or property.

Gas properties:

The term "gas properties" shall mean as of any particular time any property owned by the Company used or useful for the business of transmitting, distributing or supplying gas, either natural or artificial, for light, heat, cold, power or other purposes (except such property that is used or useful for purpose of generation by the Company of electricity).

Gross property additions:

The term "gross property additions", as applied to any particular period, shall mean all of the property additions purchased, constructed or otherwise acquired by the Company during such period, including property additions purchased, constructed or otherwise acquired during such period, but retired during such period.

Indenture:

The term "Indenture" shall mean this instrument and all indentures supplemental hereto.

Independent appraiser:

The term "independent appraiser" shall mean an individual, copartnership or corporation engaged in the business of appraising property or securities or competent to determine the value of the particular property or securities in question and not regularly engaged in the service of the Company or any affiliated corporation and, in the case of an individual, not a director, officer or employee of the Company or of any affiliated corporation.

Independent appraiser's certificate:

The term "independent appraiser's certificate" shall mean a certificate signed and verified by an independent appraiser appointed by the Board and acceptable to the Trustee.

Independent engineer:

The term "independent engineer" shall mean an individual or a copartnership or corporation engaged in an engineering business and not regularly engaged in the service of the Company or of any affiliated corporation and, in the case of an individual, not a director, officer or employee of the Company or of any affiliated corporation.

Independent engineer's certificate:

The term "independent engineer's certificate" shall mean a certificate signed and verified by an independent engineer appointed by the Board and acceptable to the Trustee.

Issued:

The term "issued" shall, when used with respect to Bonds, have the meaning specified in the definition of Bonds, and, when used with respect to prior lien bonds, shall have the meaning specified in the definition of prior lien bonds.

Judgment lien:

The term "judgment lien" shall mean the lien of a judgment, existing at the particular time upon any of the mortgaged property, which is prior to the lien of this Indenture as security for the Bonds then outstanding or for any additional Bonds then applied for.

Lien of the Indenture:

The term "lien hereof" or "lien of the Indenture" or "lien of this Indenture" shall mean the lien created by these presents (including the after-acquired property clauses hereof), or created by any subsequent conveyance to the Trustee hereunder (whether made by the Company or any other corporation or any individual or copartnership) or other.

wise created, effectively constituting any property a part of the security held by the Trustee for the benefit of the Bonds outstanding hereunder.

Liens upon rights-of-way for transmission or distribution line purposes:

The term "liens upon rights-of-way for transmission or distribution line purposes" shall mean any mortgages, liens or other encumbrances created by others than the Company and any renewal or extension of any such lien, mortgage or other encumbrance, which at the particular time in question, are liens upon the lands over which easements or rights-of-way for transmission or distribution line purposes are held, securing bonds or other indebtedness which have not been assumed or guaranteed by the Company or on which the Company does not customarily pay interest charges.

Mortgaged property.

The terms "mortgaged property" or "trust estate" shall mean as of any particular time the property which at said time is covered or intended to be covered by the lien of this Indenture. Moneys held by the Trustee in trust for the payment, at maturity or on a date fixed for redemption, of specific Bonds shall not be deemed to be part of the mortgaged property or trust estate.

Net bondable value of property additions not subject to an unfunded prior lien:

The term "net bondable value of property additions not subject to an unfunded prior lien" shall mean, at any particular time, the aggregate of the cost or, as to property additions which have not been retired, the fair value to the Company, if the fair value is less than cost, of all gross property additions not subject to an unfunded prior lien purchased, constructed or otherwise acquired by the Company, less:

(a) the excess, if any, of the bonded cost of all bondable property, which was not subject to an unfunded prior lien at the date of its release, theretofore released from the lien of this Indenture pursuant to Section 3 or Section 5 of Article VII, over the fair value to the Company of such property at the time of such release, as stated in an engineer's certificate filed with the Trustee pursuant to Section 3(b) of Article VII, or over the proceeds of such property paid over to the Trustee or the trustee of any funded prior lien pursuant to Section 5 of Article VII, as the case may be;

(b) the bonded cost of all bondable property (other than property released from the lien of this Indenture pursuant to Section 3 or Section 5 of Article VII) which was not subject to an unfunded prior lien at the date of its retirement, theretofore (but since June 30, 1939) retired;

(c) in case such gross property additions shall include property additions theretofore subject to an unfunded prior lien, which shall prior to or simultaneously with the particular time become a funded prior lien,—the bonded cost of all property additions which were subject to such unfunded prior lien and which have been retired by the Company during the period between the date of its first acquisition of the property subject to such prior lien and the date such prior lien became a funded prior lien;

(d) the aggregate of:

(1) the amount of all cash in the trust estate which has been withdrawn pursuant to Section 1 of Article VIII on the basis of property additions not subject to an unfunded prior lien or pursuant to Section 4 of Article VIII;

(2) the amount of all cash received by the Trustee as release moneys which has been applied to any

sinking fund payments pursuant to Section 5 of Article VIII;

(3) the amount by which all cash required to be deposited with the Trustee as part of the trust estate has been reduced on the basis of property additions not subject to an unfunded prior lien by simultaneous compliance with Section 1 of Article VIII or has been reduced by simultaneous compliance with Section 4 of Article VIII;

(e) ten-sevenths ($\frac{10}{7}$ ths) of the amount of all cash theretofore withdrawn pursuant to Section 3(a) of Article VIII; and

(f) ten-sevenths ($\frac{10}{7}$ ths) of the aggregate principal amount of additional Bonds theretofore authenticated and delivered upon the basis of property additions.

Net bondable value of property additions subject to an unfunded prior lien:

The term "net bondable value of property additions subject to an unfunded prior lien" shall mean the aggregate of the cost or, as to property additions which have not been retired, the fair value to the Company, if the fair value is less than cost, of all gross property additions subject to the unfunded prior lien or prior liens in question, purchased, constructed or otherwise acquired by the Company after the time of the first acquisition by the Company of any property subject to such unfunded prior lien or prior liens, less:

(a) the bonded cost of all bondable property, subject to such unfunded prior lien or prior liens, theretofore (but since the time of the first acquisition by the Company of any property subject to such unfunded prior lien or prior liens) retired;

(b) the excess, if any, of the fair value at the time of release, as stated in an engineer's certificate filed with the Trustee pursuant to Section 3 (b) of Article VII, or of the proceeds of property paid over to the Trustee or the trustee of such unfunded prior lien, pursuant to Section 5 of Article VII, as the case may be, of all bondable property, which was subject to such unfunded prior lien or prior liens at the date of release, theretofore released from the lien of this Indenture, over the bonded cost thereof;

(c) ten-sevenths ($\frac{10}{7}$ ths) of the principal amount of prior lien bonds secured by such prior lien or prior liens issued by the Company as permitted by Section 16(a) (1) of Article IV; and

(d) ten-sevenths ($\frac{10}{7}$ ths) of the amount of cash deposited by the Company upon the issue of prior lien bonds secured by such prior lien or prior liens theretofore withdrawn on the basis of property additions.

In case of the consolidation of the Company with, or the merger of the Company into, any other corporation, or the sale by the Company of its property as an entirety or substantially as an entirety upon the terms set forth in Article XII where the successor corporation has outstanding indebtedness which upon such merger, consolidation or conveyance constituting an unfunded prior lien or prior liens, the term "the first acquisition by the Company of any property subject to such unfunded prior lien or prior liens", when used with respect to property subject to a particular unfunded prior lien or prior liens owned by such successor corporation at the time of the merger, consolidation or conveyance, shall mean the time of such merger, consolidation or conveyance.

Net earnings available for interest, depreciation and property retirement:

The term "net earnings available for interest, depreciation and property retirement" shall mean the net earnings of the Company ascertained as follows:

(a) The total operating revenues of the Company (other than those derived from its bus and ice business) and any net non-operating revenues of the properties (other than bus and ice properties) of the Company shall be ascertained.

(b) From the total, determined as provided in Subdivision (a), there shall be deducted (1) all operating expenses, including all salaries, rentals, insurance, license and franchise fees, expenditures for ordinary repairs and maintenance, and taxes (other than income and excess or other profits taxes which are imposed on income after the deduction of interest charges) but excluding all appropriations for depreciation or property re-

tirement, all interest charges, amortization of stock and debt discount and expense or premium, and all operating expenses incurred in connection with the bus and ice business, (2) net non-operating losses, if any, of the properties of the Company (including the bus and ice properties), and (3) net losses, if any, of the bus and ice business.

(c) The balance remaining after the deduction of the total amount computed pursuant to Subdivision (b) from the total amount computed pursuant to Subdivision (a) shall constitute the "net earnings available for interest, depreciation and property retirement".

(d) No income received or accrued by the Company from securities or other investments in other corporations and no profits or losses from the sale or abandonment of capital assets or variation in value of securities or other investments shall be included in making such computations.

(e) In case the Company shall have acquired any acquired plant or system within or after the particular period for which the calculation of net earnings available for interest, depreciation and property retirement is made, then, in computing the net earnings available for interest, depreciation and property retirement there shall be included, to the extent that they may not have been otherwise included, the net earnings or net losses of such acquired plant or system for the whole of such period. The net earnings or net losses of such acquired plant or system for the period preceding such acquisition shall be ascertained and computed as provided in the foregoing Subdivisions of this definition as if such acquired plant or system had been owned by the Company during the whole of such period.

(f) In case the Company shall have obtained the release of any property pursuant to Section 3 of Article

VII, of a fair value in excess of Five hundred thousand dollars as shown by the engineer's certificate required by said Section 3, or shall have obtained the release of any property pursuant to Section 5 of Article VII, the proceeds of which shall have exceeded Five hundred thousand dollars, within or after the particular period for which the calculation of net earnings available for interest, depreciation and property retirement is made, then, in computing the net earnings available for interest, depreciation and property retirement, the net earnings or net losses of such property for the whole of such period shall be excluded to the extent practicable on the basis of actual earnings and expenses of such property or on the basis of such estimates of the earnings and expenses of such property as the signers of an officers' certificate filed with the Trustee pursuant to Section 3(b) of Article III or Section 16 of Article IV shall deem proper.

The terms "net earnings of property available for interest, depreciation and property retirement", and "net earnings of another corporation available for interest, depreciation and property retirement", when used with respect to any property or with respect to another corporation, shall mean the net earnings of such property or the net earnings of such other corporation, as the case may be, computed in the manner provided in this definition for the computation of net earnings available for interest, depreciation and property retirement.

The net earnings available for interest, depreciation and property retirement, whether of the Company or of some other corporation or of property, shall be determined in accordance with principles of sound accounting practice.

Non-bondable property:

The term "non-bondable property" shall mean any property other than bondable property, whether owned by the

Company on June 30, 1939, or purchased, constructed or otherwise acquired by it after June 30, 1939.

Officers' certificate:

The term "officers' certificate" shall mean a certificate signed and verified by the President or a Vice President and the Treasurer or an Assistant Treasurer of the Company.

Opinion of counsel:

The term "opinion of counsel" shall mean an opinion or opinions in writing signed by counsel.

Outstanding:

The term "outstanding", when used with respect to Bonds, shall, except as otherwise provided in Articles IX and XV, have the meaning specified in the definition of Bonds; and, when used with respect to prior lien bonds, shall have the meaning specified in the definition of prior lien bonds, and, when used with respect to any other indebtedness of the Company or another corporation, shall have a meaning similar to the meaning of outstanding when used with respect to prior lien bonds.

Permitted liens:

The term "permitted liens" shall mean:

(a) liens upon rights-of-way for transmission or distribution line purposes, provided that the Company has, in the opinion of counsel, power under eminent domain or similar statutes to condemn or acquire easements or rights-of-way sufficient for its purposes over the land covered by the rights-of-way in question or other lands adjacent thereto;

(b) undetermined liens and charges incidental to construction, except such as may result from any obligation

of the Company for the payment of money on account of such construction;

(c) the right reserved to, or vested in, any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or by any provision of law, to purchase or recapture or to designate a purchaser of, any of the mortgaged property;

(d) the lien of taxes for the then current year;

(e) the lien of taxes and assessments not at the time due; and

(f) the lien of specified taxes and assessments already due but the validity of which is being contested at the time by the Company in good faith, unless thereby in the opinion of counsel or of the Trustee any of the mortgaged property may be lost or forfeited.

Prior lien:

The term "prior lien" shall mean a mortgage or other lien prior to the lien of this Indenture, existing at the particular time upon any of the mortgaged property, excepting judgment liens and permitted liens.

The term "funded prior lien" shall mean any prior lien under which, at the particular time, no prior lien bonds shall be outstanding, within the meaning of the definition of outstanding prior lien bonds contained in this Article I.

The term "unfunded prior lien" shall mean any prior lien other than a funded prior lien.

Prior lien bonds:

The term "prior lien bonds" shall mean bonds, obligations or indebtedness secured by a prior lien.

The term "funded prior lien bonds" shall mean prior lien bonds secured by a funded prior lien.

The term "outstanding prior lien bonds" shall mean, as of any particular time, all prior lien bonds secured by a prior lien, excluding:

(a) prior lien bonds then or theretofore canceled,

(b) prior lien bonds held in pledge hereunder,

(c) prior lien bonds held by the trustee or other holder of the prior lien securing such prior lien bonds (or other prior lien bonds secured by a mortgage or other lien on the same property as such prior lien, junior to such prior lien but senior to the lien of this Indenture) under conditions such that no transfer of ownership or possession of such prior lien bonds by the trustee or other holder of such prior lien is permissible thereunder except to the Trustee hereunder or to the trustee or other holder of the prior lien securing such prior lien bonds (or other prior lien bonds secured by a mortgage or other lien on the same property as such prior lien, junior to such prior lien but senior to the lien of this Indenture) for cancellation or to be held uncanceled under the terms of the prior lien securing such prior lien bonds or other prior lien bonds under like conditions, and

(d) prior lien bonds for the purchase, payment or redemption of which moneys in the necessary amount shall have been irrevocably deposited in trust with the Trustee hereunder or with the trustee or other holder of the prior lien securing such prior lien bonds (whether upon or prior to maturity or the redemption date of such prior lien bonds), provided that, if any such prior lien bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall, according to an opinion of counsel furnished to the Trustee, have been published or otherwise given as required by the mortgage or other instrument securing the same or provision satisfactory to the Trustee shall have been made for such notice.

The term "issued", when used with respect to prior lien bonds, shall mean authenticated and delivered by the

trustee of the prior lien securing such prior lien bonds, or, if there be no such trustee, made and delivered by the maker of the prior lien or by the Company.

Property additions:

The term "property additions" shall mean any new or additional property, real or personal (including separate and distinct units, plants, systems and properties), located within the State of Kansas, or located in any other State if such property is physically connected with any of the properties of the Company located in Kansas, either directly or through other bondable property of the Company, and improvements, extensions or additions (including in these terms equipment and appliances installed as a part of the fixed property of the Company) to or about the plants or properties of the Company purchased, constructed or otherwise acquired by the Company after June 30, 1939, and in every case used or useful for the business of generating, manufacturing, transmitting, distributing or supplying electricity or gas, either natural or artificial, for light, heat, cold, power, or other purposes, or power or heat by means of steam or water, or of supplying water for domestic or public use, and in every case properly chargeable to fixed property accounts under the regulations, rules and orders, if any, with respect to such matters, in force at the time, of the State Corporation Commission of Kansas or other public body or authority having jurisdiction or supervisory authority over the accounts of the Company, or, if there are no such regulations, rules and orders, in the opinion of the signers of a certificate of the nature required by Section 4 (a) of Article III or Section 1(b) of Article VIII.

"Property additions" as so defined, without limitation of the general import of such term, shall include:

- (a) subject to Article XII, property acquired by the Company or by a successor corporation as a result of any consolidation or merger to which the Company or any successor corporation may be a party;

(b) permanent improvements, extensions or additions to or about the properties of the Company in the process of construction or partially completed, in so far as actually constructed or completed;

(c) property purchased, constructed or otherwise acquired to replace property retired;

(d) transmission line or distribution line equipment or dams or other similar structures installed by the Company under easements, rights-of-way and leases over private property for towers, poles, wires, conduits or mains, or for transmission line or distribution line purposes, and rights, permits or licenses to use or appropriate water, or to overflow the land of others by the erection of dams or otherwise, including such easements, rights-of-way and leasehold interests or such rights, permits or licenses, provided that, in the opinion of counsel, such easements, rights-of-way and leasehold interests or such rights, permits or licenses shall run for an unlimited period of time, or for a period of time extending for so long as the Company shall continue to use the same for the purposes for which they were granted, or for a period of time extending beyond the date of maturity of all Bonds then outstanding under this Indenture and all additional Bonds applied for at the particular time in question; and

(e) transmission line or distribution line equipment or dams or other similar structures located or constructed on, over or under public highways or other public property, provided that the Company shall, in the opinion of counsel, have the lawful right, under permits or franchises granted by a governmental body having jurisdiction in the premises or by the law of the State in which such property is located, to maintain and operate such equipment or structures for an unlimited, indeterminate or indefinite period of time or for the period, if any, specified in such permits or franchises or law, and to remove

such equipment or structures at the expiration of the period covered by such permits or franchises or law or that the terms of such permits or franchises or law require any public authority having the right to take over such equipment to pay fair consideration therefor.

"Property additions" as so defined shall not include:

(aa) good will or going concern value;

(bb) any contracts or operating agreements or franchises or governmental permits, granted or acquired, as such, separate and distinct from the property operated thereunder or in connection therewith or incident thereto;

(cc) any shares of stock or certificates or evidences of interest therein, or any bonds, notes or other evidences of indebtedness or certificates of interest therein or any other securities;

(dd) any materials, merchandise, appliances or supplies acquired for the purpose of resale or leasing to its customers in the ordinary course and conduct of the business of the Company, or any materials or supplies held for consumption in operation or held in advance of use thereof for fixed capital purposes;

(ee) leasehold estates, rights-of-way, or easements, with respect to land owned by others and additions installed by the Company on leasehold estates, rights-of-way or easements, or under any permits or franchises granted by a governmental body, except as permitted by Subdivisions (d) and (e) of this definition; or

(ff) any natural gas or oil wells or leases or real estate acquired for the purpose of obtaining gas or oil rights.

"Property additions" as so defined shall not include any gas properties purchased, constructed or otherwise acquired

simultaneously with or after any release as an entirety of all or substantially all of the gas properties (either with or without including the gas property in the City of Atchison, Kansas).

Refundable Bonds:

The term "refundable Bonds" shall mean, at any particular time, all Bonds which were theretofore authenticated and delivered under the provisions of this Indenture and theretofore paid at maturity or redeemed or purchased (otherwise than out of funds included in the trust estate) and surrendered to the Trustee, either canceled or uncanceled, or surrendered to the Trustee for conversion (if convertible), or otherwise surrendered to the Trustee, except upon exchange for other Bonds pursuant to the provisions of Article II, and which were not theretofore made the basis for the authentication and delivery of additional Bonds or the withdrawal of cash included in the trust estate or the reduction of the amount of cash required to be paid into the trust estate under any provision of this Indenture, or paid or redeemed or purchased pursuant to the provisions, or used in anticipation of the requirements, or made the basis for any reduction in the amount, of any sinking or analogous fund established by any indenture supplemental hereto which does not permit the authentication and delivery of additional Bonds on the basis of Bonds, paid, redeemed, purchased, used for or made the basis for reduction in the amount of such sinking or analogous fund.

Bonds and coupons for the payment or redemption of which moneys shall have been irrevocably deposited in trust with the Trustee (whether at or prior to maturity or the redemption date of such Bonds) shall be deemed to have been paid and canceled within the meaning of this definition; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been published as in Article V provided or provision satisfactory to the Trustee shall have been made for such publication.

Registered owner:

The term "registered owner" shall mean the person or persons in whose name or names the particular registered Bond without coupons shall be registered, or the particular coupon Bond shall be registered as to principal, on the books of the Company kept for that purpose in accordance with the terms of this Indenture.

Release moneys:

The term "release moneys" shall mean moneys received by the Trustee:

(a) upon the release of bondable property not subject to an unfunded prior lien, pursuant to Sections 3 or 5 of Article VII;

(b) upon the payment of principal of, or release of, any obligations deposited with the Trustee upon the release of any such property;

(c) upon the release of funded prior lien bonds pursuant to Section 4 of Article VII;

(d) on account of prior lien bonds, which are subject to withdrawal under Section 6(c) of Article VIII; and

(e) pursuant to Sections 18(b) or 20(b) of Article IV, other than proceeds of insurance.

Retired:

The term "retired" when used with respect to property, shall mean retired, abandoned, destroyed, lost through the enforcement of mortgage or other liens upon rights-of-way for transmission or distribution line purposes, or released or otherwise disposed of free of the lien of this Indenture, whether or not such property shall have been retired on the books of the Company.

Supplemental indenture:

The term "supplemental indenture" or "indenture supplemental hereto" shall mean any indenture now or hereafter

duly authorized and entered into in accordance with the provisions of this Indenture.

Trustee:

The term "Trustee" shall mean the Trustee under this Indenture for the time being, whether original or successor, but not a co-trustee or separate trustee appointed pursuant to Section 6 of Article XIII unless otherwise provided in the instrument of appointment executed pursuant to the provisions of said Section, and only to the extent therein provided.

Trust estate:

See definition of "mortgaged property".

ARTICLE II.

DESCRIPTION AND MANNER OF EXECUTION, AUTHENTICATION AND REGISTRATION OF BONDS.

SECTION 1. The Bonds may, at the election of the Board of Directors, be in one or more series and, except as hereinafter in this Section provided, shall be designated generally as the First Mortgage Bonds of the Company, with such further appropriate particular designations added to or incorporated in or eliminated from such title, for the Bonds of any particular series, as the Board of Directors may determine. Each Bond shall bear upon the face thereof the designation so selected for the series to which it belongs. All Bonds of any one series at any time simultaneously outstanding shall be identical in respect of date of maturity (unless they are of serial maturities), the place or places of payment of principal and of interest, the rate and dates of interest payments, the terms and rate or rates of optional redemption, if redeemable, the terms of convertibility, if convertible, and in respect of sinking fund or analogous provisions (if any) and tax provisions (if any); but Bonds of the same series may be of different denominations, and Bonds of any series may be of serial

maturities and, if of serial maturities, may differ with respect to redemption price. All coupon Bonds of any one series shall be dated as of the same date and such date shall be fixed for the Bonds of any particular series by the Board of Directors.

The Company may, if the Board of Directors so elects and the Trustee approves, and, if the Trustee so requests in writing, the Company shall, at any time or from time to time change the general designation of the Bonds from First Mortgage Bonds to such other general designation as may in the opinion of the Trustee be appropriate under the circumstances existing at the particular time. In the case of any such change, and until a further change, all Bonds which may be authenticated and delivered thereafter pursuant to Article III shall bear such new designation. If additional Bonds of any particular series, of which series Bonds are outstanding at the time of any such change, shall at any time thereafter be authenticated and delivered, or if any Bonds bearing such new designation are authenticated and delivered thereafter pursuant to this Article II in exchange or substitution for or upon transfer of any such Bonds, the Company shall provide for the exchange of all Bonds of such series at the time outstanding for new Bonds of like series and maturity bearing the new general designation, at the option of, but without expense to, the holders.

SECTION 2. Subject to determination from time to time by the Board of Directors, as expressed from time to time in one or more indentures supplemental hereto, which the Company is hereby authorized to execute and deliver to the Trustee, the Bonds of any series:

(a) shall bear interest at such rate and be payable, as well the interest as the principal thereof, at such time or times, and at such place or places, as may be determined by the Board of Directors and expressed in such Bonds;

(b) shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts;

(c) may be either coupon Bonds registerable as to principal or registered Bonds without coupons, or both, and coupon Bonds of such denominations as may be specified by the Board of Directors may contain provisions permitting the exchange thereof for fully registered Bonds without coupons of authorized denominations of the same series and of the same maturity, and provisions (in addition to the privilege of exchange referred to in Section 8 of this Article) permitting the exchange thereof for other coupon Bonds of other authorized denominations of the same series and of the same maturity, but in every case of the same aggregate principal amount;

(d) may have such additional registration privileges as may be determined by the Board of Directors;

(e) may be in such denominations as may be determined by the Board of Directors;

(f) may be limited as to the maximum principal amount thereof which may be authenticated and delivered by the Trustee or which may be at any one time outstanding, and an appropriate insertion in respect of such limitation may, but need not, be made in the Bonds of such series;

(g) may contain such lawful provisions, if any, as the Board of Directors shall prescribe with respect to the payment of principal or interest or both thereby represented without deduction for or the reimbursement of such taxes, assessments or governmental charges as may be specified therein or in an indenture supplemental hereto creating such series, and otherwise with respect to relieving the holder from payment of any such taxes, assessments or governmental charges;

(h) may contain such provisions for the redemption thereof, at the option of the Company, at such redemption price or prices, at such time or times, upon such notice, in such manner and upon such other terms and conditions, not

inconsistent with the provisions of Article V, as may be determined by the Board of Directors and expressed in such Bonds;

(i) may be convertible into or exchangeable for, at the option of the holders thereof, capital stock of any class of the Company or of any other corporation, at such times and upon such terms and conditions and subject to such adjustments as may be determined by the Board of Directors and expressed in such Bonds or in an endorsement thereon;

(j) may contain such provisions, if any, for the establishment of a purchase, sinking, amortization, improvement, or analogous fund therefor, in such amount, at such time or times, in such manner and upon such other terms and conditions, and for the retirement or redemption of such Bonds by the operation of any such fund or otherwise, at such price or prices, in such amounts, at such time or times, in such manner and upon such other terms and conditions as may be determined by the Board of Directors and expressed in such Bonds; and

(k) may contain such provisions with respect to serial maturities, interest rate, redemption price or prices, convertibility, anticipation of maturity on the happening of a specified event, and such other special terms and conditions, not contrary to the provisions hereof, as may be determined by the Board of Directors.

SECTION 3. In case the Company, pursuant to Article XII of this Indenture, shall be consolidated with or merged into any other corporation or shall convey, subject to this Indenture, all or substantially all the mortgaged property as an entirety, and the successor corporation resulting from such consolidation, or into which the Company shall have been merged, or which shall have received a conveyance as aforesaid, shall have executed and caused to be recorded an indenture with the Trustee pursuant to Section 2 of Article XII, any of the Bonds authenticated or

delivered prior to such consolidation, merger or conveyance may, from time to time, at the request of the successor corporation and with the consent of the holders thereof, be exchanged for other Bonds of the same series and of the same maturity executed in the name of the successor corporation with such changes in phraseology and form as may be appropriate, but otherwise in substance of like tenor to the Bonds surrendered for such exchange and of like principal amount; and the Trustee, upon the request of the successor corporation, shall authenticate and deliver Bonds as specified in such request for the purpose of such exchange. If additional Bonds of any particular series, of which series Bonds are at the time outstanding, shall at any time thereafter be authenticated and delivered in any new name, or if any Bonds in any new name are authenticated and delivered thereafter pursuant to this Article II in exchange or substitution for or upon transfer of any such Bonds, the Company shall provide for the exchange of all Bonds of such series at the time outstanding for Bonds in such new name, at the option of, but without expense to, the holder.

SECTION 4. The Company shall keep or cause to be kept at an agency to be maintained by it in the city in which the Trustee, at the time, has its principal office, books for the registration and transfer of Bonds entitled to registration and transfer, which, at all reasonable times, shall be open for inspection by the Trustee; and, upon presentation for such purpose at such office or agency, the Company will register or transfer or cause to be registered or transferred therein, as hereinafter provided and under such reasonable regulations as it may prescribe, any Bonds entitled to be so registered or transferred.

Similar books shall also be kept at such other place or places as the Board of Directors may determine, for the registration and transfer of the Bonds of any particular series, open in like manner for inspection by the Trustee, in which the Bonds of such series may be registered and transferred upon the terms and in the manner in this Article provided; and such other place or

places may (but need not) be appropriately recited in the Bonds of such series.

SECTION 5. All coupon Bonds shall be negotiable and pass by delivery, unless registered as to principal in the manner hereinafter provided. The bearer of any coupon Bond may have the ownership of the principal thereof registered on said registration books required to be kept pursuant to Section 4 of this Article, and such registration shall be noted on the Bond. After such registration no transfer shall be valid unless made on such books by the registered owner in person, or by his duly authorized attorney, and similarly noted on the Bond; but the same may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored; and such Bond may again, from time to time, be registered or discharged from registration in the same manner as before. Such registration, however, shall not affect the negotiability by delivery of the coupons, but every such coupon shall continue to be transferable by delivery merely and shall remain payable to bearer, and payment thereof to bearer shall fully discharge the Company in respect of the interest therein mentioned, whether or not the Bond be registered as to principal. Such registrations and discharges from registration shall be without expense to the holder of the Bonds, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Bondholder requesting such registration or discharge from registration as a condition precedent to the exercise of such privilege.

SECTION 6. Any registered Bond without coupons may be transferred at the agency of the Company to be maintained by it as aforesaid, upon surrendering such Bond for cancellation accompanied by delivery of a written instrument of transfer in a form approved by the Company, duly executed by the registered owner of such Bond, and thereupon the Company shall execute in the name of the transferee or transferees and the Trustee shall authenticate and deliver, a new registered Bond, or new registered Bonds, of like form, of the same series and maturity, for

the same aggregate principal amount. Except as provided in Sections 10 and 13 of this Article, every registered Bond without coupons shall be dated as of the date of its authentication and delivery (except that if any registered Bond shall be authenticated and delivered on any interest payment date it shall be dated as of the day next following such interest payment date), and shall bear interest from the interest payment date next preceding the date of such Bond, or, in case of registered Bonds without coupons authenticated and delivered on the initial authentication and delivery of Bonds of any series, from the first date on which interest is payable with respect to Bonds of such series.

SECTION 7. As to all registered Bonds without coupons and all coupon Bonds registered as to principal, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof, for all purposes of this Indenture; and thereafter payment of or on account of the principal of such Bond, if it be a coupon Bond registered as to principal, and of the principal and interest, if it be a registered Bond without coupons, shall be made only to or upon the order in writing of such registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums so paid. The Company and the Trustee may deem and treat the bearer of any coupon Bond, which shall not at the time be registered as to principal, and the bearer of any coupon for interest on such Bond, whether such Bond shall be registered or not, as the absolute owner of such Bond or coupon for the purpose of receiving payment thereof, and for all other purposes whatsoever, and the Company and the Trustee shall not be affected by any notice to the contrary.

SECTION 8. Coupon Bonds of any authorized denominations bearing all unmatured coupons may, upon surrender thereof to

the Company in principal amounts aggregating One thousand dollars or some multiple thereof, be exchanged for the same aggregate principal amount of coupon Bonds, of the same series and of the same maturity, in any authorized denomination not less than One thousand dollars, bearing all unmatured coupons. A registered Bond without coupons, with or without others of like form, series and maturity, may, upon surrender thereof to the Company, be exchanged for one or more such Bonds of like form for the same aggregate principal amount, of the same series and maturity, in authorized denominations. A registered Bond without coupons may, upon surrender thereof to the Company, be exchanged for a coupon Bond or Bonds for the same aggregate principal amount, of the same series and of the same maturity, in any authorized denomination not less than One thousand dollars, with coupons representing interest from the next preceding interest payment date, and bearing the serial numbers, if any, endorsed on the Bond surrendered.

SECTION 9. Until Bonds in definitive form of any series are ready for delivery, the Company may execute and upon its request in writing, the Trustee shall authenticate and deliver in lieu of any thereof, and subject to the same provisions, limitations and conditions, one or more printed, lithographed or typewritten Bonds in temporary form, substantially of the tenor of the Bonds hereinbefore described, without coupons or with one or more coupons, and with appropriate omissions, variations and insertions. Such Bond or Bonds in temporary form may be for the amount of One hundred dollars or any multiple or multiples thereof, as the Company may determine. Until exchanged for Bonds in definitive form such Bonds in temporary form shall be entitled to the lien and benefit of this Indenture. The Company shall, without unreasonable delay, prepare, execute and deliver to the Trustee, and thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form, the Trustee shall authenticate and deliver, in exchange therefor, a Bond or Bonds in definitive form of the same series and maturity for the

same aggregate principal amount as the Bond or Bonds in temporary form surrendered. Such exchange shall be made by the Company at its own expense and without making any charge therefor. When and as interest is paid upon Bonds in temporary form without coupons, the fact of such payment shall be noted thereon. Until such Bonds in definitive form are ready for delivery, the holder of one or more Bonds in temporary form may, with the consent of the Company, exchange the same on the surrender thereof to the Trustee for cancellation and shall be entitled to receive Bonds in temporary form of like aggregate principal amount of the same series and maturity in authorized denominations indicated by him, bearing all unmatured coupons, if any.

SECTION 10. In all the cases in which the privilege of exchanging Bonds exists and is exercised, the Bonds to be exchanged shall be surrendered at such place or places as shall be designated by the Board for the purpose, with all unmatured coupons attached in the case of coupon Bonds or of Bonds in temporary form with coupons, and accompanied by duly executed instruments of transfer in the case of registered Bonds without coupons and coupon Bonds or Bonds in temporary form registered as to principal, and the Company shall execute and the Trustee shall authenticate and deliver, in exchange therefor, the Bond or Bonds which the Bondholder making the exchange shall be entitled to receive. Every exchange of Bonds shall be effected in such manner as may be prescribed by the Board with the approval of the Trustee.

Each Bond delivered pursuant to the exercise of any such privilege of exchange or in substitution for the whole or any part of one or more other Bonds of the same series and maturity shall carry all of the rights to interest accrued and unpaid, and to accrue, which were carried by the whole or such part of such one or more other Bonds, and notwithstanding anything contained in this Indenture, such Bonds shall be so dated, and have attached thereto such coupons, that neither gain nor loss in interest shall result from such exchange or substitution.

Upon every exchange of coupon Bonds for coupon Bonds of another denomination or for registered Bonds without coupons, or of registered Bonds without coupons for coupon Bonds or for other registered Bonds without coupons, and upon every transfer of registered Bonds without coupons, the Company may require payment of such charge therefor as it may deem proper, not exceeding the sum of Two dollars for each Bond issued upon such exchange or transfer, payment of which, together with any stamp taxes or other governmental charges required to be paid with respect to such exchange or transfer, shall be made by the Bondholder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of such exchange or transfer.

The Company shall not be required to make (a) exchanges or transfers of any Bond under any provision of this Article either for the period of five days next preceding any interest payment date for such Bond or the redemption date of such Bond, or (b) exchanges of any coupon Bond for another coupon Bond or other coupon Bonds or for a registered Bond or Bonds without coupons, after the first publication or mailing, whichever shall be earlier, of notice of redemption of such Bond as provided in Article V.

All Bonds so surrendered for exchange and the coupons attached thereto and all registered Bonds without coupons surrendered for transfer shall be presented to the Trustee for cancellation, and the Trustee shall forthwith cancel the same, and, on its written request, deliver the same to the Company.

All Bonds executed, authenticated and delivered in exchange for Bonds so surrendered or upon transfer of registered Bonds without coupons shall be the valid obligations of the Company, evidencing the same debt as the Bonds surrendered, and shall be secured by the lien of this Indenture to the same extent as the Bonds in exchange for which they were authenticated and delivered.

SECTION 11. Any Bond, whether in registered or in coupon form, may bear such numbers, letters, or other marks of identif-

cation or designation, and may be endorsed with or have incorporated in the text thereof such legends or recitals with respect to transferability or in respect of the Bond or Bonds for which it is exchangeable and may contain such provisions, specifications and descriptive words, not inconsistent with the provisions of this Indenture as may be determined by the Board and approved by the Trustee; and provision may be made in connection with the issue of coupon Bonds of denominations of less than One thousand dollars or of registered Bonds without coupons for the reservation of the appropriate numbers or other designating marks of the coupon Bonds exchangeable therefor as may be required to comply with the rules and regulations of any stock exchange upon which the Bonds are or are to be listed or to conform with any usage with respect thereto.

SECTION 12. All the Bonds shall, from time to time, be executed on behalf of the Company by its President or one of its Vice Presidents and its corporate seal (which may be in facsimile) shall be thereunto affixed and attested by its Secretary or one of its Assistant Secretaries. The coupons to be attached to the Bonds shall bear the facsimile signature of the present or any future Treasurer of the Company.

In case any of the officers who shall have signed or sealed any of said Bonds shall cease to be such officers of the Company before the Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the Company, such Bonds nevertheless may be authenticated, issued, and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds had not ceased to be such officer or officers of the Company; and also any such Bond may be signed and sealed on behalf of the Company by such persons as at the actual date of the execution of such Bond shall be the proper officers of the Company, although at the nominal date of such Bond any such person shall not have been such officer of the Company.

Before authenticating any Bond the Trustee, except as provided in Sections 10 and 13 of this Article, shall cut off, cancel and deliver to the Company all matured coupons thereon.

SECTION 13. Upon receipt by the Company and the Trustee of evidence satisfactory to both of them that any outstanding Bond has been mutilated, destroyed, lost or stolen, and of indemnity satisfactory to both of them, in their discretion, the Company, in its discretion, may execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of the same series and maturity and of like tenor (which may bear such notation as may be required by the rules of any stock exchange upon which the Bonds are listed or are to be listed and having attached the same corresponding coupons, if any, as the mutilated, destroyed, lost or stolen Bond if such Bond were a coupon Bond, or, if such Bond were a registered Bond without coupons, having endorsed thereon the same distinctive number or numbers of the coupon Bond or Bonds in lieu of and in exchange for which such mutilated, destroyed, lost or stolen Bond was issued), in exchange and substitution for, and upon surrender and cancellation of, the mutilated Bond and coupons, if any, or in lieu of and in substitution for the Bond and coupons, if any, so destroyed, lost or stolen. The Company may, for each new Bond authenticated and delivered under the provisions of this Section, require the payment of a sum not exceeding Two dollars and, in addition, the expenses, including counsel fees, which may be incurred by the Company and the Trustee in the premises. Any Bond or coupon issued under the provisions of this Section in lieu of any Bond or coupon alleged to be destroyed, lost or stolen, shall constitute an original additional contractual obligation on the part of the Company whether or not the Bond or coupon so alleged to be destroyed, lost or stolen be at any time enforceable by anyone; and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds and coupons issued under this Indenture.

SECTION 14. Subject to the qualifications hereinbefore set forth, the Bonds and coupons to be secured hereby shall be substantially of the tenor and effect hereinbefore recited, and no Bonds shall be secured hereby or entitled to the benefit hereof,

or shall be or become valid or obligatory for any purpose unless there shall be endorsed thereon a certificate of authentication, substantially in the form hereinbefore recited, executed by the Trustee; and such certificate on any Bond issued by the Company shall be conclusive evidence and the only competent evidence that it has been duly authenticated and delivered hereunder.

ARTICLE III.

AUTHENTICATION AND DELIVERY OF BONDS

SECTION 1. The aggregate principal amount of Bonds which may be executed by the Company and authenticated and delivered by the Trustee and secured by this Indenture and outstanding at any one time shall not, in any event, exceed the amount at the time permitted by law, but otherwise, except as hereinafter in this Article III provided, is not limited. But the aggregate principal amount of Bonds, which may be so executed, authenticated and delivered hereunder, may, at any time at the election of the Company, evidenced by an indenture supplemental hereto, be limited to such definite aggregate principal amount as may be specified in such supplemental indenture. This Indenture shall be and constitute a continuing lien to secure the full and final payment of the principal of, and interest (and premium, if any) on, all Bonds which may, from time to time, be executed, authenticated and delivered hereunder. Subject to Section 2 of Article IV and subject to the terms with respect to any purchase or sinking fund or analogous provisions for any particular series of Bonds as established by any indenture supplemental hereto, all Bonds and coupons shall in all respects be equally and ratably secured hereby without preference, priority or distinction on account of the actual time or times of the authentication and delivery or maturity of the Bonds and coupons, or any of them, so that all Bonds and coupons at any time outstanding hereunder shall have the same right, lien and preference under and by virtue of this Indenture, and shall all be equally secured hereby, with like

effect as if they had all been executed, authenticated and delivered simultaneously on the date hereof, whether the same, or any of them, shall actually be sold or disposed of at such date, or whether they, or any of them, shall be sold or disposed of at some future date, or whether they, or any of them, shall have been authorized to be authenticated and delivered under Section 2 of this Article III, or may be authorized to be authenticated and delivered hereafter pursuant to other provisions of this Indenture.

SECTION 2. Bonds for the aggregate principal amount of Twenty-six million five hundred thousand dollars (\$26,500,000), being the initial issue of Bonds of 3½% Series due 1969, may forthwith be executed by the Company and delivered to the Trustee and shall be authenticated by the Trustee and delivered (either before or after the filing or recording hereof) to or upon the order of the Company. Such Bonds shall be subject to the terms of the Supplemental Indenture dated July 1, 1939, made by the Company and the Trustee and delivered simultaneously herewith, to which reference is hereby made for the provisions and agreements therein contained in respect of the Bonds of 3½% Series due 1969.

SECTION 3. Except as otherwise specifically provided in Section 4(k) and Section 6(b) of this Article III, the Company shall file or deposit with the Trustee, upon any application for the authentication of additional Bonds pursuant to Sections 4, 5 or 6 of this Article III:

(a) A certified resolution of the Board of Directors authorizing the execution and requesting the authentication and delivery of the additional Bonds applied for in the principal amount therein specified, designating the series of such Bonds, as created by the terms of an indenture supplemental hereto, and naming the officer or officers of the Company to whom or upon whose order such Bonds shall be delivered.

(b) An officers' certificate stating in substance that:

(1) For any twelve consecutive calendar months during the period of fifteen calendar months immediately preceding the first day of the month in which the application for authentication and delivery of additional Bonds is made, the net earnings available for interest, depreciation and property retirement have been in the aggregate equal to not less than the greater of two and one-half times the amount of the annual interest charges on, or ten per cent. (10%) of the principal amount of,

(i) all Bonds then outstanding under this Indenture and the additional Bonds applied for;

(ii) all prior lien bonds at the time outstanding and all prior lien bonds, if any, simultaneously applied for; and

(iii) in case the Company shall have been consolidated or merged with or into or shall have made a conveyance to any other corporation as permitted by Article XII and the corporation formed by or resulting from such consolidation or merger or to which such conveyance shall have been made, as aforesaid, shall not have executed and delivered to the Trustee and caused to be recorded a supplemental indenture subjecting to the lien of the Indenture all property and franchises then owned and which may thereafter be acquired by such successor corporation (other than property of the character defined in the granting clauses hereof as excepted property), all other indebtedness of such successor corporation maturing more than one year from the date of creation thereof;

(2) The net earnings available for interest, depreciation and property retirement have been calculated in accordance with the definition thereof contained in Article I, and to that end specifying the operating revenues of the Company and the net non-oper-

ating revenues of the properties of the Company and the deductions therefrom all as called for by said definition; and

(3) The Company is not, and by the making or granting of the application will not be, in default in the performance of any of the terms and covenants of this Indenture.

(c) An opinion of counsel to the effect that:

(1) Since the date of the last previous opinion of counsel filed with the Trustee pursuant to Sections 4, 5 or 6 of this Article III (or since June 30, 1939 in the case of the first opinion filed hereunder), no property described in the granting clauses of this Indenture or in any previous certificate with respect to property additions not subject to an unfunded prior lien filed with the Trustee, which is still owned by the Company, has become and still remains subject to any lien not existing thereon at such previous date prior to the lien of this Indenture as security for the additional Bonds then applied for, excepting specified judgment liens and permitted liens;

(2) The issue of the additional Bonds, the authentication and delivery of which are being applied for, has been duly authorized by all governmental authorities the consent of which is requisite to the legal issue of such Bonds or that no such consent is required; and, unless such opinion shall show that no consent of any governmental authority is requisite to the legal issue of the additional Bonds applied for, it shall specify any official certificates or other documents by which such consent is evidenced, and the same shall accompany such opinion; and

(3) The Company is duly authorized and entitled to the authentication and delivery of the additional Bonds applied for in accordance with the provisions of this

Indenture and to issue such additional Bonds under the laws of the State of Kansas and the applicable laws of any other jurisdiction; that upon the issue of such Bonds, such Bonds will be the valid and binding obligations of the Company and entitled to the benefits and security of this Indenture; and that the amount of Bonds then outstanding under this Indenture will not exceed the amount at the time permitted by law.

(d) An amount of cash equal to the aggregate amount of all judgment liens specified in the opinion of counsel provided for in Subdivision (c) of this Section, less the amount of all cash then held by the Trustee on account of such judgment liens, which shall be held and applied by the Trustee as a part of the trust estate and which may be withdrawn only in accordance with Section 6 of Article VIII.

SECTION 4. From time to time hereafter the Company, in addition to the Bonds authorized to be executed, authenticated and delivered pursuant to the other provisions of this Article III, may execute and deliver to the Trustee, and the Trustee shall thereupon authenticate and deliver to or upon the order of the Company, additional Bonds for an aggregate principal amount equal to seventy per cent. (70%) of the net bondable value of property additions not subject to an unfunded prior lien. The Trustee shall authenticate and deliver such additional Bonds only upon receipt by it of:

(a) An engineer's certificate with respect to net bondable value of property additions not subject to an unfunded prior lien, showing in substance:

(1) The balance, if any, of the net bondable value of property additions not subject to an unfunded prior lien, as stated in the most recent certificate, if any, with respect to net bondable value of property additions not subject to an unfunded prior lien theretofore filed with the Trustee, which shall not, however, exceed Five hundred thousand dollars.

(2) The aggregate cost to the Company of the gross property additions not subject to an unfunded prior lien purchased, constructed or otherwise acquired by the Company during the period specified in such certificate and not described in any previous certificate with respect to net bondable value of property additions not subject to an unfunded prior lien filed with the Trustee. A description in reasonable detail of such gross property additions, which may be in accordance with the classifications then used by the Company in its property account and may, in the case of tracts or parcels of land, be by reference to the deeds by which the same were acquired or to the supplemental indenture by which the same were or are being conveyed to the Trustee, and which shall specify any gross property additions consisting of an acquired plant or system, or which shall have been acquired and paid for in whole or in part through the issue or delivery of shares of stock or other securities; whether the fair value to the Company (as of the date provided for in the definition of fair value to the Company contained in Article I) of any particular property addition included in the certificate, except such as have been retired by the Company, is less than the cost to the Company thereof, and, if so, such fair value thereof; a distribution of the cost to the Company, or the fair value to the Company, if the fair value is less than the cost, of the property additions described in the certificate among the various classes of such property additions, to such extent and upon such basis, which may be an estimate, as the signers deem proper. If the fair value of any property additions is less than the cost thereof to the Company, the fair value shall be used in determining the amount at which the gross property additions described pursuant to the provisions of this paragraph (2) are included in the engineer's certificate.

(In case the inclusion in the certificate of all of the gross property additions purchased, constructed

or otherwise acquired by the Company during the period stated in the certificate would result in a balance of over Five hundred thousand dollars of net bondable value of property additions remaining after the granting of the application being made, an amount of the gross property additions purchased, constructed or otherwise acquired during such period sufficient to prevent such balance from exceeding Five hundred thousand dollars shall be omitted from the gross property additions stated in said certificate, but the gross property additions so omitted may be included in any later certificate, regardless of the period covered by such later certificate. No property additions subject to an unfunded prior lien, which will not, prior to or simultaneously with the granting of the application with respect to which the certificate is then being filed, become a funded prior lien, and no property additions with respect to which the Company cannot at the time furnish the opinion of counsel, required by Subdivision (e) of this Section, shall be included in the gross property additions stated, but such property additions may be included in a later certificate when such unfunded prior lien shall become a funded prior lien or when the Company is able to furnish the opinion of counsel, as the case may be, regardless of the period covered by such later certificate.)

(3) The excess, if any, of the bonded cost of all bondable property, which was not subject to an unfunded prior lien at the date of its release, released from the lien of this Indenture pursuant to Section 3 or Section 5 of Article VII, during the period between the date of filing the most recent certificate, if any, with respect to net bondable value of property additions not subject to an unfunded prior lien theretofore filed with the Trustee (or June 30, 1939 in the case of the first such certifi-

cate) and the date of filing the certificate then being filed, over the fair value to the Company of such property at the time of such release, as stated in an engineer's certificate filed with the Trustee pursuant to Section 3(b) of Article VII, or over the proceeds of such property paid over to the Trustee or the trustee of any funded prior lien pursuant to Section 5 of Article VII, as the case may be.

(4) The bonded cost of all bondable property (other than property released from the lien of this Indenture pursuant to Section 3 or Section 5 of Article VII), which was not subject to an unfunded prior lien at the date of its retirement, retired during the period between the latest date of the period for which retirements were stated in the most recent certificate, if any, with respect to net bondable value of property additions not subject to an unfunded prior lien theretofore filed with the Trustee (or June 30, 1939 in the case of the first such certificate) and the last day of any calendar month within the period of three calendar months immediately preceding the first day of the month in which the particular certificate is being filed with the Trustee, or the last day of the period during which the gross property additions described in paragraph (2) of this Subdivision (a) were purchased, constructed or otherwise acquired, if such date is later.

(5) In case the gross property additions described in the certificate shall include property additions subject to an unfunded prior lien, which prior to or simultaneously with the granting of such application will become a funded prior lien,—the bonded cost of all property additions which were subject to such unfunded prior lien and which have not been deducted in a certificate with respect to net bondable value of property additions not subject to an unfunded prior lien filed with the Trustee, that have been retired by the Company dur-

ing the period between the date of its first acquisition of property additions subject to such prior lien and the last day of any calendar month within the period of three calendar months immediately preceding the first day of the month in which the particular certificate is being filed with the Trustee, or the last day of the period during which the gross property additions described in paragraph (2) of this Subdivision (a) were purchased, constructed or otherwise acquired, if such date is later.

(6) The aggregate of:

(i) the amount of all cash in the trust estate which has been withdrawn pursuant to Section 1 of Article VIII on the basis of property additions not subject to an unfunded prior lien,

(ii) the amount of all cash received by the Trustee as release moneys which has been applied to any sinking fund payments pursuant to Section 5 of Article VIII,

(iii) the amount by which all cash required to be deposited with the Trustee as part of the trust estate has been reduced on the basis of property additions not subject to an unfunded prior lien by simultaneous compliance with Section 1 of Article VIII,

during the period between the date of filing the most recent certificate, if any, with respect to net bondable value of property additions not subject to an unfunded prior lien theretofore filed with the Trustee (or June 30, 1939 in the case of the first such certificate) and the date of filing the certificate then being filed.

(7) The aggregate of:

(i) the amount of all cash in the trust estate which is simultaneously being withdrawn pursuant to Section 4 of Article VIII; and

(ii) the amount by which all cash required to be deposited with the Trustee as part of the trust estate is being reduced by simultaneous compliance with Section 4 of Article VIII.

(8) Ten-sevenths ($\frac{10}{7}$ ths) of the amount of cash, if any, which is simultaneously being withdrawn pursuant to Section 3(a) of Article VIII.

(9) Ten-sevenths ($\frac{10}{7}$ ths) of the aggregate principal amount of additional Bonds then applied for upon the basis of property additions.

(10) The balance of net bondable value of property additions not subject to an unfunded prior lien, shown by said certificate, remaining after the granting of the application then being made which shall be computed by taking

(i) the sum of the amounts stated pursuant to paragraph (1) of this Subdivision (a), and the total of the gross property additions stated pursuant to paragraph (2) of this Subdivision (a);

and subtracting therefrom

(ii) the sum of the amounts stated pursuant to paragraphs (3), (4), (5), (6), (7), (8) and (9) of this Subdivision (a).

(11) That the gross property additions described in the certificate are property additions as defined in Article I; that no portion of such property additions was included in any other certificate with respect to net bondable value of property additions not subject to an unfunded prior lien filed with the Trustee; that such property additions, except such as have been retired, are desirable in the conduct of the business of the Company; that the distribution made by the signers of the cost or the fair value of any of such property additions is, in the

opinion of the signers, proper; and that the bonded cost of bondable property not subject to an unfunded prior lien retired by the Company during the period since the last day of the period covered pursuant to paragraph (4) of this Subdivision (a) does not exceed the aggregate of (i) the balance of net bondable value of property additions not subject to an unfunded prior lien stated pursuant to paragraph (10) of this Subdivision (a), and (ii) the cost to the Company of the gross property additions not subject to an unfunded prior lien not included in any certificate with respect to net bondable value of property additions not subject to an unfunded prior lien filed with the Trustees.

(12) That the allowances or charges, if any, for interest, taxes, engineering, legal expenses, superintendence, insurance, casualties and other items during construction, included in the cost to the Company of such of the property additions described in the certificate as were constructed by or for the Company, are such as are properly chargeable to fixed property accounts under the regulations, rules and orders, if any, with respect to such matters in force at the time of construction, of the State Corporation Commission of Kansas or other public body or authority having jurisdiction or supervisory authority over the accounts of the Company, and are such as are, in the opinion of the signers, proper in respect of the particular property additions specified.

(13) That no portion of the cost or the fair value to the Company of such property additions described in the certificate should properly have been charged to maintenance or repairs, and that no expenditures are included in the certificate, which under the regulations, rules and orders, if any, with respect to such matters in force at the time, of the State Corporation Commission of Kansas or other public body or authority having

jurisdiction or supervisory authority over the accounts of the Company, or, if there are no such regulations, rules and orders, in the opinion of the signers, are not properly chargeable to fixed property accounts.

(14) Whether any portion of the property additions described in the certificate is at the time subject to a prior lien, and, if so, the total amount of all prior lien bonds secured thereby and a brief statement of the nature and extent of the mortgage or other lien securing the same, and whether such prior lien is a funded prior lien, and, if not, specifying the amounts of prior lien bonds and cash which must be deposited with the Trustee or with a trustee or other holder of any prior lien securing such prior lien bonds or other funded prior lien bonds, in order to constitute such prior lien a funded prior lien; and whether any portion of such property additions is, at the time, subject to a judgment lien and, if so, a brief statement of the nature and extent of such judgment lien and what, if any, funds have been theretofore deposited with the Trustee on account of such judgment lien.

(15) That no portion of the property additions described in the certificate is subject to any mortgage, pledge or other lien prior to the lien of this Indenture, except the prior liens and judgment liens, if any, specified pursuant to paragraph (14) above and permitted liens and, in the case of property additions to or upon leasehold estates, as permitted by this Indenture, the lien reserved by the lease for rent and for compliance by the Company with the terms of the lease; and that no portion of such property additions is subject to any easement or similar encumbrance except such as, in the opinion of the signers, does not impair the continued use of such property additions for the purposes for which they were acquired.

(16) That the terms used in the certificate which are defined in Article I are used as therein defined.

(b) In case any property additions are shown by the engineer's certificate provided for in Subdivision (a) of this Section 4 to consist of an acquired plant or system, an independent engineer's certificate stating, in the opinion of the signer, the fair value to the Company of the gross property additions consisting of such acquired plant or system, except such as have been retired by the Company, determined as provided in Article I.

(c) In case any property additions are shown by the engineer's certificate provided for in Subdivision (a) of this Section 4 to have been acquired or paid for in whole or in part through the issue or delivery of shares of stock or other securities, an appraiser's certificate, stating the fair value in cash of such shares of stock or other securities at the time of the issue or delivery thereof in payment for such property additions.

(d) Such instruments of conveyance, transfer and assignment as, in the opinion of counsel, may be necessary to vest in the Trustee to hold as a part of the mortgaged property all right, title and interest of the Company in and to the property additions described pursuant to Subdivision (a) (2) of this Section 4, or the opinion of counsel that no such instruments are necessary for such purpose.

(e) An opinion of counsel to the effect that:

(1) The Company has, or upon delivery of the instruments of conveyance, transfer or assignment, if any, specified in such opinion will have, good title to any tracts or parcels of land mentioned or described in the engineer's certificate provided for in Subdivision (a) of this Section 4 (except such as have been retired), subject only to such defects therein as the Company may have power by appropriate legal proceedings to cure, or which, in the

opinion of such counsel, are inconsequential, and to such liens and encumbrances as are referred to in paragraph (6) below;

(2) If such property additions include any transmission line or distribution line equipment or dams or other similar structures installed by the Company under easements, rights-of-way, or leases over private property for towers, poles, wires, conduits or mains, or for transmission line or distribution line purposes, or rights, permits or licenses to use or appropriate water or to overflow the land of others by the erection of dams or otherwise, or such easements, rights-of-way and leasehold interests or such rights, permits or licenses, the Company is entitled to such right-of-way or easement or such leasehold interest or such right, permit or license, as the case may be, for an unlimited period of time, or for a period of time extending for so long as the Company shall continue to use the same for the purposes for which they were granted, or for a period extending beyond the date of maturity of the additional Bonds applied for and also beyond the date of maturity of all Bonds then outstanding under this Indenture, subject only to such defects in the rights of the Company thereto as the Company may have power by appropriate legal proceedings to cure or as, in the opinion of such counsel, are inconsequential, and subject to such liens and encumbrances as are referred to in paragraph (6) below;

(3) If such property additions include any transmission line or distribution line equipment or dams or other similar structures located or constructed on, over or under public highways or other public property, the Company has the lawful right, under permits or franchises granted by a governmental body having jurisdiction in the premises or by the law of the State in which such property is located, to maintain and operate such equipment or structures for an unlimited, indeterminate or indefinite period of time or for the period, if any, speci-

fied in such permit or franchise or law, and to remove such equipment or structures at the expiration of the period covered by such permits or franchises or law or that the terms of such permit or franchise or law require any public authority having the right to take over such equipment to pay fair consideration therefor;

(4) The Company has corporate power to own and operate such property additions;

(5) The nature and extent of the prior liens and judgment liens, if any, on such property additions are correctly stated in said engineer's certificate; and

(6) The Indenture is, or upon the delivery of the instruments of conveyance, transfer or assignment or of prior lien bonds or certificates or payment of cash, if any, specified in such opinion, will be, a lien upon all property additions described in said engineer's certificate (except such as have been retired) free and clear of any mortgage or other lien prior to the lien of this Indenture, except specified funded prior liens, if any, specified judgment liens, if any, permitted liens, and, in the case of property additions to or upon leasehold estates, as permitted by this Indenture, the lien reserved by the lease for rent and for compliance with the terms of the lease, and free and clear of any easements or similar encumbrances, except such as, in the opinion of such counsel, do not impair the use of such property additions for the purposes for which they were acquired.

(f) The prior lien bonds and cash in the amounts necessary in order to constitute any unfunded prior liens, specified in the engineer's certificate and opinion of counsel provided for in Subdivisions (a) and (e) of this Section 4, funded prior liens, or the certificate of the trustee or other holder of the prior lien securing such prior lien bonds or other funded prior lien bonds certifying to the deposit with it of such prior lien bonds or cash.

(g) An amount of cash equal to the aggregate of all judgment liens specified in said engineer's certificate and opinion of counsel, less the amount of all cash then held by the Trustee on account of such judgment liens, which shall be held and applied by the Trustee as part of the trust estate.

(h) The resolution, certificate, opinion of counsel and cash required by Section 3 of this Article III, except that, in case an application for the authentication and delivery of Bonds upon the basis of property additions subject to an unfunded prior lien, which simultaneously with the granting of such application will become a funded prior lien, is made at any time after a date two years prior to the date of maturity of the prior lien bonds secured by such prior lien, the Trustee shall authenticate and deliver such additional Bonds in an amount equal to the principal amount of all prior lien bonds secured by such prior lien outstanding immediately prior to its becoming a funded prior lien, without requiring the certificate provided for in Section 3 (b) of this Article III, upon receipt by it of an officers' certificate stating, in substance, that all the additional Bonds applied for, or the proceeds of the sale thereof, will be applied by the Company to the extent necessary to make such prior lien a funded prior lien or to pay indebtedness incurred by the Company for such purpose.

SECTION 5. From time to time hereafter the Company, in addition to the Bonds authorized to be executed, authenticated and delivered pursuant to the other provisions of this Article III, may execute and deliver to the Trustee, and the Trustee shall thereupon authenticate and deliver to or upon the order of the Company, additional Bonds for an aggregate principal amount equal to the amount of cash which shall be deposited with the Trustee pursuant to this Section 5, but only upon receipt by the Trustee of:

(a) Cash in an amount equal to the aggregate principal amount of additional Bonds applied for pursuant to this

Section 5, which shall be held and applied by the Trustee as a part of the trust estate and which may be withdrawn only in accordance with Section 3 of Article VIII, and

(b) The resolution, certificate, opinion of counsel and cash required by Section 3 of this Article III.

SECTION 6. From time to time hereafter the Company, in addition to the Bonds authorized to be executed, authenticated and delivered pursuant to the other provisions of this Article III, and in substitution for any refundable Bonds, may execute and deliver to the Trustee, and the Trustee shall thereupon authenticate and deliver to or upon the order of the Company, additional Bonds for an aggregate principal amount equal to the aggregate principal amount of the refundable Bonds made the basis for the application therefor, but only upon the receipt by the Trustee of:

(a) An officers' certificate stating in substance

(1) The series and the aggregate principal amount of the Bonds in substitution for which additional Bonds are to be authenticated and delivered;

(2) That no part of the Bonds made the basis for the application have theretofore been made the basis for the authentication and delivery of additional Bonds pursuant to this Section 6, or for the withdrawal of cash included in the trust estate or for the reduction of the amount of cash required to be deposited in the trust estate under any provision of this Indenture;

(3) That no part of the Bonds made the basis for the application were paid or redeemed or purchased with moneys included in the trust estate;

(4) That no part of the Bonds made the basis for the application were paid or redeemed or purchased pursuant to the provisions, or used in anticipation of the

requirements, or made the basis for any reduction in the amount, of any sinking fund or analogous fund established by any indenture supplemental hereto, which does not permit the authentication of additional Bonds upon the basis of Bonds paid, redeemed, purchased, used for or made the basis for reduction in the amount of such sinking fund or analogous fund; and

(5) Whether all of the Bonds made the basis for the application were theretofore issued by the Company; and

(b) The resolution, certificate, opinion of counsel and cash required by Section 3 of this Article III, except that, in any case where such application is upon the basis of the payment at maturity of Bonds, which were theretofore issued by the Company, or the redemption or purchase thereof after a date two years prior to the date of their maturity, the certificate provided for by Section 3(b) of this Article III need not be filed with the Trustee, but in lieu thereof there shall be filed with the Trustee an officers' certificate stating, in substance, that all of the additional Bonds so applied for, or the proceeds of the sale thereof, will be applied by the Company to the extent necessary to effect the retirement by payment, redemption, purchase or exchange of the Bonds made the basis for the application or the payment by the Company of moneys borrowed for such purpose.

ARTICLE IV.

PARTICULAR COVENANTS OF THE COMPANY.

The Company hereby covenants, warrants and agrees:

SECTION 1. That the Company will punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Bonds duly issued hereunder according

to the terms thereof. As the coupons are paid they shall be forthwith canceled.

SECTION 2. That no coupon or claim for interest which in any way at or after maturity shall have been transferred or pledged, separate or apart from the Bond to which it relates, or which shall in any manner have been kept alive after maturity by extension or by purchase thereof by or on behalf of the Company, shall be entitled, in case of a default hereunder, to any benefit of or from this Indenture, except after the prior payment in full of the principal of the Bonds and of all coupons and claims for interest not so transferred, pledged, kept alive or extended.

SECTION 3. That the Company is lawfully seized and possessed of all the mortgaged property; that it has good right and lawful authority to mortgage the same as provided in this Indenture; and that the mortgaged property is, at the actual date of the initial issue of Bonds, free and clear of any deed of trust, mortgage, lien, charge or encumbrance thereon or affecting the title thereto prior to this Indenture, except as set forth in the granting clauses hereof.

SECTION 4. That the Company will at all times keep an office or agency, while any of the Bonds are outstanding, at each place at which the principal or interest of any of the Bonds shall be payable, where notices, presentations and demands to or upon the Company in respect of such Bonds or coupons as may be payable at such place or in respect of this Indenture may be given or made, and will give the Trustee written notice of the location of and any change in the location of each such office or offices or agency or agencies. In case the Company shall fail to maintain such office or offices or agency or agencies the principal office of the Trustee shall be conclusively deemed to be the office or agency of the Company for such purposes, and the Company hereby appoints the Trustee its agent, on its behalf, to receive all such notices, presentations and demands.

SECTION 5. That the Company will at all times protect its title to the mortgaged property and every part thereof against loss by reason of any foreclosure or other proceeding to enforce any lien thereon prior to the lien of this Indenture. That the Company will duly pay and discharge, or cause to be paid and discharged, as the same shall become due and payable, all taxes, rates, assessments and governmental and other charges lawfully levied and imposed upon the mortgaged property, including the franchises, earnings and business of the Company, and will duly observe and conform to all valid requirements of any governmental authority relative to any part of such property, and all covenants, terms and conditions under or upon which any part of such property is held; and that the Company will not suffer any mechanics', laborers', statutory or other similar lien or charge to be hereafter created or remain upon such property or any part thereof, or the income therefrom. However, nothing contained in this Section shall require any such tax, assessment, lien or charge to be paid or any such requirement to be complied with so long as the validity thereof shall be contested in good faith, unless thereby, in the opinion of the Trustee or of counsel selected or approved by the Trustee, any of such property may be lost or forfeited.

SECTION 6. That the Company will,

(a) at all times cause all of the mortgaged property, which is of a character usually insured by companies similarly situated and operating like properties, properly to be insured against loss or damage from such hazards and risks as are usually insured by companies similarly situated and operating like properties, to a reasonable amount in responsible stock companies, mutual companies, or reciprocal associations, but no particular hazard or risk need be insured except to the extent of the excess thereof, if any, over Fifty thousand dollars; but the Company may from time to time adopt another method or plan of protection against such loss or damage in substitution, or partial substitution, for the aforesaid insurance, if such plan or method shall afford pro-

tection to the Trustee and the trust estate, in the opinion of the signer of an independent engineer's certificate, at least equal to the plan or method of protection against such loss or damage then adopted by companies similarly situated and operating properties subject to similar or greater hazards or risks, but before any such other method or plan may be adopted by the Company, there shall be filed with the Trustee:

(1) an independent engineer's certificate, stating that, in the opinion of the signer, such method or plan of protection is in accordance with the requirements of this Subdivision (a) and affords adequate protection to the Trustee and the trust estate against loss and damage from hazards and risks covered thereby, and does not lessen the protection against such loss or damage existing immediately prior to the adoption of such method or plan; and

(2) an officers' certificate setting forth the details of such method or plan;

(b) cause any particular loss in excess of Ten thousand dollars, which has been insured, to be made payable and to be paid to the Trustee, to be held and applied by the Trustee as a part of the trust estate, except that, if the terms of the mortgage or other instrument securing any prior lien bonds require the payment thereof to the trustee or other holder thereof, any such loss may be payable and may be paid to such trustee or other holder;

(c) cause all proceeds of any insurance payable directly to it to be applied to the replacement of, or improvements to, or both, of the mortgaged property;

(d) at any and all times upon the written request of the Trustee and in any event in April of each calendar year, beginning with the year 1940, furnish to the Trustee an officers'

certificate stating in substance that the Company has complied with all the terms and conditions of Subdivision (a) of this Section and, except where another plan or method of protection has been adopted as permitted by said Subdivision (a), containing a detailed statement of the insurance then outstanding and in force provided for under said Subdivision (a), including the names of any insurance companies which have insured, the amounts thereof and the property, hazards and risks covered thereby; and

(e) whenever requested in writing by the Trustee, cause the policies of insurance carried pursuant to this Section to be delivered to the Trustee for examination or inspection, and the Trustee shall, within thirty (30) days from the date of such delivery, return such policies to the Company.

SECTION 7. That the Company will at all times make or cause to be made such expenditures by means of renewals, replacements, repairs, maintenance, or otherwise as shall be necessary to maintain, preserve and keep the mortgaged property at all times in good repair, physical condition, working order and condition and in a state of good operating efficiency, except that the Company may abandon any property as provided in Section 2 (b) of Article VII.

SECTION 8. That the holders of the capital stock of the Company entitled to vote thereon and the Board of Directors of the Company, at meetings thereof respectively duly convened and held, have duly authorized the execution and delivery of this Indenture to secure the Bonds issued and to be issued hereunder, and that all requirements at law and the by-laws and articles of incorporation of the Company have been fully complied with and all other acts and things necessary to make this Indenture a valid, binding and legal instrument for the security of the Bonds have been done and performed.

SECTION 9. That, if the Company shall fail to perform any of the covenants contained in Sections 5, 6 and 7 of this Article, the Trustee, or any receiver appointed hereunder, may make advances to perform the same in its behalf; and the Company hereby agrees to repay all sums so advanced in its behalf, on demand, with interest at five per cent. (5%) per annum after demand, and all sums so advanced, with interest as aforesaid, shall be secured hereby having the benefit of the lien hereby created, in priority to the indebtedness evidenced by the Bonds and coupons; but no such advance shall be deemed to relieve the Company from any default hereunder.

SECTION 10. That the Company will cause this Indenture and all indentures supplemental hereto at all times to be recorded and filed and kept recorded and filed in such manner and in such places as may be provided by law in order fully to preserve and protect the security of the Bondholders and all the rights of the Trustee.

SECTION 11. That the Company will, upon reasonable request, execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectually the purposes of this Indenture, especially to make subject to the lien hereof any property agreed to be subjected hereto, or intended so to be, to transfer to any new trustee or trustees the estate, powers, instruments and funds held in trust hereunder and to confirm the lien of this Indenture with respect to any series of Bonds.

SECTION 12. That in case the Company shall hereafter create any mortgage upon, or pledge of, the mortgaged property or any part thereof, such mortgage or pledge shall be and shall be expressed to be subject to the prior lien of this Indenture for the security of all Bonds then authenticated and delivered or thereafter to be authenticated and delivered hereunder. That, subject to the provisions of Article XII, in case the Company shall here-

after acquire or own any property (other than property of the nature specifically excepted by the terms of the granting clauses of this Indenture), which is not subject to a prior lien and which it has the power to subject either to the lien of this Indenture or to a prior lien as a first lien, it will subject such property to the lien of this Indenture as a first lien.

SECTION 13. That the Company will not execute, or permit to be authenticated and delivered, any Bonds hereunder in any manner other than in accordance with the provisions of this Indenture and the agreements in that behalf herein contained, and will not suffer or permit any default to occur under this Indenture, but will faithfully observe and perform all the conditions, covenants and requirements of this Indenture (including all indentures supplemental hereto).

SECTION 14. That the Company will not acquire, by purchase, merger or otherwise, any property subject to a lien or liens which will on acquisition be an unfunded prior lien or prior liens,

(a) if at the time of first acquisition by the Company of property subject to such lien or liens, the principal amount of outstanding indebtedness secured by such lien or liens shall exceed seventy per cent. (70%) of the lesser of the cost or the fair value of the property of the nature of property additions subject to such lien or liens; and

(b) unless the net earnings of such property available for interest, depreciation and property retirement (determined in the manner provided in Article I) for any twelve consecutive calendar months during the period of fifteen calendar months immediately preceding the first day of the month in which the first acquisition of property subject to such lien or liens occurs, shall have been in the aggregate equal to not less than the greater of two and one-half times the amount of

the annual interest charges on, or ten per cent. (10%) of the principal amount of, all outstanding indebtedness secured by such lien or liens.

That, in case the Company shall propose to acquire any property subject to such a lien as permitted by this Section, it will prior to, or simultaneously with, the first acquisition of any such property file with the Trustee certificates with respect to such property of the nature prescribed by paragraphs (2), (14), (15) and (16) of Section 4(a) of Article III and Subdivisions (b) and (c) of said Section 4 and Section 3 (b) of Article III (except that the certificate of the nature prescribed by Section 3(b) of Article III shall refer only to the net earnings of such property and to the indebtedness secured by such liens to which such property is subject), and an opinion of the nature prescribed by paragraphs (1) to (5), both inclusive, of Section 4(c) of Article III.

SECTION 15. That the Company will not issue, or permit to be issued, any prior lien bonds secured by any funded prior lien in addition to the prior lien bonds secured by such prior lien at the time it became a funded prior lien, other than in lieu of lost, stolen or mutilated bonds or on the exchange for bonds already outstanding of an equal principal amount of other bonds of the same issue and the same series, if any, and of the same maturity.

SECTION 16. That the Company will not issue or permit to be issued, any prior lien bonds secured by any unfunded prior lien in addition to the prior lien bonds secured by such unfunded prior lien at the time of first acquisition by the Company of property subject thereto (other than in lieu of lost, stolen or mutilated bonds or on the exchange for bonds already outstanding of an equal principal amount of other bonds of the same issue and the same series, if any, and of the same maturity),

(a) except upon the basis of

(1) property additions subject to such unfunded prior lien or prior liens purchased, constructed or otherwise acquired by the Company after the time of the first acquisition by the Company of property subject to such unfunded prior lien, and then only to the extent of seventy per cent. (70%) of the amount of net bondable value of such property additions;

(2) the deposit of cash with the trustee of such prior lien or with the Trustee in an amount equal to the principal amount of the prior lien bonds to be issued, which cash may thereafter be withdrawn only on the basis of (i) property additions purchased, constructed or otherwise acquired by the Company after the time of its first acquisition of any property subject to such unfunded prior lien, in an amount not exceeding seventy per cent. (70%) of the amount of the net bondable value of such property additions, or (ii) the cancellation of prior lien bonds secured by such prior lien in a principal amount equal to the amount of cash withdrawn; or

(3) an equal aggregate principal amount of prior lien bonds secured by such unfunded prior lien, or by another unfunded prior lien which constitutes a lien on all or part of the property subject to such unfunded prior lien prior to the lien thereof, and then or theretofore paid at maturity by the Company or redeemed or purchased by the Company (otherwise than out of funds included in the trust estate or similar funds held by the trustee or other holder of such prior lien or other prior lien) or otherwise canceled;

and

(b) unless the aggregate of the net earnings available for interest, depreciation and property retirement (determined

as provided in Article I), for any twelve consecutive calendar months during the period of fifteen calendar months immediately preceding the first day of the month in which the additional prior lien bonds are to be issued, have been, in the aggregate, equal to not less than the greater of two and one-half times the amount of the annual interest charges on, or ten per cent. (10%) of the principal amount of, the indebtedness specified in subparagraphs (i), (ii) and (iii) of Subdivision (b) (1) of Section 3 of Article III; provided that, if such application is upon the basis of payment at maturity of prior lien bonds theretofore sold or otherwise disposed of or the redemption or purchase thereof after a date two years prior to the date of their maturity, the provisions of this Subdivision (b) shall apply only to the extent set forth in Subdivision (c) of this Section 16.

That, in case the Company shall propose to issue any additional prior lien bonds as permitted by this Section, it will, prior to the issue thereof, file with the Trustee

(aa) In the case of the issue of additional prior lien bonds as permitted by Subdivision (a) (1) of this Section, a certificate of the nature prescribed by Section 3(b) of Article III and certificates and opinion of the nature prescribed by Subdivisions (a), (b), (c) and (e) (1) to (5) both inclusive, of Section 4 of Article III (except that such certificates and opinion shall refer to the issue of additional prior lien bonds and to property additions subject to an unfunded prior lien, and except that paragraphs (3) to (10), both inclusive, of the certificate provided by Subdivision (a) of said Section 4 shall be omitted and in lieu thereof appropriate paragraphs shall be inserted relating to the deductions and computations required to be made by the definition of net bondable value of property additions subject to an unfunded prior lien contained in Article I), together with an opinion

of counsel to the effect that the property additions made the basis for the issue of such additional prior lien bonds are subject to no lien, other than permitted liens, except the prior lien securing the prior lien bonds.

(bb) In the case of the issue of additional prior lien bonds as permitted by Subdivision (a) (2) of this Section, a certificate of the nature prescribed by Section 3(b) of Article III, except that such certificate shall refer to the issue of additional prior lien bonds rather than additional Bonds, together with evidence satisfactory to the Trustee that cash deposited may be withdrawn only on the basis permitted in Subdivision (a) (2) of this Section.

(cc) In the case of the issue of additional prior lien bonds as permitted by Subdivision (a) (3) of this Section, an officers' certificate stating in substance that no part of the prior lien bonds made the basis for the issue of the additional prior lien bonds have theretofore been made the basis for the issue of additional prior lien bonds or for the release of property or for the payment by the trustee or other holder of the prior lien securing such prior lien bonds of any cash held by it as security for such prior lien bonds and that no part of such prior lien bonds have been purchased, redeemed or paid out of any such cash, and a certificate of the nature prescribed by Section 3(b) of Article III, except that such certificate shall refer to the issue of additional prior lien bonds rather than additional Bonds, provided that, if the issue of additional prior lien bonds is made on the basis of the payment at maturity of outstanding prior lien bonds theretofore sold or otherwise disposed of or the redemption or purchase thereof after a date two years prior to the date of their maturity, such additional prior lien bonds may be authenticated and delivered in an amount equal to the principal amount of all prior lien bonds thus paid, purchased or redeemed without requiring such earnings certificate, upon

receipt by the Trustee of an officers' certificate stating in substance that all of such additional prior lien bonds, or the proceeds of the sale thereof, will be applied by the Company to the extent necessary to purchase, pay or redeem said outstanding prior lien bonds or to pay indebtedness incurred by the Company for such purpose, and agreeing in the case of the sale of such additional prior lien bonds that the proceeds thereof shall be forthwith upon receipt thereof deposited with the Trustee or with the trustee or other holder of the prior lien securing said outstanding prior lien bonds, in trust for the purpose of paying said outstanding prior lien bonds or stating that other moneys have been deposited or paid for such purpose.

SECTION 17. That, except as in Article VI otherwise provided, the Company will faithfully perform or cause to be performed all the terms, covenants and conditions to be performed by the mortgagor in any prior lien contained. But nothing contained herein shall be construed to prevent the extension or renewal of any prior lien or any indebtedness secured thereby, including the principal of any outstanding prior lien bonds.

SECTION 18. That the Company will not apply for, and will not obtain,

(a) either

(1) the release from any prior lien of any bondable property, or

(2) the payment to it of any moneys deposited with the trustee or other holder of any prior lien upon the release of any bondable property, or upon payment of the principal of any obligations deposited upon any such release, or upon the release of any of such obligations,

or on account of the loss or destruction of any such property,

upon the basis of non-bondable property; or

(b) the payment to it of any moneys deposited with the trustee or other holder of any prior lien upon the release of any property or upon payment of the principal of any obligations deposited upon any such release, or upon the release of any of such obligations, or on account of the loss or destruction of property, upon the basis of either

(1) property acquired by the Company prior to the date of the application for the release of property with respect to which such cash or obligations were deposited or prior to the loss or destruction, as the case may be, or

(2) the cancellation of prior lien bonds which have never been sold or otherwise disposed of,

unless such moneys are forthwith deposited with the Trustee to be held as a part of the trust estate.

SECTION 19. That the Company will, in case it shall acquire all of the outstanding prior lien bonds secured by any prior lien, (a) cause such prior lien bonds to be canceled and the mortgage or other lien securing such bonds to be discharged, or (b) deposit all such prior lien bonds with the Trustee to be held as a part of the trust estate.

SECTION 20. That upon satisfaction of any funded prior lien

(a) all prior lien bonds secured by other funded prior liens which are then held by the trustee or other holder of such satisfied prior lien shall be canceled or shall be delivered to the Trustee to be held subject to the provisions of Article VI, or to the trustee or other holder of such other funded prior lien or of another funded prior lien to be canceled; and

(b) all moneys then held by the trustee or other holder of such satisfied prior lien, which were deposited with such trustee or other holder as the proceeds of insurance with respect to loss of property occurring after the date of acquisition by the Company of the property subject to such prior lien and all moneys and obligations then held by the trustee or other holder of such satisfied prior lien, which were deposited with the trustee or other holder upon the release of property from such prior lien after the date of acquisition by the Company of the property subject to such prior lien or upon the release or payment of any such obligations, shall be delivered to the Trustee to be held as a part of the trust estate or to the trustee or other holder of another prior lien, which is a lien on the property subject to the prior lien being satisfied, junior to the prior lien being satisfied but prior to the lien hereof.

SECTION 21. That the Company will not sell or otherwise dispose of a part (less than substantially all) of the mortgaged property except as provided in Sections 1 and 2 of Article VII, or upon the release thereof as provided in Sections 3, 4 and 5 of Article VII. That the Company will not consolidate or merge with or into, or convey or lease all or substantially all of the mortgaged property as an entirety to, any other corporation except as provided in Article XII.

SECTION 22. That the Company will, subject to the provisions of Article XII, at all times maintain its corporate existence and right to carry on business and duly procure all renewals and extensions thereof, and, subject to the provisions of this Indenture, will diligently maintain, preserve and renew, all the rights, powers, privileges and franchises owned by it.

SECTION 23. That the Company will within one hundred and twenty (120) days after the close of each fiscal year file with the Trustee a statement signed by the Treasurer of the Company

and an independent certified or public accountant showing its financial condition, with reasonably detailed information as to its assets and liabilities and its earnings and operating expenses; that it will file with the Trustee, as and when sent to its stockholders, copies of such letters or information concerning its affairs as it may send to its stockholders generally; that books of record and account will be kept, in which full, true and correct entries will be made of all dealings or transactions of, or in relation to, the plants, properties, business and affairs of the Company, and that all books, documents and vouchers relating to the plants, properties, business and affairs of the Company shall at all reasonable times be open to the inspection of such reputable accountants or other agent of recognized standing as the Trustee may from time to time designate, and that the Company will bear all expenses of any such inspection. All of the statements and copies of letters or other information required by this Section to be filed with the Trustee shall be kept available for inspection at reasonable times by the holders of Bonds, but the Trustee shall have no other duty with respect thereto. The Trustee shall be under no obligation to cause any such inspection to be made by it unless requested so to do by the holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then outstanding hereunder and furnished with funds sufficient to pay all costs and expenses incurred or to be incurred by it in or in connection with such inspection.

That the Company will furnish to the Trustee, within thirty days after January 1 and July 1 in each year and at such other times as the Trustee may request in writing, such information as the Company or any paying agent for the Bonds may have and may lawfully disclose with respect to the names and addresses of the Bondholders.

The Trustee shall keep on file the most recent information (but not earlier information) received by it pursuant to the next preceding paragraph of this Section, and in case any Bondholder (hereinafter referred to as an "applicant Bondholder") desires such information for the purpose of communicating with other

Bondholders with respect to their rights hereunder or under the Bonds, the Trustee shall, if it lawfully may, at its election either (1) afford access to any such information with respect to the names and addresses of Bondholders or (2) make its services available for mailing to Bondholders any form of proxy or other communication with respect to their said rights, subject to the conditions, and in the manner, specified in paragraphs (i) and (ii) below:

(i) At the written request of the applicant Bondholder, the Trustee shall promptly furnish a statement of the approximate number of Bondholders, according to the latest information in the possession of the Trustee, and an estimate of the cost of mailing a specified form of proxy or other communication to such Bondholders. Any information requested pursuant to this paragraph (i) shall be mailed or otherwise furnished to the applicant Bondholder on or before the third business day after receipt of such written request.

(ii) At the written request of the applicant Bondholder, copies of any form of proxy or other communication furnished by the applicant Bondholder shall be mailed by the Trustee to all Bondholders whose names and addresses appear in the most recent information in the possession of the Trustee; provided, however, that if the approval of any governmental regulatory body or of any court or the compliance by the applicant Bondholder with any statute, or with any rule, regulation or order of any such governmental regulatory body or court, is, in the opinion of Counsel, who may, if the Trustee approves, be counsel for the applicant Bondholder, requisite for the mailing of such proxy or other communication, the applicant Bondholder shall establish to the reasonable satisfaction of the Trustee that such approval has been obtained, or that such statute, rule, regulation or order has been complied with. Thereafter such material shall be mailed with reasonable promptness after receipt by the Trustee of a tender of the material to be mailed, all envelopes or other containers therefor, all postage, or payment for postage, and rea-

sonable compensation and reimbursement to the Trustee of all expenses to be incurred in connection with such mailing, or of a surety company bond satisfactory to the Trustee in an amount sufficient to cover such compensation and expenses.

SECTION 24. That the recitals of fact and statements contained in this Indenture are true.

ARTICLE V.

REDEMPTION OF BONDS.

SECTION 1. With respect to any particular series of Bonds, the Company may reserve the right to redeem and pay off before maturity all or any part of the Bonds of such series at such time or times and from time to time, and on such terms, as the Board of Directors may determine and as shall be expressed in the Bonds of such series.

In case the Company shall desire to exercise such right to redeem and pay off all, or, as the case may be, any part of the Bonds, in accordance with the right reserved so to do, it shall give, in the manner provided in the supplemental indenture creating the Bonds of such series and expressed in such Bonds, a notice or notices to the effect that the Company has elected to redeem all the Bonds or all the Bonds of a particular series or a part thereof, as the case may be, on a date therein designated, specifying, in the case of redemption of less than all series, the serial designation of the Bonds to be redeemed, and, in the case of partial redemption of any series, the distinctive numbers of the Bonds to be redeemed (to be stated in any one or more of the following ways—individually, in groups from one number up to another inclusive, or in groups from one number to another inclusive except such as shall have been previously called for redemption or otherwise retired), and in every case stating that on said date there will become and be due and payable upon each Bond so to be redeemed, at the agency of the Com-

pany in such city or cities, if any, at which the principal of the Bonds so to be redeemed is payable, the full principal thereof in the case of coupon Bonds and the specified amount of the principal thereof in the case of registered Bonds without coupons, together with the accrued interest to such date, with such premium, if any, as is specified in such Bonds, and that from and after such date interest thereon will cease to accrue. If notice by publication, if required, is duly given, failure to give notice by mail, if required, with respect to such redemption or any defect therein or in the mailing thereof shall not affect the validity of the proceedings for the redemption of any Bonds so to be redeemed.

In case the Company desires to redeem and pay off less than all the outstanding Bonds of any series, it shall, in each such instance, notify the Trustee in writing of its desire so to do and of the aggregate principal amount of the Bonds of such series to be redeemed, and thereupon the Trustee shall draw by lot, in any manner deemed by it proper, from the distinctive numbers of the coupon Bonds of such series which are either outstanding or are reserved unissued for registered Bonds outstanding, the Bonds to be redeemed, and shall notify the Company in writing of the numbers of the Bonds so drawn. The Bonds may be drawn by lot individually or, in the discretion of the Trustee, in groups of Bonds consecutively numbered or both such methods either including or excluding, for the purpose of such grouping, the numbers of Bonds previously called for redemption or otherwise retired. Registered Bonds shall be deemed to have been drawn by lot if and to the extent that the serial numbers of any of the coupon Bonds reserved therefor are drawn as aforesaid.

SECTION 2. The Bonds designated for redemption or the specified portion thereof shall become due and payable upon the date specified in the notice provided for in Section 1 of this Article as the redemption date at the applicable redemption price at the time. Payment of the redemption price shall be made to the respective bearers of the Bonds designated for

redemption, or, if any such Bonds be registered Bonds without coupons or coupon Bonds registered as to principal, to the respective registered owners thereof, upon surrender of such Bonds, at the place stated in the notice of redemption, together with all unmatured coupons appertaining thereto. If there shall be drawn for redemption a portion of the principal amount but less than the entire principal amount of any registered Bond, the Company shall execute and the Trustee shall authenticate and deliver without charge to the holder thereof, at his option, either coupon Bonds or registered Bonds without coupons, of authorized denominations, for the unredeemed balance of the principal amount of such registered Bond.

SECTION 3. On or before the redemption date designated in the notice provided for in Section 1 of this Article, the Company shall deposit with the Trustee an amount of cash sufficient to effect the redemption of the Bonds specified in such notice, or, as authorized by Section 8 of Article VIII, it may direct the Trustee to apply to such purpose, to the extent that they are available, any moneys held by the Trustee which may be applied pursuant to said Section 8; and from and after the redemption date designated in such notice (such deposit having been made or direction given, as aforesaid), notwithstanding that any Bonds so called for redemption shall not have been surrendered for cancellation, no further interest shall accrue upon the principal of any of the Bonds so called for redemption and all coupons for interest thereon maturing subsequent to such redemption date shall be void. Coupons which have matured on or before such redemption date shall remain payable to bearer upon presentation and surrender thereof in accordance with their terms.

SECTION 4. All Bonds so redeemed at the office of the Company, with all unmatured coupons thereto appertaining, shall be delivered by the Company to the Trustee for cancellation. All Bonds and coupons redeemed and paid under this Article shall forthwith be canceled.

ARTICLE VI.

CONCERNING SECURITIES HELD BY THE TRUSTEE.

SECTION 1. All funded prior lien bonds, received uncanceled by the Trustee pursuant to the provisions of this Indenture, shall be held alive by the Trustee as a part of the trust estate for the protection and further security of the Bonds. Each funded prior lien bond, in coupon form, so received shall have all unmatured coupons attached, or shall be accompanied by evidence satisfactory to the Trustee that the discharge of the mortgage or other lien securing such prior lien bonds may be obtained without the production of any coupon or coupons that may be missing. All funded prior lien bonds so received uncanceled shall be stamped by the Trustee with the following words:

"Not negotiable; held in trust under the provisions of the Mortgage and Deed of Trust of The Kansas Power and Light Company to Harris Trust and Savings Bank, as Trustee, dated July 1, 1939."

SECTION 2. Unless and until an event of default hereunder shall occur and be continuing, no payment by way of interest or principal or otherwise of any of the funded prior lien bonds held by the Trustee shall be made or demanded, and the coupons thereto appertaining as they mature shall be canceled by the Trustee and delivered so canceled to the Company, unless the Company shall elect with respect to such prior lien bonds to have such payments made and demanded, in which event the Company shall be entitled to receive all such payments; and all moneys received by the Trustee on account of principal or interest of any funded prior lien bonds, or by reason of the sale or delivery of any such bonds to any sinking fund or analogous fund provided for in the instrument evidencing any mortgage or other lien securing the same, shall be paid over by the Trustee to or upon the order of the Company.

SECTION 3. Unless and until an event of default hereunder shall occur and be continuing, the Trustee, if so directed by an instrument in writing signed by the President or a Vice President and the Treasurer or an Assistant Treasurer of the Company, shall surrender any funded prior lien bonds held alive by it to the Trustee of the mortgage or other holder of the lien securing such prior lien bonds for cancellation or to be held alive and uncanceled for the purposes of any sinking fund or analogous fund provided for in the instrument evidencing the mortgage or other lien securing such funded prior lien bonds, but funded prior lien bonds so surrendered shall not be reissued and no prior lien bonds shall be issued under such prior lien in substitution therefor. Funded prior lien bonds shall not be so surrendered unless the Trustee shall have received an opinion of counsel to the effect that the provisions of the instrument evidencing the mortgage or other lien securing such funded prior lien bonds are such that no transfer of ownership or possession of such bonds by the Trustee or other holder of such mortgage or other lien is permissible thereunder except to the Trustee to be held subject to the provisions of this Article VI or to the trustee or other holder of a mortgage or other lien securing other funded prior lien bonds for cancellation or to be held alive and uncanceled under the terms of such other mortgage or lien until such other mortgage or lien shall be canceled, and thereupon to be delivered to the Trustee; that no funded prior lien bonds to be surrendered may be reissued; and that no prior lien bonds may be issued in substitution therefor under the mortgage or other lien securing such funded prior lien bonds to be surrendered.

SECTION 4. Whenever all prior lien bonds and all unmatured coupons appertaining thereto secured by a particular funded prior lien (except any lost, stolen or destroyed bonds as to which the Trustee shall have received the certificate of the trustee or other holder of the mortgage or other instrument securing such bonds to the effect that satisfactory indemnity has been given to it) shall have been deposited with the Trustee or shall be held by the Trustee under any provision of this

Indenture or by the trustee or other holder of the mortgage or other lien securing such prior lien bonds, the Trustee shall, at the request of the Company evidenced by a certified resolution and upon receipt of an opinion of counsel to the effect (a) that all the property then subject to such mortgage or other lien, in so far as the property is of the character covered by this Indenture, has been subjected to the lien of this Indenture, and (b) that there are no liens upon the properties subject to the mortgage or other lien securing such prior lien bonds junior to such mortgage or other lien and prior to the lien of this Indenture, cancel or cause to be canceled all prior lien bonds and coupons of such issue so deposited with or held by it (if not previously canceled) and shall deliver the prior lien bonds and coupons so canceled to the trustee or other holder of such funded prior lien and shall cause such mortgage or other lien to be discharged of record. Funded prior lien bonds may also be released pursuant to Section 4 of Article VII.

SECTION 5. All purchase money obligations and all bonds or other obligations issued by a municipality or other governmental subdivision which shall be received by the Trustee pursuant to Section 3 of Article VII shall be held as a part of the trust estate. Interest received by the Trustee on such obligations shall, so long as the Company is not in default hereunder to the knowledge of the Trustee, be paid over to the Company. All moneys received by the Trustee as principal of such obligations shall be applied by the Trustee as a part of the trust estate. Such obligations held by the Trustee may be released pursuant to Section 3 of Article VII.

ARTICLE VII.

POSSESSION, USE AND RELEASE OF PROPERTY.

SECTION 1. Unless an event of default shall have happened and be continuing, the Company shall be suffered and permitted

to possess, use and enjoy all the property and appurtenances, franchises and rights conveyed by this Indenture (other than such securities, obligations and moneys as are expressly required to be deposited with the Trustee), and to receive and use the rents, issues, income, products and profits thereof, with power in the ordinary course of business, freely and without let or hindrance on the part of the Trustee or of the Bondholders, to use and consume materials and supplies, deal with choses in action (other than pledged securities), leases (other than leases subject to the lien of this Indenture) and contracts, exercise the rights and powers conferred upon it thereby, alter and repair its buildings and structures, change the position of any of its buildings, structures, plants, poles, wires, conduits or other property whatsoever and replace and renew any of its equipment, machinery or other property, except that the position of none of the mortgaged property may be changed so as to impair the lien of this Indenture thereon unless such property is sold, abandoned or otherwise disposed of as permitted by this Section 1 or Section 2 of this Article VII or released as provided in Section 3 or 5 of this Article VII.

SECTION 2. The Company may at any time and from time to time, without any release or consent by the Trustee:

(a) Sell or otherwise dispose of, free from the lien of this Indenture, any machinery or equipment, which has become worn out, unserviceable, undesirable or unnecessary for use in the conduct of its business, upon replacing the same with, or substituting for the same, new machinery or equipment, or other property of a value at least equal to the value of such things so disposed of at the time of their disposal, provided that if any of such things so disposed of consisted of bondable property, the other property shall include bondable property of a value at least equal to the bonded cost of such bondable property so disposed of, all of which new machinery, equipment or other property shall without further action become subject to the lien of this Indenture;

(b) Abandon any property, if in the opinion of the Board of Directors the abandonment of such property is desirable in the proper conduct of the business of the Company;

(c) Modify or amend any lease which shall be a part of the trust estate provided that the Company shall forthwith assign to and mortgage with the Trustee the modified or amended lease, and provided further that if the lease so modified or amended shall have been theretofore made the basis for the issue of additional Bonds or the withdrawal of cash or the reduction of cash under any provision of this Indenture, the modified or amended lease shall comply with the requirements of subdivision (d) of the definition of property additions contained in Article I.

(d) Surrender or assent to the modification of any franchise, license, authority or permit which it may hold, or under which it may be operating, provided that the Company shall have the right, in the opinion of counsel, under the modified franchise, license, authority or permit, or under a new franchise, license, authority or permit received in exchange in the event of any such surrender, or under some other franchise, license, authority or permit, to conduct the same or an extended business in the same or an extended territory during the same or an extended or unlimited or indeterminate or indefinite period of time. For the purposes of this Subdivision (d) and of any opinion to be rendered under it, any right of any municipality to terminate a permit, license or franchise by purchase shall not be deemed to abridge or affect its duration; and

(e) Surrender or assent to or procure a modification of any franchise, license, authority or permit under which it operates any of its properties, which it may now or hereafter hold or under which it may now or hereafter operate, if in the opinion of the Board of Directors it is no longer neces-

sary or desirable in the proper conduct of the business and in the operation of the properties of the Company to operate such properties or to comply with the terms and provisions of such franchise, license, authority or permit and if the value and utility generally of all its properties as an entirety and the value of the security for the Bonds will not thereby be impaired.

SECTION 3. From time to time hereafter the Company may transfer or otherwise dispose of any property (other than prior lien bonds) constituting a part of the trust estate, and the Trustee shall release the same from the lien of this Indenture, but only upon receipt by it of:

- (a) A certified resolution requesting such release;
- (b) Except in the case of the release of obligations theretofore deposited with the Trustee pursuant to paragraphs (1) and (2) of Subdivision (d) of this Section, an engineer's certificate stating in substance:
 - (1) The then fair value to the Company (without regard to any liens thereon), in the opinion of the signers, of the property to be released, which fair value shall not be less than the amount or fair value of the consideration received or to be received by the Company from the sale or other disposition of the property to be released, and a description in reasonable detail of the property to be released;
 - (2) That such release is, in the opinion of the signers, desirable in the proper conduct of the business of the Company;
 - (3) Whether or not any portion of such property is subject to any lien prior to the lien of this Indenture, except permitted liens and judgment liens, and, if so, such lien or liens shall be specified; and

(4) That the Company is not, and by the making or granting of the application will not be, in default in the performance of any of the terms and covenants of this Indenture;

(c) In case the fair value of any property (other than obligations theretofore deposited with the Trustee pursuant to paragraphs (1) and (2) of Subdivision (d) of this Section) to be released is shown by the engineer's certificate required by Subdivision (b) of this Section to be more than Five hundred thousand dollars, an independent engineer's certificate stating, in the opinion of the signer, that the proposed release is desirable in the proper conduct of the business of the Company, or is otherwise in the best interests of the Company;

(d) In the case of the release of property, other than obligations of the nature specified in paragraphs (1) and (2) of this Subdivision (d), cash, which shall be received and applied by the Trustee as a part of the trust estate, in an amount at least equal to the amount by which the fair value to the Company of the property to be released, as specified in the engineer's certificate, exceeds the aggregate of:

(1) An amount equal to the aggregate principal amount of obligations secured by purchase money mortgage on the property to be released deposited with the Trustee, accompanied by an opinion of counsel to the effect that such obligations are valid obligations and that any purchase money mortgage securing the same is sufficient to constitute a valid purchase money lien upon the property to be released subject to no liens other than the liens, if any, existing on such property immediately prior to its release; provided, however, that such purchase money obligations together with all other purchase money obligations which shall have been used to reduce the amount of cash required to be deposited under the provisions of this Section 3 and are then held as part of the

trust estate shall not exceed ten per cent (10%) of the aggregate principal amount of Bonds at the time outstanding under this Indenture;

(2) An amount equal to the fair value in cash of bonds or other interest-bearing obligations, issued pursuant to law, in whole or in part payment for the property to be released, by any municipal corporation or other governmental subdivision possessing taxing power, deposited with the Trustee, provided there shall be filed with the Trustee:

(i) an appraiser's certificate stating the fair value in cash of such bonds or other interest-bearing obligations, and

(ii) an opinion of counsel to the effect that such bonds or other interest-bearing obligations have been issued pursuant to law, that such municipal corporation or other governmental subdivision possesses due taxing power for the servicing and payment of such bonds or other interest-bearing obligations and that such bonds or other interest-bearing obligations are direct and general obligations of such municipal corporation or other governmental subdivision;

and

(3) An amount equal to the principal sum secured by any lien prior to the lien hereof which is a lien solely on the property to be released; provided that in case such prior lien shall be a funded prior lien, the amount to be deducted pursuant to this paragraph (3) shall be limited to the principal amount of prior lien bonds secured by such funded prior lien which are deposited with the Trustee plus the amount of cash then or theretofore deposited with the Trustee in order to make such prior lien a funded prior lien; and provided, further, there shall be filed with the Trustee an opinion of counsel stating that such lien is a lien solely on the property

to be released and provided that concurrently therewith all of the indebtedness secured by such lien and deposited with the Trustee shall be released from the lien hereof pursuant to Section 4 of this Article VII;

or

In the case of the release of obligations of the nature specified in paragraphs (1) and (2) of this Subdivision (d), cash, which shall be received by the Trustee as a part of the trust estate, in an amount equal to the principal amount of such obligations;

and

(e) An opinion of counsel stating, in case the Trustee is requested to release any franchise, that such release will not impair the right of the Company to operate any of its remaining properties.

The amount of cash required to be deposited pursuant to Subdivision (d) of this Section 3 may, at the election of the Company, be reduced by an amount equivalent to the amount of cash which could at the time be withdrawn pursuant to Sections 1, 2 or 4 of Article VIII, by simultaneous compliance with said Section 1, said Section 2 or said Section 4 of Article VIII, as the case may be, except that any certificates required to be filed with the Trustee pursuant to said Sections shall refer to the reduction of cash rather than to the withdrawal of cash.

If the property to be released is subject to any prior lien, the certificate of the trustee or other holder of any such prior lien, that it has received cash or obligations of the nature specified in paragraphs (1) and (2) of Subdivision (d) of this Section 3 in an amount set forth in such certificate, shall (except in cases where all of the property subject to such prior lien is being released) be accepted by the Trustee hereunder to the extent of the amount so received by such other trustee or other holder, in lieu of cash and obligations required by Subdivision (d) of this

Section 3 to be delivered to the Trustee upon the release of said property.

SECTION 4. From time to time hereafter the Company may obtain the release of funded prior lien bonds if, but only if, all the property subject to the prior lien securing such funded prior lien bonds shall have been, or is simultaneously being, released from the lien of this Indenture pursuant to Section 3 of this Article VII, and the Trustee shall release the same from the lien hereof, but only upon receipt by it of:

(a) A certified resolution requesting such release;

(b) An officers' certificate stating in substance that all of the property subject to the prior lien securing such funded prior lien bonds has been, or is simultaneously being, released from the lien of this Indenture;

(c) An opinion of counsel to the effect that none of the property of the Company will, upon the granting of such release, be subject to the prior lien securing such funded prior lien bonds; and

(d) Cash, which shall be received and applied by the Trustee as part of the trust estate, (1) in an amount equal to the aggregate principal amount of all prior lien bonds to be released or (2) if the fair value of the property subject to such prior lien as stated in the certificate filed pursuant to Section 3 (b) of this Article shall be less than the principal amount of all prior lien bonds secured by such prior lien, cash in an amount equal to such proportion of such fair value as the principal amount of such prior lien bonds to be released bears to the principal amount of all prior lien bonds secured by such prior lien.

SECTION 5. Should any part of the trust estate be taken by the exercise of a power of eminent domain or should any municipality or other governmental subdivision at any time exercise any right which it may have to purchase any part of the trust estate,

the Trustee may accept any award therefor, if approved by the Company, as representing its full value, and, at the request of the Company evidenced by a certified resolution, shall execute and deliver a release of property so taken or purchased and shall be fully protected in so doing upon being furnished with an opinion of counsel to the effect that such property has been taken by the exercise of a power of eminent domain or purchased by a municipality or other governmental subdivision in the exercise of a right which it had to purchase the same. In any such proceedings the Trustee may be represented by counsel, who may or may not be of counsel to the Company. The proceeds of all property so taken or purchased shall be paid over to the Trustee hereunder to be held and applied as a part of the trust estate, and to any trustee or other holder of any prior lien, as their respective interests may appear, and shall be deemed to be the proceeds of the release of such property whether or not such property is actually released by the Trustee.

SECTION 6. In no event shall any purchaser or purchasers in good faith of any property purported to be released hereunder be bound to ascertain the authority of the Trustee to execute the release; or to inquire as to any facts required by the provisions hereof for the exercise of such authority; or to see to the application of the purchase moneys. Nor shall any purchaser of machinery or equipment or tools or implements or materials or supplies be under obligation to ascertain or inquire into the occurrence of the event on which any such sale is hereby authorized.

SECTION 7. The Trustee shall not be required under any of the provisions of this Article VII to release any part of the mortgaged property from the lien hereof at any time when to the knowledge of the Trustee the Company shall be in default hereunder, but notwithstanding any such default the Trustee may release from the lien hereof any part of the mortgaged property, upon compliance by the Company with the other conditions specified in this

Article VII in respect thereof, if the Trustee in its discretion shall deem such release for the best interest of the Bondholders; and, in such event, the Trustee shall not be liable for releasing or refusing to release any of the mortgaged property from the lien hereof. In case the trust estate shall be in the possession of one or more receivers lawfully appointed or of a trustee in bankruptcy or reorganization proceedings (including a trustee or trustees appointed under the provisions of Chapter X of An Act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898, as amended) or of assignees for the benefit of creditors, the powers by this Article VII conferred upon the Company may be exercised by such receivers, trustees or assignees, with the approval of the Trustee, regardless of whether or not the Company is in default hereunder, and in such event a writing signed by such receivers, trustees or assignees may be received by the Trustee in lieu of any certified resolution required by the provisions of this Article, and such receivers, trustees or assignees may make any certificate required by the provisions of this Article to be made by an officer or officers of the Company; provided, however, that so long as the trust estate shall be in the possession of any such receiver, trustee or assignee, no reduction shall be made in the amount of cash required to be deposited upon any release on the basis of refundable Bonds. If the Trustee hereunder shall be in possession of the trust estate under any provision of this Indenture, then all such powers by this Article VII conferred upon the Company may be exercised by the Trustee in its discretion.

ARTICLE VIII.

APPLICATION OF MONEYS RECEIVED BY THE TRUSTEE.

SECTION 1. Any moneys held by the Trustee as a part of the trust estate (other than moneys received by the Trustee pursuant to Section 5(a) of Article III or on account of judgment liens or in order to make a prior lien a funded prior lien) shall be

paid over from time to time by the Trustee to or upon the order of the Treasurer or an Assistant Treasurer of the Company, in amount equal to the cost or the fair value to the Company, if the fair value is less than the cost, of gross property additions purchased, constructed or otherwise acquired by the Company during the period specified pursuant to Subdivision (b) (1) of this Section, but only upon the receipt by the Trustee of:

(a) A certified resolution authorizing the application for the withdrawal from the trust estate of cash in the amount therein specified.

(b) An engineer's certificate stating in substance:

(1) The cost to the Company of the gross property additions purchased, constructed or otherwise acquired by the Company during the period specified in such certificate, commencing,

(i) in the case of withdrawal of moneys received by the Trustee pursuant to Sections 3, 4 or 5 of Article VII upon the release of any property (other than obligations deposited pursuant to Section 3(d) of Article VII) from the lien of this Indenture, on a date not earlier than the date of the application for the release,

(ii) in the case of withdrawal of moneys received by the Trustee upon the payment of principal of obligations deposited pursuant to Section 3(d) of Article VII, or upon the release of such obligations from the lien of this Indenture, on a date not earlier than the date of the application for the release of the property with respect to which such obligations were deposited,

(iii) in the case of withdrawal of moneys deposited with the Trustee pursuant to Section 6 of Article IV, on the date of the loss or destruction of

the property with respect to which such moneys were deposited, and

(iv) in the case of withdrawal of any other moneys which may be withdrawn pursuant to this Section 1, on a date not earlier than the date of the receipt by the Trustee of such moneys.

Whether the fair value to the Company of any particular property addition included in the certificate is less than the cost to the Company thereof, and, if so, the fair value thereof. Such gross property additions shall be described in the manner provided in Section 4(a) (2) of Article III. If the fair value of any property additions is less than the cost thereof to the Company the fair value shall be used in determining the amount at which the gross property additions described pursuant to the provisions of this paragraph (1) are included in the engineer's certificate.

(2) The amount of cash theretofore withdrawn pursuant to this Section 1 on the basis of such gross property additions and the amount by which cash required to be deposited into the trust estate has been reduced by compliance with this Section 1, which amount or amounts shall be deducted from the aggregate amount stated pursuant to paragraph (1) of this Subdivision (b) of gross property additions available as the basis for the withdrawal of cash pursuant to this Section 1.

(3) Whether the gross property additions are subject to an unfunded prior lien and, if so, the amount of prior lien bonds outstanding thereunder, which amount shall be deducted from the aggregate amount stated pursuant to paragraph (1) of this Subdivision (b).

(4) That the gross property additions described in such certificate are property additions as defined in Article I; that no portion of such gross property additions

has theretofore been included in a certificate with respect to net bondable value of property additions filed with the Trustee, or, if included in any such certificate, that an amount equal to the cash to be withdrawn on the basis of such gross property additions has been deducted in such certificate in determining net bondable value; and that the construction or acquisition of such property additions was desirable in the conduct of the business of the Company.

(5) The facts with respect to such property additions specified in paragraphs (12), (13), (14), (15) and (16) of Section 4(a) of Article III.

(c) The certificates, instruments and opinion of counsel of the kind prescribed in, and setting forth the facts with respect to such property additions specified in, Subdivisions (b), (c), (d) and (e) (1) to (6), both inclusive, of Section 4 of Article III.

(d) The prior lien bonds and cash, or in lieu thereof the certificate, prescribed in Section 4(f) and the cash prescribed in Section 4(g) of Article III, except that this Subdivision need not be complied with in case of an application for the withdrawal of cash deposited upon the release of any property subject to an unfunded prior lien or in payment of the principal of, or upon the release of, obligations deposited upon any such release.

No cash (other than cash deposited with the Trustee upon the release of property subject to an unfunded prior lien or in payment of principal of, or upon the release of, obligations deposited with the Trustee upon any such release or with respect to the loss or destruction of property subject to an unfunded prior lien) shall be withdrawn from the trust estate, and no reduction in the amount of cash required by Section 3(d) of Article VII to be deposited with the Trustee upon the release of any property (other than property subject to an unfunded prior lien) shall be made,

pursuant to this Section, upon the basis of property additions subject to an unfunded prior lien.

SECTION 2. Any moneys held by the Trustee as part of the trust estate (other than moneys deposited with the Trustee pursuant to Section 5(a) of Article III, or on account of judgment liens, or in order to make a prior lien a funded prior lien) shall be paid over from time to time by the Trustee to or upon the order of the Treasurer or an Assistant Treasurer of the Company, in an amount equal to the aggregate principal amount of such of the refundable Bonds as were theretofore issued by the Company.

The Trustee shall pay over such moneys under this Section 2 only upon receipt by it of:

(a) A certified resolution authorizing the application for withdrawal from the trust estate of cash in the amount therein specified; and

(b) An officers' certificate, setting forth the same facts as are required to be stated by Section 6(a) of Article III, except that such certificate shall refer to the withdrawal of cash rather than to the authentication and delivery of additional Bonds and stating that the refundable Bonds made the basis of the application have theretofore been issued by the Company.

In case all or substantially all of the properties of the Company (other than obligations and cash held by the Trustee) shall have been released from the lien hereof, moneys held by the Trustee as part of the trust estate shall be paid over to the Company under this Section only in an amount equivalent to the lesser of (aa) the purchase price paid by the Company for any refundable Bonds purchased by the Company after the date of the deposit of the moneys being withdrawn or (bb) the principal amount of such Bonds; provided that in such case no such payment shall be made which would reduce the amount of cash and principal amount of

obligations held by the Trustee (or fair value of such obligations as shown by an appraiser's certificate, which shall be filed with the Trustee, if such fair value shall be less than such principal amount) below the principal amount of Bonds then outstanding hereunder.

SECTION 3. Any moneys received by the Trustee pursuant to Section 5(a) of Article III shall be paid over from time to time by the Trustee to or upon the order of the Treasurer or an Assistant Treasurer of the Company, either:

(a) In an amount equal to seventy per cent. (70%) of the net bondable value of property additions not subject to an unfunded prior lien, but only upon receipt by the Trustee of:

(1) A certified resolution authorizing the application for withdrawal from the trust estate of cash in the amount therein specified; and

(2) The certificates, instruments, opinions, prior lien bonds and cash prescribed in Subdivisions (a) to (g), both inclusive, of Section 4 of Article III and, in case such property additions include an acquired plant or system, the certificate provided for by Section 3(b) of Article III;

or

(b) In an amount equal to the aggregate principal amount of refundable Bonds, but only upon receipt by the Trustee of:

(1) A certified resolution authorizing the application for withdrawal from the trust estate of cash in the amount therein specified; and

(2) An officers' certificate setting forth the same facts as are required to be stated pursuant to paragraphs (1), (2), (3) and (4) of Section 6(a) of Article III, except that such certificate shall refer to the withdrawal of

cash rather than to the authentication and delivery of additional Bonds.

SECTION 4. In the event that all or substantially all of the gas properties (either with or without including the gas property in the City of Atchison, Kansas) shall have been released as an entirety from the lien hereof and in the event that the Company shall have complied with all provisions, if any, of each supplemental indenture relating to the retirement of Bonds in connection with such release, any remaining moneys received by the Trustee upon such release or in payment of principal of, or upon the release of, obligations deposited with the Trustee upon such release pursuant to paragraphs (1) and (2) of Section 3(d) of Article VII, shall be paid over from time to time by the Trustee to or upon the order of the Treasurer or an Assistant Treasurer of the Company, in an amount equal to the net bondable value of property additions not subject to an unfunded prior lien, but only upon receipt by the Trustee of:

(a) A certified resolution authorizing the application for withdrawal from the trust estate of cash in the amount therein specified; and

(b) The certificates, instruments, opinions, prior lien bonds and cash described in Subdivisions (a) to (g), both inclusive, of Section 4 of Article III.

SECTION 5. Any moneys received by the Trustee pursuant to Section 5 of Article VI or Sections 3, 4 or 5 of Article VII, which shall not have been paid over to the Company pursuant to other provisions of this Article VIII, shall, at the request of the Company, be credited from time to time to the Company on account of any sinking or analogous fund payment or payments in cash required to be made by the Company, to the extent, if any, permitted under the provisions of the supplemental indenture by which such fund is established; any Bonds purchased or redeemed pursuant to Section 8 of this Article VIII through the application of moneys received by the Trustee pursuant to Section 5 of Article VI or Sections 3, 4 or 5 of Article

VII shall, at the request of the Company, be credited from time to time to the Company on account of any sinking or analogous fund payment or payments required to be made by the Company, to the extent, if any, permitted under the provisions of the supplemental indenture by which such fund is established; in either of said cases the cash so credited and Bonds so purchased or redeemed shall be applied by the Trustee at the same time, to the same extent and in the same manner as if such payments had been made in cash or such Bonds had been delivered or redeemed by the Company pursuant to the provisions of such sinking or analogous fund in discharge or partial discharge of such sinking or analogous fund payments, but only upon receipt by the Trustee of an officers' certificate requesting such credit and application and specifying the sinking or analogous fund payment in respect of which the moneys and Bonds shall be so credited, delivered and applied.

SECTION 6. Any moneys deposited with the Trustee pursuant to any of the provisions of this Indenture on account of judgment liens and all moneys deposited with the Trustee to make a prior lien a funded prior lien shall be held by the Trustee as a part of the trust estate and applied by the Trustee towards the payment, cancellation and discharge of the respective judgment liens and prior liens with respect to which such moneys were deposited. Any moneys held by the Trustee with respect to particular prior lien bonds shall upon request by the Company, evidenced by certified resolution, be paid over to the trustee or other holder of the prior lien securing such prior lien bonds at the maturity of such prior lien bonds or on the redemption date thereof. Any moneys so held by the Trustee may be paid over to the Company from time to time by the Trustee, but only in the following events:

(a) Whenever the trustee or other holder of the prior lien securing any funded prior lien bonds, shall execute and deliver to the Company an instrument releasing and discharging such prior lien, or whenever any judgment lien shall have been discharged, all moneys deposited with the Trustee pursuant to the provisions of this Indenture on account of the prior lien bonds secured thereby or on account of such judg-

ment lien, as the case may be, and then held by the Trustee shall be paid over by the Trustee to or upon the order of the Treasurer or an Assistant Treasurer of the Company, but only upon receipt by the Trustee of:

(1) A certified resolution authorizing the application for the withdrawal from the trust estate of cash in the amount therein specified; and

(2) An opinion of counsel to the effect that the instrument of satisfaction executed by the trustee or other holder of the prior lien securing such prior lien bonds is sufficient to discharge such prior lien, and that upon the recording thereof, such prior lien will be discharged of record, or, in case of a judgment lien, that such judgment lien has been discharged.

(b) Whenever prior lien bonds on account of which moneys shall have been deposited with the Trustee shall thereafter be deposited with the Trustee or paid or reduced or ascertained by judicial determination to be invalid, moneys deposited on account of such prior lien bonds shall be paid over by the Trustee to or upon the order of the Treasurer or an Assistant Treasurer of the Company, in an amount equal to the principal amount of such prior lien bonds so deposited, paid or reduced or so ascertained to be invalid, plus an amount equal to any moneys deposited with and held by the Trustee with respect to interest and premium on such prior lien bonds, but only upon receipt by the Trustee of:

(1) A certified resolution authorizing the application for the withdrawal from the trust estate of cash in the amount therein specified;

(2) Either

(i) prior lien bonds of the same issue with respect to which such moneys were deposited (either uncancelled to be held and dealt with by the Trustee in the manner and subject to the provisions of Article VI or

canceled at maturity or under the redemption or other provisions of the instrument evidencing the mortgage or other lien securing the same or otherwise); or

(ii) an officers' certificate accompanied by an opinion of counsel to the effect that specified prior lien bonds of the issue with respect to which such moneys were deposited have been paid or reduced or ascertained by judicial determination to be in whole or in part invalid and specifying the amount of payment or reduction or the extent of invalidity, as the case may be;

and

(3) An officers' certificate stating in substance:

(i) That no part of the prior lien bonds made the basis for the application has theretofore been made the basis for the withdrawal of cash pursuant to this Section 6;

(ii) That no part of the prior lien bonds made the basis for the application has been paid or retired out of moneys received by the trustee or other holder of the prior lien securing such prior lien bonds on account of insurance or partial release or upon the exercise of the power of eminent domain, and that immediately after the withdrawal of cash, application for which is then being made, the amount of cash and prior lien bonds then held by the Trustee hereunder and by the trustee or other holder of the prior lien securing such prior lien bonds will be sufficient to constitute such prior lien a funded prior lien; and

(iii) In case the prior lien bonds delivered to the Trustee pursuant to paragraph (2) of this Subdivision (b) are canceled, that such prior lien bonds were not theretofore canceled or surrendered by the Trustee pursuant to Section 3 of Article VI;

(c) Whenever all property subject to a particular funded prior lien and all prior lien bonds secured by such prior lien held by the Trustee have been released from the lien of this Indenture pursuant to Section 3 and Section 4 of Article VII, all moneys then held by the Trustee on account of prior lien bonds secured by such prior lien, shall be paid over to the Company upon compliance with Section 1, 2 or 4 of this Article VIII.

Prior lien bonds and coupons for the payment or redemption of which moneys shall have been irrevocably deposited with the trustee or other holder of the mortgage or other lien securing such prior lien bonds (whether upon or prior to the maturity or redemption of such prior lien bonds) shall be deemed to have been paid within the meaning of this Section 6, provided that, if such prior lien bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall, according to an opinion of counsel furnished to the Trustee, have been published or otherwise given as required by the mortgage securing such prior lien bonds or provisions satisfactory to the Trustee shall have been made for such notice.

SECTION 7. Any moneys received by the Trustee pursuant to Section 3(d) of Article VII upon the release of any fixed non-bondable property and any moneys received by the Trustee in payment of the principal of obligations deposited with the Trustee pursuant to said Section 3(d) upon the release of any such property, or upon the release of any such obligations, shall be paid over from time to time by the Trustee to or upon the order of the Treasurer or an Assistant Treasurer of the Company, in an amount equal to the lesser of the cost or the fair value to the Company of other fixed non-bondable property acquired by the Company simultaneously with or subsequent to the date of the application for the release with respect to which such cash or obligations were deposited, but only upon receipt by the Trustee of the resolutions, certificates, instruments and opinion of

counsel of the kind described in, and setting forth the facts with respect to such property specified in Subdivisions (a), (b) and (c) of Section 1 of this Article VIII, together (in case of withdrawal of cash deposited upon the release of property not subject to an unfunded prior lien) with the prior lien bonds and cash prescribed in Subdivision (d) of said Section 1 except that such certificates, instruments and opinion,

(a) need not state that the property therein described consists of property additions, but in lieu thereof shall state that such property is fixed property; and

(b) shall omit the statement required by paragraphs (2) and (4) of said Section 1(b) and in lieu thereof shall state that no portion of such property has theretofore been included in any certificate filed pursuant to the provisions of this Section 7 and that the construction or acquisition of such property was desirable in the conduct of the business of the Company.

No cash shall be withdrawn from the trust estate pursuant to this Section 7 on the basis of property subject to an unfunded prior lien, unless the cash being withdrawn was deposited upon the release of property subject to an unfunded prior lien.

SECTION 8. Any moneys held by the Trustee as a part of the trust estate (other than moneys held on account of prior lien bonds or judgment liens), and not paid over to the Company pursuant to the other provisions of this Article VIII, shall, at the election and in accordance with the request of the Company, evidenced by a certified resolution, be applied by the Trustee from time to time to the purchase of Bonds outstanding hereunder (of such series and within such limitations as to price as may be specified in the resolution) or to the redemption of such Bonds in accordance with the terms thereof. The Trustee shall make the purchases of the Bonds in such manner as it may deem proper, but at prices not in excess of those specified in

the resolution. Any particular moneys in excess of \$25,000 held by the Trustee as a part of the trust estate (other than moneys held on account of prior lien bonds or judgment liens), which shall not have been withdrawn within a period of three years after the date of deposit, shall be applied forthwith by the Trustee to the purchase or redemption, at its election, of Bonds of such series as may be selected by the Trustee in its discretion, but only in case of failure of the Company to deliver to the Trustee, in accordance with this Section 8, a certified resolution specifying a series of Bonds so to be purchased or redeemed. The Trustee shall not, unless the Company shall otherwise authorize, purchase Bonds at a price or prices exceeding the redemption price thereof prevailing at the time and accrued interest to the next interest date, or if not redeemable, at a price or prices exceeding the principal amount thereof and accrued interest to the next interest date. Unless all or substantially all of the properties of the Company (other than obligations and cash held by the Trustee) shall have been released from the lien hereof, the Trustee may purchase from the Company Bonds which have theretofore been issued by the Company and reacquired by it.

Upon the purchase or redemption by the Trustee of any Bonds pursuant to the provisions of this Section:

(a) The Company shall pay to the Trustee all interest up to but not including the day of purchase or redemption, as the case may be, on all Bonds so purchased or redeemed, together with an amount by which the aggregate purchase or redemption price (excluding interest) paid by the Trustee exceeds the aggregate principal amount of the Bonds purchased or redeemed. The cost of all advertising or publishing shall be paid by the Company, or, if paid by the Trustee, shall forthwith be paid to it by the Company upon demand; and

(b) The Trustee shall pay to or upon the order of the Treasurer or an Assistant Treasurer of the Company, from any moneys held by the Trustee as part of the trust estate,

an amount equal to the amount by which the aggregate principal amount of Bonds purchased exceeds the aggregate purchase price (less interest) paid by the Trustee for such Bonds.

In case all or substantially all of the properties of the Company (other than obligations and cash held by the Trustee) shall have been released from the lien hereof, no payment shall be made to the Company by the Trustee pursuant to the provisions of this Section until all of the Bonds (other than Bonds held by the Company) shall have been paid, redeemed or otherwise retired.

All Bonds purchased by or delivered to the Trustee under the provisions of this Section 8, together with the unmatured coupons thereto appertaining shall be forthwith canceled upon receipt thereof by the Trustee.

SECTION 9. The Company may, at any time at its election (whether at or prior to the maturity or the redemption date of the particular Bonds), deposit cash with the Trustee for the payment at maturity or on redemption of all the Bonds and coupons or of any part thereof specified by the Company at the time of such deposit. Any moneys so deposited by the Company shall not be included in the trust estate but shall be received by the Trustee for the account of the holders of the Bonds and coupons to be so paid or redeemed and shall be paid to them, respectively, at maturity or on the redemption date, upon the presentation or surrender of their Bonds and coupons, together, in the case of Bonds called for redemption, with all unmatured coupons appertaining thereto. Upon surrender by the Company from time to time to the Trustee for cancellation prior to such maturity or redemption date, as the case may be, of any of the Bonds, with all unmatured coupons appertaining thereto, against which such deposit shall have been made, the Company shall be entitled to receive from the Trustee the cash held in respect of such Bonds and coupons so surrendered.

Any moneys so deposited with the Trustee by the Company for the payment or redemption of Bonds and coupons and re-

maining unclaimed by the bearers or registered owners of Bonds or the bearers of the coupons for six years after the date of each such maturity or redemption shall, upon the written request of the Company therefor, be repaid by the Trustee to the Company upon its written receipt therefor, and such bearers or registered owners of the Bonds and holders of the coupons shall thereafter be entitled to look only to the Company for payment thereof. The Trustee, before being required to make any such payment to the Company, may at the expense of the Company cause a notice to be published once in an authorized newspaper in each city in which the Bonds and coupons are payable, stating that such moneys remain unclaimed as aforesaid and that after a date stated therein they will be returned to the Company; but the Trustee shall be under no duty to cause such notice to be published.

SECTION 10. Any moneys held by the Trustee as a part of the trust estate, may at the request of the Company, evidenced by a certified resolution, be invested or reinvested by the Trustee in any bonds or other obligations of the United States of America designated by the Company, and not disapproved by the Trustee, which as to principal and interest constitute direct obligations of the United States of America; but the Trustee shall not be required to make any such investment after it has canceled and discharged the lien of this Indenture in accordance with Article XVI hereof. Until an event of default hereunder shall occur and be continuing, any interest on such bonds, obligations and securities which may be received by the Trustee shall be forthwith paid to the Company. Such bonds, obligations and securities shall be held by the Trustee as a part of the trust estate; but, upon a like request of the Company or at any time when the Trustee in its discretion shall deem such action advisable, the Trustee shall sell all or any designated part of the same and the proceeds of such sale shall be held by the Trustee subject to the same provisions hereof as the cash used by it to purchase the bonds or other obligations so sold. In case the net proceeds (exclusive of interest) realized upon any sale shall amount to less

than the amount invested by the Trustee in the purchase of the bonds or other obligations so sold, the Trustee shall within five days after such sale notify the Company in writing thereof and within five days thereafter the Company shall pay to the Trustee the amount of the difference between such purchase price and the amount so realized, and the amounts so paid shall be held by the Trustee in like manner and subject to the same conditions as the proceeds realized upon such sale.

Whenever the Company, upon any application for which provision is made in this Indenture in respect to the withdrawal of cash held by the Trustee, shall become entitled to the payment to it by the Trustee of any moneys theretofore deposited with or then held by the Trustee under this Indenture, the Company shall accept bonds or other obligations held by the Trustee as part of the trust estate pursuant to this Section 10, to the extent that such bonds or other obligations shall be tendered to it by the Trustee in lieu of cash; and such bonds or other obligations shall be accepted in lieu of such cash at the cost thereof to the trust estate.

SECTION 11. Except as otherwise expressly permitted by this Section 11, no cash held by the Trustee as a part of the trust estate shall be paid over to the Company or applied to the purchase or redemption of Bonds pursuant to this Article VIII, if the Company is to the knowledge of the Trustee in default hereunder; and the Company shall furnish to the Trustee, in connection with each application pursuant to this Article VIII, an officers' certificate stating that the Company is not, and by the making or granting of the application will not be, in default in the performance of any of the terms or covenants of this Indenture. In case the trust estate shall be in the possession of one or more receivers lawfully appointed or of a trustee in bankruptcy or reorganization proceedings (including a trustee or trustees appointed under the provisions of Chapter X of An Act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898, as amended) or of assignees for the benefit of creditors, the powers by this Article VIII conferred upon

the Company with respect to the withdrawal of moneys on the basis of property additions, and with respect to the application of moneys held by the Trustee on account of judgment liens or prior lien bonds to the payment, cancellation and discharge of the respective judgment liens or prior liens with respect to which such moneys were deposited, may be exercised by such receivers, trustees or assignees, with the approval of the Trustee, regardless of whether or not the Company is in default hereunder, and in such event a writing signed by such receivers, trustees or assignees may be received by the Trustee in lieu of any certified resolution required by the provisions of this Article, and such receivers, trustees or assignees may make any certificate required by this Article to be made by an officer or officers of the Company. If the Trustee hereunder shall be in possession of the trust estate under any provision of this Indenture, then all such powers by this Article conferred upon the Company may be exercised by the Trustee in its discretion.

ARTICLE IX.

REMEDIES UPON DEFAULT.

SECTION 1. In case any one or more of the following events (herein called "events of default") shall happen and be continuing, that is to say:

(a) Default shall be made in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable whether at maturity or otherwise;

(b) Default shall be made in the due and punctual payment of any instalment of interest on any Bond or in the due and punctual payment or satisfaction of any sinking fund obligation, when and as such interest instalment or sinking fund obligation, as the case may be, shall become due and payable as in such Bond or in this Indenture or any inden-

ture supplemental hereto expressed, and such default shall continue for a period of thirty days;

(c) Default shall be made by the Company in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture or any indenture supplemental hereto or in the Bonds contained, and such default shall continue for a period of sixty days after written notice to the Company by the Trustee or by not less than fifteen per cent. (15%) of the Bondholders;

(d) Default shall be made in the due and punctual payment of the principal of any of the prior lien bonds, when and as the same shall become due and payable, either at maturity thereof, by declaration or otherwise, or default shall be made in the due and punctual payment of any instalment of interest on any prior lien bonds when and as the same shall become due and payable and such default shall continue beyond the period of grace, if any, specified in the prior lien securing said prior lien bonds;

(e) If the Company shall (1) admit in writing its inability to pay its debts generally as they become due, (2) file a petition in bankruptcy, (3) make an assignment for the benefit of its creditors, (4) consent to the appointment of a receiver of itself or of the whole or any substantial part of the trust estate, or (5) on a petition in bankruptcy filed against the Company be adjudicated a bankrupt;

(f) If an order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of the Company, a receiver of the Company or of the whole or any substantial part of the trust estate, and such order, judgment or decree shall not be vacated or set aside or stayed within ninety days from the date of such appointment;

(g) If the Company shall (1) file a petition under the provisions of Chapter X of An Act to establish a uniform

system of bankruptcy throughout the United States, approved July 1, 1898, as amended, or (2) file an answer seeking the relief provided in said Chapter X;

(h) If a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against the Company under the provisions of said Chapter X, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty days from the date of the entry of such order, judgment or decree;

(i) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Company or of the whole or any substantial part of the trust estate, and such custody or control shall not be terminated within sixty days from the date of assumption of such custody or control; or

(j) If final judgment for the payment of money in excess of One hundred thousand dollars shall be rendered against the Company and the Company shall not discharge the same or provide for its discharge in accordance with its terms or procure a stay of execution thereon within thirty days from the entry thereof or shall not within said period of thirty days, or such longer period during which execution on such judgment shall have been stayed, appeal therefrom or from the order, decree or process upon which or pursuant to which said judgment shall have been granted, passed or entered and cause the execution thereof to be stayed during such appeal;

then, and in each and every such case, the Trustee may, in its discretion and, upon written request of not less than twenty-five per cent. (25%) of the Bondholders, shall by notice in writing delivered to the Company declare the principal amount of all Bonds, if not already due and payable, to be immediately due and payable; and upon any such declaration all Bonds shall become and be immediately due and payable, anything in this Inden-

ture or in any of the Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that, if at any time after the principal of the Bonds shall have been so declared due and payable and prior to the date of maturity thereof as stated in the Bonds and before any sale of the trust estate shall have been made, all arrears of interest upon all such Bonds (with interest at the rate specified in such Bonds on any overdue instalment of interest and the expenses of the Trustee, its agents and attorneys) shall either be paid by the Company or be collected and paid out of the trust estate, and all defaults as aforesaid (other than the payment of principal which has been so declared due and payable) shall have been made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then, and in every such case, a majority of the Bondholders may waive such default and its consequences and rescind such declaration; but no such waiver shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

SECTION 2. The Company agrees, to the full extent that it may lawfully so agree, that if an event of default shall happen and be continuing, the Company upon demand of the Trustee shall forthwith surrender to the Trustee the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to enter and take possession of all of the trust estate and to hold, operate and manage the trust estate and from time to time make all necessary repairs and such alterations, additions, advances and improvements as it may deem wise; and to receive the rents, income and profits thereof and use the same to pay all proper costs and expenses of so taking, holding and managing the trust estate, including reasonable compensation to the Trustee, its agents and attorneys, and all charges of the Trustee hereunder and any taxes and assessments and other charges prior to the lien of this Indenture which the Trustee may deem it wise to pay and all expenses of such repairs, additions and improvements, and, subject to Section 2 of Article IV, to apply the remainder of the moneys so received by it as follows:

(a) in case the principal of any of the Bonds shall not have become due, to the payment of the interest in default, in the order of the maturity of the instalments of such interest, with interest at the rate specified in such Bonds on the overdue instalments thereof; such payments to be made ratably to the persons or parties entitled thereto, without discrimination or preference; or

(b) in case the principal of any of the Bonds shall have become due, by declaration or otherwise, first to the payment of accrued interest in the order of the maturity of the instalments thereof with interest at the rate specified in such Bonds on the overdue instalments thereof, and next to the payment of the principal of all Bonds then due; such payments to be made ratably to the persons or parties entitled thereto, without discrimination or preference.

Whenever all that is due upon such interest instalments and upon the principal of such Bonds, and under any of the terms of this Indenture, shall have been paid and all defaults made good, the Trustee shall surrender possession to the Company, its successors or assigns. The same right of entry, however, shall exist upon any subsequent default.

SECTION 3. If an event of default shall happen and be continuing, then, and in every such case, the Trustee may, if and to the extent permitted by law, by such officer or agent as it may appoint, with or without entry, sell the trust estate as an entirety or in such parcels as the holders of a majority of the Bondholders shall in writing request, or, in the absence of such request, as the Trustee may determine, at public auction at some convenient place in the City of Topeka, Kansas, or at such other place or places as may be required by law, having first published notice of such sale in an authorized newspaper in the City of Topeka, Kansas, and in an authorized newspaper in each of the cities in which the principal of any of the Bonds is payable, at least once in each of four successive calendar weeks preceding such sale, and having given any other notice which may be

required by law; and from time to time adjourn such sale in its discretion by announcement at the time and place appointed for such sale or for such adjourned sale or sales without further notice except such as may be required by law; and upon such sale make or deliver to the purchaser or purchasers a good and sufficient deed or deeds for the same. The Trustee and its successors are hereby irrevocably appointed the true and lawful attorneys of the Company, in its name and stead, to make all necessary conveyances, assignments and transfers of property thus sold; and for that purpose it and they may execute all necessary deeds, bills of sale and instruments of assignment and transfer, and may substitute one or more persons, firms or corporations with like power, the Company hereby ratifying and confirming all that its said attorneys, or such substitute or substitutes, shall lawfully do by virtue hereof. Nevertheless, if so requested by the Trustee or by any purchaser, the Company shall ratify and confirm any such sale or transfer by executing and delivering to the Trustee or to such purchaser or purchasers all proper conveyances, assignments, instruments of transfer, and releases as may be designated in any such request.

SECTION 4. If an event of default shall happen and be continuing, then, and in every such case, the Trustee may in its discretion, and shall, at the request in writing of not less than twenty-five per cent. (25%) of the Bondholders, proceed by suit or suits at law or in equity or by any other appropriate remedy to enforce payment of the Bonds and to foreclose this mortgage and to sell the trust estate under a judgment or decree of a court or courts of competent jurisdiction, or by the enforcement of any other appropriate legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of its rights or any of the rights of the Bondholders, provided that, if in the opinion of counsel for the Trustee such suit or suits would likely involve the Trustee in any expense or liability which it would not be entitled to collect out of the trust estate, the Trustee may require reasonable indemnity against such expense or liability as a condition to such proceeding with such suit or suits.

SECTION 5. Upon any sale being made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for foreclosure or otherwise for the enforcement of this Indenture, the principal of all Bonds, if not previously due, and the interest accrued thereon, shall at once become and be immediately due and payable.

SECTION 6. Upon any sale, whether made under the power of sale hereby given or by virtue of judicial proceedings, the whole of the trust estate shall be sold in one parcel as an entirety, unless such sale as an entirety, in the judgment of the Trustee, shall be impracticable by reason of some statute or other cause, or unless a majority of the Bondholders shall in writing request the Trustee to cause the trust estate to be sold in parcels, in which case the sale shall be made in such parcels and in such order as may be specified in such request, but, if not so specified, as the Trustee in its discretion shall deem most expedient in the interest of the Bondholders. The Company, to the full extent that it may lawfully do so, for itself, and for all who may claim through or under it, hereby expressly waives and releases all right to have the trust estate or any part thereof marshalled upon any foreclosure, sale or other enforcement hereof, and the Trustee, or any court in which the foreclosure of this Indenture or the administration of the trust hereby created is sought, shall have the right as aforesaid to sell the entire trust estate as a whole in a single parcel.

Upon any sale, whether made under the power of sale hereby given or by virtue of judicial proceedings, any Bondholder or Bondholders or the Trustee may bid for and purchase the mortgaged property, and upon compliance with the terms of sale, may hold, retain and possess and dispose of such property in their or its own absolute right without further accountability; and any purchaser at any such sale may, in paying the purchase money, turn in any of the Bonds and coupons in lieu of cash to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, subject, however, to the provisions with respect to extended, pledged and transferred coupons contained in Section 2 of Article IV. Said Bonds and coupons, in case the amount so payable thereon shall be less than the amount

due thereon, shall be returned to the holders thereof after being properly stamped to show partial payment.

Upon any sale, whether made under the power of sale hereby given or by virtue of judicial proceedings, the receipt of the Trustee, or of the officer making a sale under judicial proceedings, shall be a sufficient discharge to the purchaser or purchasers at any sale for his or their purchase money, and such purchaser or purchasers, his or their assigns or personal representative, shall not, after paying such purchase money and receiving such receipt of the Trustee or of such officer therefor, be obliged to see to the application of such purchase money, or be in any wise answerable for any loss, misapplication or non-application thereof.

Any such sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Company, in and to the property sold, and shall be a perpetual bar both at law and in equity, against the Company, its successors and assigns, and against any and all persons claiming or to claim the property sold or any part thereof from, through or under the Company, its successors or assigns.

SECTION 7. The proceeds of any sale, whether made under any power of sale herein granted or pursuant to judicial proceedings, together with any other sums which then may be held by the Trustee under any of the provisions of this Indenture as part of the trust estate, shall be applied as follows:

First: To the payment of the costs and expenses of such sale, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all necessary or proper expenses, liabilities and advances made or incurred by the Trustee under this Indenture, and to the payment of all taxes, assessments or liens superior to the lien of this Indenture, except any taxes, assessments or other superior liens subject to which such sale shall have been made;

Second: To the payment of the whole amount then owing or unpaid upon the Bonds for principal and interest, with

interest at the rate specified in such Bonds on overdue principal and overdue instalments of interest, and, in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the Bonds, then to the payment of such principal and interest ratably, without preference or priority of principal over interest, or of interest over principal, or of any instalment of interest over any other instalment of interest, subject, however, to Section 2 of Article IV. Such payments shall be made on the date fixed therefor by the Trustee, upon presentation of the several Bonds and coupons and stamping thereon the amount paid, if such Bonds be only partly paid, and upon surrender and cancellation thereof if fully paid; and

Third: All surplus then remaining to the Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

SECTION 8. In case

(a) default shall be made in the payment of any instalment of interest on any Bond, when and as the same shall become due and payable, and such default shall have continued for a period of thirty days; or

(b) default shall be made in the payment of the principal of any Bond, when the same shall have become due and payable, whether at maturity thereof or by declaration as authorized in Section 1 of this Article, or upon a sale as provided in Section 5 of this Article, or otherwise;

then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders of the Bonds and coupons, the whole amount then due and payable on all such Bonds and coupons, for interest or principal, or both, as the case may be, with interest at the rate specified in such Bonds upon the overdue

principal and the overdue instalments of interest, and, in case the Company shall fail to pay the same forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled to recover judgment against the Company for the whole amount so due and unpaid.

The Trustee shall, if permitted by law, be entitled to recover judgment as aforesaid either before or after or during the pendency of any proceedings for the enforcement of the lien of this Indenture upon the trust estate, and in the case of a sale of the trust estate and of the application of the proceeds of sale to the payment of the indebtedness hereby secured, the Trustee, in its own name and as trustee of an express trust, shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid upon any and all of the Bonds and coupons, for the benefit of the holders thereof, and shall be entitled to recover judgment for any portion of the indebtedness remaining unpaid, with interest, as aforesaid. No recovery of any such judgment by the Trustee, and no levy of any execution under any such judgment upon the trust estate or any part thereof, or upon any other property, shall in any manner or to any extent affect the lien of this Indenture upon the trust estate or any part thereof, or any rights, powers or remedies of the Trustee hereunder, or any lien, rights, powers or remedies of the holders of the Bonds, but such lien, rights, powers and remedies shall continue unimpaired as before.

Any moneys collected by the Trustee under this Section shall be applied by the Trustee towards payment of the amounts then due and unpaid upon such Bonds and coupons in respect whereof such moneys shall have been collected, ratably and without any preference or priority of any kind (except as provided in Section 2 of Article IV), according to the amounts due and payable upon such Bonds and coupons, respectively, at the date fixed by the Trustee for the distribution of such moneys, upon presentation of the several Bonds and coupons and stamping such payment thereon, if partly paid, and upon surrender and cancellation thereof, if fully paid.

SECTION 9. If an event of default shall happen and be continuing and upon filing a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders, the Trustee as a matter of right shall, to the extent permitted by law, be entitled to the appointment of a receiver or receivers of the trust estate and of the income, rents, issues and profits thereof pending such proceedings, with such powers as the court making such appointment shall confer, but notwithstanding the appointment of any receiver the Trustee shall be entitled to retain possession and control of any property deposited or pledged with it hereunder or agreed or provided to be delivered or deposited or pledged with it hereunder.

SECTION 10. The Company agrees, to the full extent that it may lawfully so agree, that in case of a default on its part, as aforesaid, neither the Company nor any one claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in any locality where any property subject to the lien hereof may be situated, in order to prevent or hinder the enforcement or foreclosure of this Indenture, the absolute sale of the trust estate or any portion thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser or purchasers thereat, and the Company, to the full extent that it may lawfully do so, for itself, and all who may claim through or under it, hereby waives the benefit of all such laws.

SECTION 11. Anything in this Indenture to the contrary notwithstanding, a majority of the Bondholders shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the manner and place of conducting all proceedings to be taken for any sale of the trust estate, or any portion thereof, or for the foreclosure of this Indenture, or for the appointment of a receiver, or any other proceedings hereunder; but none of the Bondholders shall have any right or power to involve the Trustee in any personal liability of any kind to anybody without first and from time to time indemnifying it to its satisfaction.

SECTION 12. No holder of any Bond or coupon shall have the right to institute any suit, action or proceeding in equity or at law for the foreclosure of this Indenture, or for the execution of any trust or power hereof, or for the appointment of a receiver, or for the enforcement of any other remedy under or upon this Indenture, unless such holder previously shall have given to the Trustee written notice of some existing default and of the continuance thereof, as hereinbefore provided, or unless, also, twenty-five per cent. (25%) of the Bondholders shall have made written request upon the Trustee and shall have afforded to it a reasonable opportunity, either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name, or unless, also, such holder or holders shall have offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared, in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for foreclosure or for the appointment of a receiver, or for any other remedy hereunder; it being understood and intended that no one or more holders of Bonds or coupons shall have any right in any manner whatever hereunder or under the Bonds or coupons by his or their action to affect, disturb or prejudice the lien of this Indenture or to enforce any right hereunder, except in the manner herein provided, and that all proceedings hereunder, at law or in equity, shall be instituted, had and maintained in the manner herein provided and for the ratable benefit of all holders of such Bonds and coupons. Nothing herein contained shall, however, affect or impair the right of any Bondholder, which is absolute and unconditional, to enforce the payment of the principal and interest of his Bonds at and after the maturity of such principal or interest, or the obligation of the Company, which is also absolute and unconditional, to pay the principal of and interest on each of the Bonds to the respective

holders thereof at the time and place in the Bonds and coupons expressed.

SECTION 13. In case the Trustee shall have proceeded to enforce any right under this Indenture by foreclosure, entry or otherwise and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then, and in every such case, the Company and the Trustee shall be restored to their former positions and rights hereunder in respect to the trust estate, and all rights, remedies and powers of the Trustee shall continue as though no such proceedings had been taken.

SECTION 14. All rights of action under this Indenture, or under any of the Bonds, enforceable by the Trustee, may be enforced by the Trustee without the possession of any of such Bonds or the coupons thereunto belonging, or the production thereof on the trial or other proceedings relative thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its own name for the ratable benefit of the holders of the Bonds and coupons, subject to the provisions of this Indenture.

SECTION 15. The Trustee shall be entitled and empowered either in its own name or as trustee of an express trust, or as attorney-in-fact for the holders of the Bonds and the holders of the coupons, or in any one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Trustee and of the holders of the Bonds and of the coupons allowed in any equity receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization or other similar proceedings relative to the Company or its creditors or affecting its property. The Trustee is hereby irrevocably appointed (and the successive respective holders of the Bonds and of the coupons by taking and holding the same shall be conclusively deemed to have so appointed the Trustee) the true and

lawful attorney-in-fact of the respective holders of the Bonds and of the coupons, with authority to make and file in the respective names of the holders of the Bonds or of the coupons, or on behalf of the holders of the Bonds or of the coupons as a class, subject to deduction from any such claims of the amounts of any claims filed by any of the holders of the Bonds or of the coupons themselves, any proof of debt, amendment of proof of debt, claims, petition or other documents in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any other papers and documents and to do and perform any and all acts and things for and on behalf of such holders of the Bonds and of the coupons, as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Trustee and of the holders of the Bonds and of the coupons against the Company or its property allowed in any such proceeding, and to receive payment of or on account of such claims; provided, however, that nothing contained in this Indenture shall be deemed to give to the Trustee any right to accept or consent to any plan of reorganization or otherwise by action of any character in any such proceeding to waive or change in any way any right of any Bondholder.

SECTION 16. No delay or omission of the Trustee or of the Bondholders to exercise any right or power accruing upon any event of default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein; and every right and power given by this Article to the Trustee may be exercised from time to time and as often as may be deemed expedient by the Trustee.

SECTION 17. No Bonds owned or held by, for the account of or for the benefit of, the Company (other than Bonds pledged to secure any obligation) shall be deemed outstanding for the purpose of any calculation of outstanding Bonds provided for in this Article IX or any payment or distribution provided for in this Article IX. Bonds owned or held by, for the account of or the benefit of, the Company, which have been pledged to secure an

obligation, shall be deemed outstanding for the purpose of any calculation of outstanding Bonds provided for in this Article IX and for the purpose of any payment or distribution provided for in this Article IX.

ARTICLE X.

EVIDENCE OF RIGHTS OF BONDHOLDERS.

Any demand, request, consent or other instrument, which this Indenture may require or permit to be signed and executed by the Bondholders, may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders in person or by attorney appointed in writing. Proof of the execution of any such demand, request, consent or other instrument, or of a writing appointing any such attorney, or of the holding by any person of the Bonds or coupons, shall be sufficient for any purpose of this Indenture if made in the following manner:

(a) The fact and date of the execution by any person of such demand, request, consent or other instrument or writing may be proved by the certificate of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in any state, that the person signing the same acknowledged to him the execution thereof, or by an affidavit of a witness of such execution;

(b) The amount of Bonds transferable by delivery held by any person executing such demand, request, consent or other instrument as a Bondholder, and the issue and serial numbers thereof, held by such person, and the date of his holding the same, may be proved by a certificate of ownership executed by such person if such person is an insurance company or, if such person is not an insurance company, by a certificate executed by any trust company, bank, banker or other depository wheresoever situated, if such certificate shall be deemed by the Trustee to be satisfactory, showing that

at the date therein mentioned such person had on deposit with such depository the Bonds described in such certificate. The Trustee may assume the continuance of any such ownership unless and until it receives proof, satisfactory to it, to the contrary.

The Trustee may nevertheless in its discretion require further proof in cases where it deems further proof desirable. The ownership of coupon Bonds registered as to principal and of registered Bonds without coupons shall be proved by the registry books.

The Trustee shall not be bound to recognize any person as a Bondholder unless and until his title to the Bonds held by him is proved in the manner in this Article provided.

Subject to the provisions of Article XV, any demand, request or consent of the holder of any Bond shall bind all future holders of the same Bond in respect of anything done or suffered by the Company or Trustee in pursuance thereof.

ARTICLE XI.

IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS.

No recourse shall be had for the payment of the principal of, or the interest on, any Bond, or for any claim based thereon or on this Indenture or any indenture supplemental hereto, against any incorporator or against any stockholder, director or officer, past, present or future, of the Company, or of any predecessor or successor corporation, as such, either directly or through the Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, of incorporators, stockholders, directors or officers being released as a condition of and consideration for the execution of this Indenture and of the issue of the Bonds and coupons.

ARTICLE XII.

CONSOLIDATION, MERGER AND SALE.

SECTION 1. Nothing in this Indenture contained, or in any Bond secured hereby, shall prevent the consolidation with the Company or the merger into the Company of any other corporation or prevent any merger of the Company into any other corporation or prevent the sale or lease by the Company of its property as an entirety or substantially as an entirety upon the terms hereinafter set forth; provided that:

(a) any such consolidation or merger or sale or lease shall be on such terms as not to impair the lien and security of this Indenture upon any part of the trust estate or any of the rights and powers of the Trustee or of the holders of the Bonds;

(b) in case of any such consolidation, merger into another corporation or sale:

(1) the principal amount of indebtedness which is outstanding immediately after such consolidation, merger or sale and which will be secured by a lien or liens on the properties of such other corporation, other than a lien or liens either junior to the lien of this Indenture or constituting funded prior liens, shall not exceed seventy per cent. (70%) of the fair value of the property of the nature of property additions then owned by such other corporation, without limitation as to the date of acquisition, as stated in an independent engineer's certificate to be filed with the Trustee prior to or simultaneously with such consolidation, merger or sale, or the cost to such other corporation of such properties, if such cost is lower; and

(2) the net earnings of such other corporation available for interest, depreciation and property retirement (determined in the manner provided in Article I) for

any twelve consecutive calendar months during the period of fifteen calendar months immediately preceding the first day of the month in which such consolidation, merger or sale is to be made, shall have amounted in the aggregate to not less than the greater of two and one-half times the amount of the annual interest charges on, or ten per cent. (10%) of the principal amount of, (i) all indebtedness secured by such liens on the properties of such other corporation which will be outstanding immediately after such consolidation, merger or sale, and (ii) all other indebtedness of such other corporation maturing more than one year from the date of creation thereof which will be outstanding immediately after such consolidation, merger or sale, in case such other corporation shall not, simultaneously with such consolidation, merger or sale, execute and deliver to the Trustee and cause to be recorded a supplemental indenture subjecting to the lien of the Indenture all property and franchises then owned and which may thereafter be acquired by such successor corporation (other than property of the character described in the granting clauses hereof as excepted property);

(c) upon any such consolidation, merger or sale, the due and punctual payment of the principal and interest of all Bonds at the time outstanding according to their tenor, and, subject to the provisions of Section 3 of this Article, the due and punctual performance and observance of all the covenants and conditions of this Indenture shall, by supplemental indenture and as a condition of any such consolidation or merger or as a consideration for any such sale, be expressly assumed by the successor corporation formed by or resulting from any such merger or consolidation or to which such sale shall have been made; and

(d) any such lease shall be made expressly subject to immediate termination by the Trustee at any time when any event of default, as specified in Section 1 of Article IX,

shall have happened and be continuing, and also by the purchaser of the property so leased at any sale thereof hereunder, whether such sale be made under the power of sale hereby conferred or under judicial proceedings.

SECTION 2. Every successor corporation resulting from a consolidation of the Company with another corporation or a merger of the Company into another corporation or the sale by the Company of all or substantially all of its property as an entirety to another corporation, all on the terms set forth in Section 1 of this Article XII, shall upon executing, acknowledging and delivering to the Trustee, and causing to be recorded and filed, as required by Section 10 of Article IV, an indenture supplemental hereto, as provided in Section 1 of this Article, in form satisfactory to the Trustee, succeed to and be substituted for the Company with the same effect as if it had been named herein as the party of the first part. Such successor corporation may thereupon cause to be signed, either in its own name or in the name of the Company, with such suitable reference, if any, to such consolidation, merger or sale as may be required by the Trustee, any or all of the Bonds which shall not theretofore have been signed by the Company and authenticated by the Trustee; and upon the written order of such successor corporation in lieu of the Company, and subject to the terms, conditions and restrictions herein prescribed with respect to the authentication and delivery of Bonds, the Trustee shall authenticate and deliver any and all Bonds which shall have been previously signed by the proper officers of the Company and delivered to the Trustee for authentication and any of such Bonds which such successor corporation shall thereafter, in accordance with the provisions of this Indenture, cause to be signed and delivered to the Trustee for that purpose. As a condition precedent to the execution by such successor corporation and the authentication and delivery by the Trustee of any additional Bonds other than upon the basis of the retirement of Bonds or to the withdrawal upon the basis of property additions of any cash deposited with the Trustee as the basis for the authentication and delivery of additional Bonds,

the successor corporation shall subject all of the properties and franchises then owned or thereafter acquired by it (except properties of the nature specifically excepted from the lien hereof) to the lien of this Indenture; and in case of the exercise of any other privilege with respect to property additions conferred upon the Company by this Indenture, the successor corporation shall subject all property additions which are made the basis for the exercise of such privilege to the lien of this Indenture; in each case with similar force, effect and standing as if the Company had itself acquired or constructed such property additions and had not been consolidated with or merged into such successor corporation or had not sold the property of the Company as an entirety to such successor corporation. All Bonds so authenticated and delivered shall in all respects have the same rank and security as the Bonds theretofore or thereafter authenticated and delivered in accordance with the terms of this Indenture.

The Trustee may receive the opinion of counsel as conclusive evidence that any supplemental indenture complies with the foregoing conditions and provisions of this Section.

SECTION 3. No consolidation or merger of the Company into another corporation and no conveyance of all or substantially all of the assets of the Company to another corporation shall or is intended to subject to the lien of this Indenture any or all of the property or franchises of the successor corporation formed upon such consolidation or merger or to which such sale shall have been made, except as hereinafter in this Section 3 provided, unless the successor corporation, in its discretion, shall subject the same to the lien hereof or unless the successor corporation shall exercise the privilege of obtaining the authentication and delivery of additional Bonds pursuant to Section 4 or 5 of Article III or the withdrawal, pursuant to Section 3(a) of Article VIII, of moneys deposited with the Trustee pursuant to Section 5(a) of Article III; but the foregoing provisions of this Section 3 notwithstanding, this Indenture shall, after such consolidation, merger or sale constitute a lien of the rank herein provided upon all properties and franchises acquired by such successor corporation from

the Company, which were subject to the lien hereof immediately prior to such consolidation, merger or sale and upon all additions, extensions, improvements, repairs and replacements to or about the plants or properties included in the trust estate immediately prior to such merger, consolidation or sale, appurtenant to the trust estate as so constituted (as distinguished from the additions, extensions, improvements, repairs and replacements to or about the plants or properties appurtenant to the plants or properties of the successor corporation and additional plants or properties thereafter acquired by the successor corporation upon which the Indenture need not constitute a lien). Nothing contained in this Article XII, however, shall affect or lessen the extent of the lien of this Indenture upon the property of the Company hereafter acquired, by reason of the acquisition by the Company of all or substantially all of the property of another corporation.

ARTICLE XIII.

CONCERNING THE TRUSTEE.

SECTION 1. The Trustee hereby accepts full responsibility for the exercise of due care in the performance of its powers and duties as the same have been defined by the express terms of this Indenture. The Trustee shall not be required, save as herein specifically provided, to ascertain or inquire as to the performance of any of the covenants or agreements herein contained on the part of the Company. The Trustee shall be entitled to reasonable compensation (which shall not be limited by any provisions of law in regard to the compensation of trustees of an express trust), for all services rendered by it in the execution of the trusts hereby created, which compensation as well as all expenses reasonably incurred and disbursements actually made hereunder, including counsel fees, the Company agrees to pay. In default of such payment by the Company, the Trustee shall have a lien therefor on the mortgaged and pledged property and the proceeds thereof prior to the lien of the bonds and coupons issued

hereunder. The Trustee shall not be under any responsibility, if acting in good faith, for the selection, appointment or approval of any engineer, appraiser or counsel or of any other person or firm for any of the purposes expressed in this Indenture. The Trustee may execute any of the trusts or powers hereof and perform any duty hereunder either directly or by or through its agents or attorneys and it shall not be answerable for the default, omission, mistake or misconduct of any agent or attorney selected by it, if such person shall have been selected with reasonable care, or for any error of judgment made in good faith by a responsible officer or officers of the Trustee. Nor, except as otherwise provided in this Indenture, shall the Trustee be liable for anything whatever in connection with this trust, except for its own negligence or wilful misconduct. The Trustee shall not be responsible for the validity or execution of this Indenture, or of any indenture supplemental hereto, or of the Bonds, nor for the value of the mortgaged and pledged property or any part thereof nor for the title of the Company thereto nor for the security afforded thereby and hereby nor for the validity of any securities at any time held hereunder, nor for the recitals herein or in the Bonds contained (such recitals being made solely by the Company).

The Trustee shall be protected and held harmless in acting upon any notice, consent, certificate, bond or other instrument or paper believed by it to be genuine and to have been executed by the proper party. Upon any application by the Company for the authentication and delivery of Bonds or for the taking of any other action provided for herein or in any indenture supplemental hereto, the resolutions, certificates, statements, opinions, reports, orders or other instruments required by any of the provisions of this Indenture or of any indenture supplemental hereto to be delivered to the Trustee as a condition of the granting of such application or the taking or permitting by it of such action may be received by the Trustee as conclusive evidence, in the absence of bad faith on its part, of any fact or matter therein set forth and shall be full warrant, authority and protection to the Trustee, acting on the faith thereof, not only with respect to the facts but also with

respect to the opinions therein set forth; and before granting any such application or taking or permitting any such action, the Trustee, in the absence of bad faith on its part, shall not be bound to make any further investigation into the matters stated in any such resolution, certificate, statement, opinion, report, order or other instruments, unless requested in writing so to do by the holders of not less than ten per cent. (10%) in principal amount of the Bonds and furnished with adequate security and indemnity against the costs and expenses of such examination. The Trustee shall be entitled to receive a certificate signed by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company as conclusive proof of any fact or matter required to be ascertained by it hereunder, unless otherwise specifically required herein. If the Trustee shall determine or shall be requested, as aforesaid, to make such further investigation it shall be entitled to examine the books, records and premises of the Company, either itself or by an agent or attorney; and unless satisfied, with or without such investigation, of the truth and accuracy of the matters stated in such resolutions, certificates, statements, opinions, reports, orders or other instruments, it shall be under no obligation to grant the application. The reasonable expense of every such examination shall be paid by the Company, or if paid by the Trustee, shall be repaid by the Company, upon demand, with interest at the rate of six per cent. (6%) per annum, and until such repayment shall be secured by a lien on the mortgaged and pledged property and the proceeds thereof prior to the lien of the Bonds and coupons issued hereunder. The Trustee may advise with counsel and the opinion of such counsel, and any such certificate, or any other evidence, prescribed by this Indenture, which the Trustee may accept, shall be a full protection and justification for anything suffered or done by it in good faith in reliance thereupon. The Trustee shall not be accountable for the use or application by the Company of any Bonds authenticated and delivered hereunder or of the proceeds of such Bonds, or for the use or application of any moneys paid over by it in accordance with any provisions of this Indenture.

The Trustee shall be under no duty to give any notice of the execution or delivery of this Indenture or to file or record or cause to be filed or recorded this Indenture, or any instruments supplemental hereto, as a mortgage, conveyance or transfer of real or personal property, or otherwise, or to re-file or re-record or renew the same, or to procure any further, other, or additional instruments of further assurance, or to see to the delivery to it of any personal property intended to be mortgaged or pledged hereunder, or to do any other act which may be suitable to be done for the better maintenance or continuance of the lien or security hereof, or for giving notice of the existence of such lien, or for extending or supplementing the same or to see that any property intended now or hereafter to be conveyed in trust hereunder is subjected to the lien hereof.

SECTION 2. The Trustee shall not be under any obligation to institute, conduct or defend any litigation hereunder or in relation hereto or to take any action towards the execution or enforcement of the trusts hereby created, which in the opinion of counsel for the Trustee would be likely to involve the Trustee in expense or liability that it would not be entitled to collect out of the trust estate, unless, if required by the Trustee, one or more Bondholders shall furnish the Trustee with reasonable indemnity against such expense or liability; nor shall the Trustee be required to take any action in respect of any default unless requested to take action in respect thereof by a writing signed by the holders of at least twenty-five per cent. (25%) in aggregate principal amount of the Bonds issued hereunder and then outstanding. The Trustee shall give to the Bondholders notice of the happening of any completed default known to it, provided, however, that the Trustee may withhold the giving of such notice if and so long as the withholding of such notice is in its judgment made in good faith, in the interest of the Bondholders. Such notice shall be given by mail to the Bondholders as their names and addresses appear in the most recent information in the possession of the Trustee, as provided in Section 23 of Article IV hereof.

SECTION 3. Except as herein otherwise provided, any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee on the Company shall be deemed to have been sufficiently given and served, for all purposes, by being deposited postage prepaid in a post-office letter box in The City of New York, the City of Chicago, Illinois or the City of Topeka, Kansas, addressed (until another address is filed by the Company with the Trustee), as follows: The Kansas Power and Light Company, Topeka, Kansas.

SECTION 4. Subject to the provisions of Section 9 of Article VIII, any moneys which at any time shall be deposited by the Company with the Trustee, or with any other depository, or which the Trustee or such other depository shall be directed to apply for the purpose of paying any of the Bonds which shall become due and payable, either at maturity thereof or upon call for redemption or otherwise or for the purpose of paying the interest due and payable on the Bonds issued hereunder and all other moneys received by the Trustee under any provision of this Indenture shall be and are hereby assigned, transferred and set over unto the Trustee or such other depository, as the case may be, in trust for the purposes for which the said moneys shall have been deposited, without liability on the Trustee or the depository as the case may be for interest thereon; and in the event of the appointment of a receiver or of a trustee of the Company or of its property, neither such receiver nor such trustee shall have any right, title or interest in said moneys so deposited or in any part thereof. Except as may be otherwise specified by law for trust funds, moneys held by the Trustee need not be segregated from any other funds and except as herein otherwise expressly provided the Trustee shall allow and credit to the Company interest on such moneys at such rate as the Trustee allows at the same time upon other deposits of similar character.

SECTION 5. The Trustee or any successor trustee may resign and be discharged from the trusts hereby created by giving not less than four weeks' prior written notice thereof to the Com-

pany and by publishing such notice at least once a week, for four successive calendar weeks upon any secular day of each such calendar week, in a daily newspaper printed in the English language published and of general circulation in the City of Chicago, Illinois, and such resignation shall take effect upon the day specified in such notice unless previously a successor trustee shall have been appointed by the Bondholders or the Company as herein-after provided, and in such event such resignation shall take effect immediately on the appointment of such successor trustee. But the publishing of such notice of resignation need not be made if consent to such resignation shall have been given in writing by the holders of all Bonds at the time outstanding. The Trustee or any successor trustee may be removed at any time by the holders of a majority in principal amount of the Bonds, by an instrument or concurrent instruments in writing, signed in duplicate by Bondholders, of which one copy shall be filed with the Company, one with the Trustee. In case at any time the Trustee shall resign, or shall be removed or be dissolved or otherwise shall become incapable of acting, or in case control of the Trustee or of its officers shall be taken over by any public officer or officers, a successor trustee may be appointed by the holders of a majority in principal amount of the Bonds, by an instrument or concurrent instruments in writing signed in duplicate by such Bondholders, and filed, one copy with the Company and the other with the successor trustee; but until the successor trustee shall be so appointed by the Bondholders as herein authorized, the Company by resolution of its Board of Directors or, in case all or substantially all of the assets of the Company shall be in the possession of one or more receivers lawfully appointed, trustees in bankruptcy or reorganization proceedings (including a trustee or trustees appointed under the provisions of Chapter X of An Act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898, as amended), or assignees for the benefit of creditors, such receivers, trustees or assignees, by an instrument in writing, may in any such case appoint a successor trustee. After any such appointment other than by the Bondholders, the Company, such receivers, trustees or assignees, as

the case may be, which made such appointment shall forthwith cause notice thereof to be published once in each of two successive calendar weeks upon any secular day of each such calendar week in a daily newspaper printed in the English language published and of general circulation in the City of Chicago, Illinois, but any successor trustee so appointed shall, immediately, and without further act, be superseded by a successor trustee appointed by the Bondholders in the manner above prescribed, if such appointment be made prior to the expiration of six months from the date of the first publication of such notice by the Company, such receivers, trustees or assignees.

Every such successor trustee hereunder shall always be a bank or trust company or a national banking association in good standing, having its principal office in the Borough of Manhattan, The City of New York, the City of Chicago, Illinois, or the City of Topeka, Kansas, which is authorized to exercise corporate trust powers and is subject to supervision or examination by Federal or State authority and which has a capital and surplus aggregating not less than Five million dollars (\$5,000,000) or such larger amount as may be required by the laws of any governmental authority having jurisdiction or the rules, regulations and orders of any regulatory body established thereunder, if there be such a bank or trust company or national banking association willing to accept the trust on customary terms. If, in a proper case, no appointment of a successor trustee shall be made pursuant to the foregoing provisions of this Section within three months after a vacancy shall have occurred in the office of the Trustee, the holder of any Bond or the retiring Trustee may apply to any court of competent jurisdiction to appoint a successor trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor trustee.

Any successor trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor trustee and to the Company or to the receivers, trustees, assignees or court appointing it an instrument accepting such appointment hereunder, and thereupon such successor trustee, without any further act, deed or conveyance, shall become vested with all the estate, proper-

ties, rights, powers and trusts of such predecessor in the trust hereunder with like effect as if originally named as Trustee herein; but the outgoing Trustee shall, nevertheless, on the written demand of the new trustee or of the Company or of the holders of ten per cent. (10%) in principal amount of the outstanding Bonds execute and deliver an instrument conveying and transferring to such new trustee upon the trusts herein expressed, all the properties, rights, powers, trusts, duties and obligations of such outgoing Trustee, and shall duly assign, transfer and deliver all moneys and property held by such outgoing Trustee to the new trustee so appointed in its place; and, upon request of any such new trustee, the Company shall make, execute, acknowledge and deliver any and all instruments in writing for more fully and effectually vesting in and confirming to such new trustee all such properties, rights, powers, trusts, duties and obligations.

SECTION 6. At any time or times, for the purpose of conforming to any legal requirements, restrictions or conditions in any state or jurisdiction in which any part of the mortgaged and pledged property then subject to this Indenture may be located, the Company and the Trustee shall have power to appoint, and upon the request of the Trustee, the Company shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint another corporation or one or more persons approved by the Trustee to act as co-trustee jointly with the Trustee with such powers as may be provided in the instrument of appointment, of all or any of the property subject to the lien hereof and to vest in such corporation or person or persons as such co-trustee, any property, title, right or power deemed necessary or desirable, subject to the remaining provisions of this Section. In the event that the Company shall not have joined in such appointment within fifteen (15) days after the receipt by it of a request so to do, the Trustee alone shall have power to make such appointment.

Should any deed, conveyance or instrument in writing from the Company be required by the new trustee for more fully and certainly vesting in and confirming to such new trustee such prop-

erties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Company.

Every separate trustee, every co-trustee and every successor trustee, other than any trustee which may be appointed as successor to Harris Trust and Savings Bank, shall be to the extent permitted by law, but to such extent only, appointed subject to the following provisions and conditions, namely:

(1) The Bonds secured hereby shall be authenticated and delivered, and all powers, duties, obligations and rights, conferred upon the Trustee in respect of the custody of all bonds and other securities and of all cash pledged or deposited hereunder, shall be exercised solely by Harris Trust and Savings Bank, or its successor in the trust hereunder; and

(2) The Company and the Trustee, at any time by an instrument in writing executed by them jointly, may remove any co-trustee appointed under this Section or otherwise, and may likewise and in like manner appoint a successor to such co-trustee so removed or whose office shall have been vacated, anything herein contained to the contrary notwithstanding.

Any notice, request or other writing, by or on behalf of the holders of the Bonds issued hereunder, delivered to Harris Trust and Savings Bank, or its successor in the trust, shall be deemed to have been delivered to the then trustee as effectually as if delivered to each of them. Every instrument, other than this Indenture, appointing any trustee other than a successor to Harris Trust and Savings Bank, shall refer to this Indenture and the conditions of this Article XIII expressed, and upon the acceptance in writing by such trustee or co-trustee, he, they or it shall be vested with the estates or property specified in such instrument, jointly with Harris Trust and Savings Bank, or its successor (except insofar as local law makes it necessary for any co-trustee to act alone), subject to all the trusts, conditions and provisions of this Indenture; and every such instrument shall be filed with

Harris Trust and Savings Bank, or its successor in the trust. Any co-trustee may, at any time by an instrument in writing, constitute Harris Trust and Savings Bank, or its successor in the trust hereunder his, their or its agent or attorney-in-fact, with full power and authority, to the extent which may be authorized by law, to do all acts and things and exercise all discretion authorized or permitted by him, them or it, for and in behalf of him, them or it, and in his, their or its name. In case any co-trustee, or a successor to it, shall die, become incapable of acting, resign or be removed, all the estates, property, rights, powers, trusts, duties and obligations of said co-trustee so far as permitted by law, shall vest in and be exercised by Harris Trust and Savings Bank, or its successor in the trust, without the appointment of a new trustee or successor to such co-trustee.

SECTION 7. Any corporation into which the Trustee may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Trustee may be transferred, provided such corporation shall be a corporation organized under the laws of the States of New York, Illinois or Kansas, or a national banking association having an office for the transaction of its business in the Borough of Manhattan, The City of New York, the City of Chicago, Illinois, or the City of Topeka, Kansas, which is authorized to exercise corporate trust powers and is subject to supervision or examination by Federal or State authority, shall be the successor to the Trustee under this Indenture, without the execution or filing of any paper or the performance of any further act on the part of any other parties hereto, anything herein to the contrary notwithstanding. In case any of the Bonds contemplated to be issued hereunder shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of the original Trustee or of any successor to it, as Trustee hereunder, and deliver the said Bonds so authenticated; and in case any of said Bonds shall not have been authenticated, any successor to the Trustee may authenticate such Bonds either in the name of any predecessor

hereunder or in the name of the successor trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in this Indenture provided that the certificate of the Trustee shall have; provided, however, that the right to authenticate bonds in the name of Harris Trust and Savings Bank shall apply only to its successor or successors by merger or consolidation.

SECTION 8. If any trustee for the time being has or acquires any conflicting interest as now or hereafter defined by the statutes of the United States of America, applicable to trustees under indentures relating to securities similar to the Bonds, or by the rules, regulations and orders of any regulatory body established pursuant to such statutes, which statutes or rules or regulations or orders require trustees subject thereto having or acquiring any such conflicting interests to resign, or which would disqualify any such trustee from accepting any trusteeship under any indenture similar to this Indenture, such trustee shall either eliminate such conflicting interest within the time provided thereby, or resign in the manner herein provided. Should a trustee resign by reason of the provisions of this Section 8 he or it shall be under no duty or responsibility to see to the appointment of a successor trustee or for anything whatsoever subsequent to such resignation, except as provided in Subdivision (d) of Section 9 of this Article.

SECTION 9. (a) If the Trustee in an individual capacity shall be or shall become a creditor, secured or unsecured, of the Company (other than in a relationship of the nature specified in Subdivision (c) of this Section) within four months prior to a default in the payment of principal of, or interest on, the Bonds when and as the same shall become due and payable, or subsequent to such a default, then, unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually and of the Bondholders:

(1) an amount equal to any reductions in the amount due and owing to the Trustee upon any claim as such creditor in respect of principal or interest, effected after the beginning of such four months' period and valid as against the Company and its other creditors, except any such reduction

resulting from the receipt or disposition of any property described in paragraph (2) of this Subdivision (a), or from the exercise of any right of set-off which the Trustee, could have exercised if a petition in bankruptcy had been filed by or against the Company at the date of such default; and

(2) all property received by the Trustee in respect of any claim as such creditor, as security therefor or in satisfaction or composition thereof or otherwise, after the beginning of such four months' period or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of the Company and its other creditors in such property or such proceeds.

(b) Nothing contained in this Section shall affect the right of the Trustee:

(1) to retain for its own account (i) payments made on account of any such claim described in Subdivision (a) of this Section by persons, other than the Company, who are liable thereon, (ii) the proceeds of the bona fide sale of any such claim by the Trustee to a third person, or (iii) dividends paid on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to Chapter X of An Act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898, as amended, or in proceedings under any applicable state law;

(2) to realize, for its own account, upon any property held by the Trustee as security for any such claim, if such property was so held prior to the beginning of such four months' period;

(3) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by the Trustee as security for any such claim, if such claim was created after the beginning of such four months' period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee had

no reasonable cause to believe that a default hereunder in the payment of principal or interest would occur within four months; or

(4) to receive, for its own account, payment on any such claim against the release of any security held as described in paragraph (2) or (3) of this Subdivision (b), up to an amount equal to the fair value of such security.

For the purposes of paragraph (2) of Subdivision (a) of this Section and paragraphs (2), (3) and (4) of this Subdivision (b), property substituted after the beginning of such four months' period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and, to the extent that any such claim is created in renewal of or in substitution for or for the purpose of repaying or refunding any preexisting claim, such claim shall have the same status as such preexisting claim.

(c) If the Trustee shall be required to account, as provided in Subdivision (a) of this Section, the funds and property held in such special account and the proceeds thereof shall be apportioned between the Trustee and the Bondholders in such manner that the Trustee and the Bondholders realize, as a result of payments from such special fund and payments of dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to Chapter X of said Act referred to in Subdivision (b) (1) of this Section or in proceedings under any applicable state law, the same percentage of their respective claims, figured before crediting to the claim of the Trustee, anything on account of the receipt by the Trustee from the Company of the funds and property in such special account and before crediting to the claim of either the Trustee or the Bondholders dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to said Chapter X or in proceedings under any applicable state law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all

sources other than from such dividends and from the funds and property so held in such special account.

(d) In case the Trustee shall have resigned or been removed within four months prior to the happening of such default, it shall nevertheless be subject to the provisions of this Section as though such resignation or removal had not occurred. If the Trustee shall have resigned or been removed prior to the beginning of such four months' period it shall nevertheless be subject to the provisions of this Section as though such resignation or removal had not occurred if and only if the receipt of property or reduction of claim which would have given rise to the obligation to account, if the Trustee had continued as Trustee, occurred after the beginning of such four months' period and within four months after such resignation or removal.

(e) The Trustee shall not be required to account, as provided in Subdivision (a) of this Section, if the creditor relationship arises from:

(1) the ownership or acquisition of securities issued under any mortgage, deed of trust, trust or other indenture, or similar instrument or agreement (including any supplement or amendment to any of the foregoing) whether or not any property, real or personal, is or is to be pledged, mortgaged, assigned or conveyed thereunder; or the ownership of any security or securities having a maturity of one year or more at the time of acquisition by the Trustee;

(2) disbursements made in the ordinary course of business in the capacity of trustee under any such mortgage, deed of trust, trust or other similar instrument or agreement, or in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent or depositary, or other similar capacity;

(3) an indebtedness created as a result of services rendered or premises rented; or an indebtedness created as a result of goods or securities sold in a cash transaction;

(4) the ownership of stock or of securities of a corporation organized under the provisions of Section 25(a) of the Act approved December 23, 1913, known as the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Company; or

(5) the acquisition, ownership, acceptance or negotiation of drafts, bills of exchange, acceptances or obligations, falling within the classification of self-liquidating paper.

The word "security" or "securities" as used in this subdivision (e) shall have the same meaning as the definition of the word "security" in the Federal Securities Act of 1933, as amended, as in effect at the date of the execution of this Indenture.

SECTION 10. In any proceeding brought by the Trustee hereunder, it shall be held to represent all of the holders of the Bonds and it shall not be necessary to make such Bondholders parties to any proceeding.

SECTION 11. Subject to the provisions of Sections 8 and 9 of this Article, the Trustee and any successor or successors thereto, or any agent of the Company appointed for the purpose of Section 4 of Article IV or for any other purpose, may each acquire and hold Bonds and coupons and otherwise deal with the Company in the same manner and to the same extent and with like effect as though it were not Trustee hereunder or as though it were not such agent.

SECTION 12. The Trustee hereby accepts the trust hereunder and agrees to perform the same but only upon the terms and conditions provided in this Indenture.

ARTICLE XIV.

SUPPLEMENTAL INDENTURES.

SECTION 1. In addition to any supplemental indenture otherwise authorized by this Indenture, the Company, when author-

ized by resolution of its Board of Directors, any other corporation when authorized by its Board of Directors, and the Trustee, from time to time and at any time, subject to the conditions and restrictions in this Indenture contained, may enter into an indenture or indentures supplemental hereto and which thereafter shall form a part hereof for any one or more or all of the following purposes:

(a) to close this Indenture against, or to restrict, in addition to the limitations and restrictions herein contained, the authentication and delivery of additional Bonds hereunder by imposing additional conditions and restrictions to be thereafter observed, whether applicable in respect of all Bonds authenticated and delivered and to be authenticated and delivered hereunder or in respect of one or more series thereof, or otherwise;

(b) to add to the covenants and agreements of the Company in this Indenture contained, other covenants and agreements thereafter to be observed and to surrender any right or power herein reserved to or conferred upon the Company although the freedom of action of the Company may be materially restricted thereby;

(c) to convey, transfer and assign to the Trustee, and to subject to the lien of this Indenture, with the same force and effect as though included in the granting clauses hereof, additional properties hereafter acquired by the Company, whether through consolidation, merger or by purchase or otherwise and to correct or amplify the description of any properties at any time subject to the lien of this Indenture;

(d) to make such provisions in regard to matters or questions arising under this Indenture as may be necessary or desirable and not inconsistent with this Indenture;

(e) to modify any of the provisions of this Indenture or to relieve the Company from any of the obligations, conditions or restrictions herein contained, provided that no such

modification shall be or become operative or effective which shall in any manner impair any of the rights of the Bondholders or of the Trustee, while any Bonds of any series established prior to the execution of such supplemental indenture shall remain outstanding, and provided, further, that such supplemental indenture shall be specifically referred to in the text of all Bonds of any series established after the execution of such supplemental indenture; and provided, also, that the Trustee may in its uncontrolled discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Trustee when the same shall become operative; or

(f) for any other purpose not inconsistent with the terms of this Indenture, or for the purpose of curing any ambiguity or curing, correcting or supplementing any defect or inconsistent provision contained in this Indenture or any supplemental indenture;

and the Company hereby covenants that it will fully perform all the requirements of any such supplemental indentures which may be in effect from time to time; but no restriction or obligation imposed hereby or by any supplemental indenture upon the Company in respect to any of the Bonds or series of Bonds then outstanding under this Indenture may, except as otherwise provided in this Indenture, be waived or modified by such supplemental indentures, or otherwise. Nothing in this Article contained shall affect or limit the right or obligation of the Company to execute and deliver to the Trustee any instrument of further assurance or other instrument which elsewhere in this Indenture it is provided shall be delivered to the Trustee.

SECTION 2. The Trustee is hereby authorized to join with the Company or any other corporation in the execution of any such supplemental indenture authorized or permitted by the terms of this Indenture, and to make the further agreements and stipulations which may be therein contained.

ARTICLE XV.

MEETINGS OF BONDEHOLDERS.

SECTION 1. Modifications and alterations of this Indenture, of any indenture supplemental hereto, and of the rights and obligations of the Company and of the holders of the Bonds and coupons may be made as hereinafter provided in this Article XV.

SECTION 2. The Trustee may at any time call a meeting of the Bondholders, and it shall call such a meeting on the written request of the Company or of not less than ten per cent. (10%) of the Bondholders. In the event of the Trustee's failing for ten days to call a meeting after being thereunto requested as above set forth, ten per cent. (10%) or more of the Bondholders, or the Company pursuant to resolution of the Board, may call such meeting. Every such meeting called at the instance of the Trustee shall be held at the principal office of the Trustee, but if called by or at the request of the Bondholders or of the Company shall be held at such place in the Borough of Manhattan, The City of New York, or in the City of Chicago, Illinois, as the case may be, as may be specified in the notice calling such meeting or requesting such meeting to be called. If such meeting is called by the Trustee, written notice thereof, stating the place and time thereof and in general terms the business to be submitted, shall be mailed by the Trustee not less than thirty days before such meeting,

(a) to each registered owner of Bonds then outstanding addressed to him at his address appearing (if at all) on the registry books,

(b) to each holder of Bonds then outstanding payable to bearer who shall have filed with the Trustee an address for notices, addressed to him at such address,

(c) to each holder of Bonds then outstanding addressed to him as his name and address appears in the most recent information in the possession of the Trustee, as provided in Section 23 of Article IV hereof, and

(d) to the Company addressed to it at Topeka, Kansas,

and shall be published by the Trustee at least once in each of four successive calendar weeks immediately preceding the meeting in an authorized newspaper of the Borough of Manhattan, The City of New York, and in an authorized Chicago, Illinois, newspaper, provided, however, that the mailing of any such notice shall in no case be a condition precedent to the validity of any action taken at such meeting. If such meeting is called by the Bondholders or the Company, after failure of the Trustee to call the same after being requested so to do in accordance with this Section 2, notice of such meeting shall be sufficient for all purposes hereof if given by newspaper publication as aforesaid stating the place and time of the meeting and in general terms the business to be submitted. Any meeting of Bondholders shall be valid without notice if the holders of all Bonds then outstanding are present in person or by proxy and if the Company and the Trustee are present by duly authorized representatives, or if notice is waived before or after the meeting by the Company, the holders of all Bonds outstanding and by the Trustee.

All holders of Bonds at the time of such meeting shall be entitled to vote thereat; except that

(aa) with respect to bearer Bonds which have been stamped or upon which has been made a notation recording the issue of a certificate for voting at such meeting issued in the manner provided in Section 3 of this Article XV (whether or not such Bonds are thereafter registered as to principal) only the holder of such certificate and his proxies shall be entitled to vote such Bonds at said meeting and any adjournment thereof;

(bb) the Trustee may, and upon request of the Company or of not less than twenty-five per cent. (25%) of the Bondholders shall, fix a day not exceeding ninety days preceding the date for which the meeting is called as a record date for the determination of holders of Bonds registered as to principal and holders of registered Bonds entitled to notice of and to vote at such meeting and any adjournment thereof, and only such registered owners who shall have

been such registered owners on the date so fixed, and who are entitled to vote such registered Bonds at the meeting, shall be entitled to receive notice of such meeting, and, subject to the provisions of Subdivision (aa) of this Section 2, the Bonds registered as to principal on such record date and registered Bonds may be voted at such meeting and any adjournment thereof only by the holders, and their proxies, who shall have been registered owners of such Bonds on such record date, notwithstanding any transfer of any such Bonds on the books of the Company after such date. If any Bonds registered as to principal on such record date or any registered Bonds shall thereafter be transferred to bearer, a suitable notation may be made upon such Bonds at the time of their transfer from such registered owner's name to record the fact that the registered owner of such Bonds on said record date and his proxies shall be the only persons entitled to vote such Bonds at the meeting. If any Bonds in bearer form on such record date are thereafter registered as to principal and before any certificate as provided in Section 3 of this Article XV has been issued with respect to such Bonds, the first registered owner to whom such Bonds in bearer form are transferred shall be deemed to have been a registered owner of such Bonds on the record date for the purposes of this Article XV, except as to his right to receive notice of such meeting; and

(cc) no one shall be entitled to vote in respect of any Bond owned by or held by, for the account of or for the benefit or interest of, the Company or any affiliated corporation.

SECTION 3. Attendance by Bondholders at any meeting may be in person or by proxy. In order that bearer Bonds may be voted at any such Bondholders' meeting without being produced thereat, the Trustee may, and, upon request of the Company or of not less than twenty-five per cent. (25%) of the Bondholders, shall make and from time to time vary such regula-

tions as it shall deem fit permitting holders of bearer Bonds to submit such Bonds to, or deposit their Bonds with, any banks, bankers or trust companies or their duly authorized agents, which shall issue to or upon the order of the holders of such Bonds certificates with respect thereto entitling the holders thereof to be present and vote at any such meeting and to appoint proxies to represent them and vote for them at any such meeting in the same way as if the persons so present and voting, either personally or by proxy, were the actual bearers of the Bonds, in respect of which such certificates shall have been issued, and any regulations so made shall be binding upon the Trustee, the Inspectors of Votes and all Bondholders. Unless the Bonds so received are to be kept on deposit pending the holding of such Bondholders' meeting and any adjournments thereof, said banks, bankers or trust companies, or their duly authorized agents, upon issuing any such certificates shall make a notation upon the Bonds with respect to which the certificates are to be issued recording the issue of such certificates, and shall forthwith return the Bonds bearing such notation to the persons entitled thereto. Thereafter the Bonds bearing such notation shall not be entitled to be voted at the meeting except by the holders, and their duly authorized proxies or agents, of the certificates issued with respect to such Bonds.

Each person seeking to attend or vote at any meeting of Bondholders must, if required by any authorized representative of the Trustee or of the Company, produce such proof of Bond or certificate ownership or personal identity as shall be satisfactory to the Inspectors of Votes. Every proxy shall be signed by the Bondholder or certificate holder himself or by his duly authorized attorney, and shall be witnessed; and its genuineness if questioned shall be established to the satisfaction of the Inspectors of Votes. All proxies and certificates presented at any meeting shall be delivered to the Inspectors of Votes and filed with the Trustee.

Officers and nominees of the Company and of the Trustee may attend at any such meeting and take part therein, but shall not be entitled to vote thereat except to the extent that they may

be Bondholders or may hold proxies of Bondholders or may hold certificates entitling them to vote issued as in this Section 3 provided.

SECTION 4. Persons named by the Trustee if represented at the meeting shall act as temporary Chairman and Secretary, respectively, of the meeting, but if the Trustee shall not be represented or shall fail to nominate such persons or if any person so nominated shall not be present, then the Bondholders and holders of certificates, issued as in Section 3 of this Article XV provided, and proxies present shall by a majority vote, irrespective of the amount of their holdings, elect other persons from those present to fill such vacancy or vacancies. A permanent Chairman and a permanent Secretary of such meeting shall be elected from those present by the Bondholders and holders of such certificates and proxies present by a majority vote irrespective of the amount of their holdings. The Trustee, if represented at the meeting, shall appoint two Inspectors of Votes who shall count all votes cast at such meeting, except votes on the election of a Chairman and Secretary as aforesaid, and who shall make and file with the Secretary of the meeting their verified written report in duplicate of all such votes so cast at said meeting. If the Trustee shall not be represented at the meeting or shall fail to nominate such Inspectors of Votes or if either Inspector of Votes fails to attend the meeting, the vacancy shall be filled by appointment by the permanent Chairman of the meeting.

SECTION 5. The holders (or persons entitled to vote the same) of not less than eighty per cent. (80%) of the Bonds entitled to be voted at any such meeting must be present at such meeting in person or by proxy in order to constitute a quorum for the transaction of business, less than a quorum, however, having power to adjourn. If such meeting is adjourned by less than a quorum for more than seven days, notice thereof shall forthwith be mailed by the Trustee, if such meeting shall have been called by the Trustee, to the persons specified in Subdivisions (a), (b) and (c) of Section 2 of this Article XV, and shall be published

at least once in each seven days' period of such adjournment in an authorized newspaper of the Borough of Manhattan, The City of New York, and in an authorized Chicago, Illinois, newspaper. The failure to mail such notice as aforesaid shall in no case affect the validity of any action taken at any meeting held pursuant to such adjournment. If such meeting shall have been called by the Bondholders or by the Company after failure of the Trustee to call the same after being requested so to do in accordance with Section 3 of this Article XV, notice of such adjournment shall be given by the Chairman and Secretary of the meeting in the newspapers and for the number of times above specified in this Section and shall be sufficient if so given.

SECTION 6. Any modifications or alterations of this Indenture, of any indenture supplemental hereto, and of the rights and obligations of the Company and of the holders of the Bonds and coupons in any particular may be made at a meeting of Bondholders duly convened and held in accordance with the provisions of this Article XV, but only by a resolution duly adopted by the affirmative vote, in person or by proxy, of the holders (or persons entitled to vote the same) of eighty per cent. (80%) or more of the Bonds entitled to be voted upon any such modification or alteration when such meeting is held, and approved by resolution of the Board of Directors as hereinafter specified; but no such modification or alteration shall be made which will permit the extension of the time or times of payment of the principal of, or the interest on, any Bond, or a reduction in the rate of interest thereon, or otherwise affect the terms of payment of the principal of, or interest on, any Bond, or reduce the percentage required by this Section for the taking of any action under this Section, nor shall any action permitted under this Section and taken at any meeting of the Bondholders affect the rights under this Indenture or of any indenture supplemental hereto of the holders of one or more, but less than all, of the series of Bonds outstanding hereunder, unless such action shall also have received the affirmative vote, in person or by proxy, of the holders (or persons entitled to vote the same) of at

least eighty per cent. (80%) of the Bonds of each of the series so affected entitled to be voted upon any such action when such meeting is held. For all purposes of this Article XV the Trustee shall be entitled to rely upon an opinion of counsel with respect to the extent, if any, as to which any action taken at such meeting affects the rights under this Indenture or under any indenture supplemental hereto of any holders of Bonds then outstanding.

Bonds owned or held by, for the account of or for the benefit or interest of, the Company or any affiliated corporation, shall not be deemed outstanding for the purpose of any vote or of any calculation of outstanding Bonds provided for in this Article XV or for the purpose of the quorum provided for in Section 5 of this Article XV.

The term "affiliated corporation" as used in this Article shall be construed to mean (a) any corporation which directly or indirectly owns or controls an interest of twenty-five per cent. (25%) or more of the outstanding capital stock of the Company having voting power, or (b) any corporation of which twenty-five per cent. (25%) or more of the outstanding capital stock having voting power is owned by or held by, for the account of or for the benefit or interest of, the Company or any corporation which directly or indirectly owns or controls an interest of twenty-five per cent. (25%) or more of the outstanding capital stock of the Company having voting power.

For all purposes of this Indenture, the Trustee, and for the purposes of this Article XV, the Trustee, the Chairman and Secretary of any meeting held pursuant to this Article XV and the Inspectors of Votes at any such meeting, shall (unless challenged by any Bondholder at such meeting) be entitled conclusively to rely upon a notification in writing by the Company, specifying the principal amount of Bonds owned by or held by, for the account of or for the benefit or interest of, the Company or any affiliated corporation, or stating that no Bonds are so owned or held. In case the meeting shall have been called otherwise than on the written request of the Company, the Trustee, if the notification by the Company is not furnished as in this paragraph provided, shall be entitled conclusively to assume that none

of the Bonds outstanding under this Indenture are so owned or held.

SECTION 7. A record in duplicate of the proceedings of each meeting of Bondholders shall be prepared by the Secretary of the meeting and shall have attached thereto the original reports of the Inspectors of Votes, and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and a copy of the notice of adjournment thereof, if required under Section 5 of this Article XV, and showing that said notices were published as provided in Section 2 of this Article XV and, in a proper case, as provided in Section 5 of this Article XV. Such record shall be signed and verified by the affidavits of the permanent Chairman, the permanent Secretary of the meeting, and a duly authorized representative of the Trustee if such a representative was present at the meeting, and one duplicate thereof shall be delivered to the Company and the other to the Trustee for preservation by the Trustee. Any record so signed and verified shall be proof of the matters therein stated until the contrary is proved, and such meeting shall be deemed conclusively to have been duly convened and held, and any resolution or proceeding stated in such record to have been adopted or taken shall be deemed conclusively to have been duly adopted or taken by such meeting. A true copy of any resolution adopted by such meeting shall be mailed by the Trustee to each registered owner of Bonds outstanding addressed to him at his address appearing (if at all) on the registry books, to each holder of Bonds outstanding payable to bearer who shall have filed with the Trustee an address for notices, addressed to him at such address, and to each holder of Bonds outstanding addressed to him as his name and address appears in the most recent information in the possession of the Trustee, as provided in Section 23 of Article IV hereof (but failure to mail copies of such resolution as aforesaid shall not affect the validity thereof), and a copy or summary thereof shall be published by the Company at least once in an authorized newspaper in the Borough of Manhattan, The City of New York, and at least once in an author-

ised Chicago, Illinois, newspaper, such publication to be made not more than fifteen days after the adoption of such resolution. Proof of such publication and mailing by the affidavit or affidavits of some person or persons having knowledge of the facts shall be filed with the Trustee. No such Bondholders' resolution shall be binding unless approved by the Board of Directors as evidenced by a certified resolution filed with the Trustee, and any resolution of Bondholders so adopted and approved shall be deemed conclusively to be binding upon the Company, the Trustee and the holders of all Bonds and coupons, except as otherwise specifically provided in this Article XV; provided, that no such resolution of the Bondholders, or of the Board of Directors, shall in any manner be so construed as to change or modify any of the rights or obligations of the Trustee without its written assent thereto. Nothing in this Article XV contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Bondholders or of any right expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Bondholders under any of the provisions of this Indenture or of the Bonds.

SECTION 8. Bonds authenticated and delivered after the date of any Bondholders' meeting may bear a notation, in form approved by the Trustee, as to the action taken at meetings of Bondholders theretofore held, and, in such case, upon demand of the holder of any Bond outstanding at the date of any such meeting and presentation of his Bond for the purpose at the principal office of the Trustee, the Company shall cause suitable notation to be made on such Bond by endorsement or otherwise as to any action taken at any meeting of Bondholders theretofore held. If the Company or the Trustee shall so determine, new Bonds so modified that they will, in the opinion of the Trustee and the Board of Directors, conform to such Bondholders' resolutions, shall be prepared, authenticated and delivered, and such new Bonds shall be exchanged for Bonds of the same series and maturity then outstanding hereunder, upon de-

mand of, and without cost to, the holders thereof, upon surrender of such Bonds with all unmatured coupons appertaining thereto. The Company or the Trustee may require Bonds to be presented for notation or exchange as aforesaid if either shall see fit to do so. Instruments supplemental to this Indenture embodying any modification or alteration of this Indenture or of any indenture supplemental hereto, or of the rights and obligations of the Company or of the holders of the Bonds and coupons made at any Bondholders' meeting approved by resolution of the Board of Directors, as aforesaid, may be executed by the Trustee and the Company; and upon demand of the Trustee, or if so specified in any resolution adopted by any such Bondholders' meeting, shall be executed by the Company and the Trustee.

ARTICLE XVI

DEFERANCE

If the Company, its successors or assigns, shall pay or cause to be paid unto the holders of the Bonds and coupons, the principal and interest to become due thereon and the premium thereon, if any, at the times and in the manner stipulated therein, and if the Company shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it or on its part, then these presents and the estate and rights hereby granted shall (at the option of the Company evidenced by a certified resolution delivered to the Trustee) cease, determine and be void, and thereupon the Trustee shall, upon the request of the Company, cancel and discharge the lien of this Indenture, and execute and deliver to the Company such deeds as shall be requisite to satisfy the lien hereof, and reconvey to the Company the estate and title hereby conveyed, and assign and deliver to the Company any property at the time subject to the lien of this Indenture which may then be in its possession.

Bonds and coupons for the payment or redemption of which moneys shall have been deposited with the Trustee, whether at or

prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning of this Article; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or provision satisfactory to the Trustee shall have been made therefor.

The cancellation and discharge of this Indenture, however, shall be without prejudice to the right of the Trustee to be paid any compensation then due it hereunder, and to be protected and saved harmless by the Company from any and all losses, liabilities, costs and expenses, including counsel fees, at any time incurred by the Trustee hereunder or connected with any Bond, and the Company hereby covenants to protect and save the Trustee harmless from any and all such losses, liabilities, costs and expenses.

ARTICLE XVII.

MISCELLANEOUS PROVISIONS.

SECTION 1. Nothing in this Indenture, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person, firm or corporation, other than the parties hereto, and the holders of the Bonds and coupons, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and the covenants, stipulations and agreements in this Indenture contained are and shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and the holders of the Bonds and coupons.

SECTION 2. Whenever in this Indenture or in any indenture supplemental hereto provision is made for the destruction or cancellation by the Trustee and the delivery to the Company of any Bonds or any coupons, the Trustee may, upon the request of the Company, in lieu of such destruction or cancellation and delivery, cremate such Bonds and coupons in the presence of an officer of the Company (if the Company shall so require) and deliver a certificate of such cremation to the Company.

SECTION 3. In case any one or more of the provisions contained in this Indenture or in the Bonds or coupons should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

SECTION 4. Although this Indenture, for convenience and for the purpose of reference is dated July 1, 1939, the actual date of execution by the Company and by the Trustee is as indicated by their respective acknowledgments hereto annexed.

SECTION 5. In case, by reason of the temporary or permanent suspension of publication of any newspaper, or by reason of any other cause, it shall be impossible to make publication of any notice required hereby in the newspaper or newspapers as herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice. Such publication shall, so far as may be, approximate the terms and conditions of the publication in lieu of which it is given.

SECTION 6. The same officer or officers of the Company, or the same engineer or counsel or other person, as the case may be, may, but need not, certify to all the matters required to be certified under any Article, Section, Subdivision or other portion hereof, but different officers, engineers, counsel or other persons may certify to different facts, respectively. Where any person or persons are required to make, give or execute two or more orders, requests, certificates, opinions or other instruments under this Indenture, any such orders, requests, certificates, opinions or other instruments may, but need not, be consolidated and form one instrument. Any certificate which is required to be verified may be verified on information and belief.

Except as otherwise expressly provided in this Indenture, or in any indenture supplemental hereto, any request, opinion, consent, demand, notice, order, appointment, or other direction required or permitted to be made or given by the Company, shall be deemed to have been sufficiently made or given if executed on

behalf of the Company by its President or any of its Vice Presidents and its Secretary or any of its Assistant Secretaries or its Treasurer or any of its Assistant Treasurers.

Any opinion of counsel required to be furnished pursuant to any of the provisions of this Indenture may, in lieu of stating the facts required by the provisions hereof, state that the required conditions will be fulfilled on the execution and delivery of designated instruments, which instruments shall be delivered in form approved by such counsel prior to or concurrently with the taking or suffering by the Trustee of the action as a condition precedent to which such opinion is required to be furnished under the terms of this Indenture.

Any notice to or demand upon the Trustee may be served or presented, and such demand may be made, at the principal office of the Trustee. Any notice to or demand upon the Company shall be deemed to have been sufficiently given or served by the Trustee, for all purposes, by being deposited, postage prepaid, in a post-office letter box addressed to the Company at Topeka, Kansas, or to the Company at such other address as may be filed in writing by the Company with the Trustee.

SECTION 7. Subject to the provisions of Articles XII and XIII, whenever in this Indenture any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included, and all the covenants, promises and agreements in this Indenture contained by or on behalf of the Company, or by or on behalf of the Trustee, shall bind and inure to the benefit of the respective successors and assigns, whether so expressed or not.

SECTION 8. This Indenture may be simultaneously executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, said The Kansas Power and Light Company has caused this Indenture to be executed on its behalf by its President or one of its Vice Presidents and its corporate seal to be hereto affixed and said seal and this Indenture to be at-

tested by its Secretary or one of its Assistant Secretaries; and said Harris Trust and Savings Bank, in evidence of its acceptance of the trust hereby created, has caused this Indenture to be executed on its behalf by its President or one of its Vice Presidents, and its corporate seal to be hereto affixed and said seal and this Indenture to be attested by its Secretary or one of its Assistant Secretaries; all as of the first day of July, One thousand nine hundred and thirty-nine.

THE KANSAS POWER AND LIGHT COMPANY,

By H. L. HANLEY
Vice President.

[CORPORATE SEAL]

Attested:

I. S. STEWART
Assistant Secretary.

Signed, sealed and delivered by
The Kansas Power and Light
Company in the presence of:

S. L. POMEROY
C. P. NONGARD

As Witnesses.

HARRIS TRUST AND SAVINGS BANK,

By HAROLD ECKHART
Vice President.

[CORPORATE SEAL]

Attested:

F. O. MANN
Assistant Secretary.

Signed, sealed and delivered by
Harris Trust and Savings
Bank, in the presence of:

S. L. POMEROY
E. M. PFELLER

As Witnesses.

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

BE IT REMEMBERED, that on this 24th day of July 1939, before me, the undersigned, GUY H. STRAFER a Notary Public within and for the County and State aforesaid, personally came H. L. HANLEY, a Vice President, and I. S. STEWART, an Assistant Secretary, of The Kansas Power and Light Company, a corporation duly organized, incorporated and existing under the laws of the State of Kansas, who are personally known to me to be such officers, and who are personally known to me to be the same persons who executed as such officers the within instrument of writing, and such persons duly acknowledged the execution of the same to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.

[NOTARIAL SEAL]

GUY H. STRAFER /
Notary Public.

My Commission Expires January 26, 1941

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

BE IT REMEMBERED, that on this 24th day of July 1939, before me, the undersigned, TILLIE F. KURTZ, a Notary Public within and for the County and State aforesaid, personally came HAROLD ECKHART, a Vice President, and F. O. MANN, an Assistant Secretary, of Harris Trust and Savings Bank, a corporation duly organized, incorporated and existing under the laws of the State of Illinois, who are personally known to me to be such officers, and who are personally known to me to be the same persons who executed as such officers the within instrument of writing, and such persons duly acknowledged the execution of the same to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.

[NOTARIAL SEAL]

TILLIE F. KURTZ
Notary Public.
My Commission Expires July 13, 1941

STATE OF ILLINOIS }
COUNTY OF COOK } SS.:

BE IT REMEMBERED, that on this 24th day of July 1939, before me, the undersigned, GUY H. STRAFER, a Notary Public within and for the County and State aforesaid, personally came H. L. HANLEY, a Vice President, and I. S. STEWART, an Assistant Secretary, of The Kansas Power and Light Company, a corporation duly organized, incorporated and existing under the laws of the State of Kansas, who are personally known to me to be such officers, who, being by me, respectively, duly sworn, did each say that the said H. L. HANLEY is Vice President and that the said I. S. STEWART is an Assistant Secretary of said corporation, that the consideration of and for the foregoing instrument was actual and adequate, that the same was made and given in good faith for the uses and purposes therein set forth and without any intent to hinder, delay or defraud creditors or purchasers.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.

[NOTARIAL SEAL]

GUY H. STRAFER
Notary Public.

My Commission Expires January 26, 1941

The Mortgage and Deed of Trust dated July 1, 1939, was recorded on July 27, 1939, in the offices of the Registers of Deeds of the Counties listed below, all in the State of Kansas, as follows:

COUNTY	RECORDING AS REAL ESTATE MORTGAGE			RECORDING AS CHATTEL MORTGAGE		
	TIME	BOOK	PAGE	TIME	BOOK	PAGE
Atchison	8:45 AM	250	—	8:55 AM	P	157
Barber	8:06 AM	48A	1-258	8:06 AM	20	135
Barton	8:05 AM	52	417	8:05 AM	W	159
Brown	8:15 AM	200A	1	8:15 AM	X	136
Butler	8:10 AM	159	440	—	508GA	—
Clark	8:16 AM	46	—	8:20 AM	25	K3
Clay	8:07 AM	66	69	8:07 AM	30	135
Cloud	8:05 AM	87	578	8:05 AM	18	153
Comanche	8:30 AM	47A	—	8:30 AM	18	138
Dickinson	8:12 AM	111	153	8:12 AM	A7	147
Douglas	9:00 AM	115	—	9:00 AM	10	144
Edwards	8:05 AM	23	397	8:06 AM	5	120
Ellis	9:00 AM	70	2	9:00 AM	18	K
Ellsworth	8:06 AM	50	1	8:06 AM	25	148
Geary	9:00 AM	36	1-258	9:00 AM	2	155
Jackson	10:00 AM	108A	—	10:00 AM	40	K-9
Jefferson	8:09 AM	174	544	8:15 AM	29	142
Johnson	8:00 AM	A	—	8:05 AM	30	145
Kingman	8:05 AM	K	93	8:05 AM	W	K
Kiowa	8:50 AM	F	166	8:45 AM	H-1	K-7
Lincoln	8:10 AM	46	1	8:15 AM	16	92
Marion	8:30 AM	217	A	8:30 AM	26	142
Marshall	8:05 AM	238	38	8:05 AM	13	150
McPherson	8:05 AM	123	1	8:05 AM	49	42
Morris	8:15 AM	62A	—	8:10 AM	8	152
Nemaha	8:45 AM	133	54-71	8:45 AM	5	151
Ottawa	8:06 AM	62	1	8:06 AM	29	K2408
Osage	8:10 AM	K43	—	8:10 AM	0	162
Pawnee	8:05 AM	43	1-258	8:05 AM	22	139
Pottawatomie	8:30 AM	99	IV	8:30 AM	V	160
Pratt	8:05 AM	80	536	8:05 AM	37	148
Reno	8:10 AM	266	1	8:10 AM	B4	K
Republic	8:15 AM	49	309	8:15 AM	7	145-C
Rice	8:20 AM	119	1	8:20 AM	31	K
Riley	8:15 AM	196	—	8:15 AM	V	146
Rush	8:05 AM	24	3	8:05 AM	0	947
Russell	9:00 AM	60	1	9:00 AM	33	K
Saline	8:31 AM	135	287-417	8:31 AM	32	177
Shawnee	8:00 AM	778	216	8:00 AM	39	2
Stafford	8:15 AM	76C	1-258	8:25 AM	32	10
Wabaunsee	9:15 AM	1	1-258	9:15 AM	27	40
Washington	8:00 AM	92	416	8:00 AM	40	145

See next page

ADDITIONAL RECORDING DATA

Original Mortgage Dated July 1, 1939

County	Recording as Real Estate Mortgage			Recording as Chattel Mortgage		
	Date	Book	Page	Date	Book	Page
Chase	8-16-43	#1484	Vol. 62 Mtg record	8-16-43	Vol. 2	K #1486
Coffey	11-23-49	107		11-23-49	P	91
Douglas	11-17-49	97	1	11-17-49	#4737	
Elk	11-25-49	77	D	11-25-49	8	
Ford	12- 8-49	79	all	12- 8-49	20	
Grant	11-22-49	27	1-439	11-22-49	19	143
Gray	12- 8-49	44A	238	12- 8-49	18	281
Greenwood	11-23-49	152	73	11-23-49	47	143
Haskell	12- 8-49	31	Mtgs 31F	12- 8-49	20Cm	269
Labette	11-25-49	99	631	11-25-49	Z	
Leavenworth	11-17-49	306	320	11-17-49	50	K
Lyon	11-23-49	131	1	11-23-49	#5857	
Neosho	11-25-49	B	133	11-25-49	3	267
Wilson	11-25-49	128		11-25-49	36	91
Woodson	11-23-49	48	387	11-23-49	Z	137
Wyandotte	11-17-49	1216	484 to 112	11-17-49	#C211410	
Harvey	12-22-49	170-D	mtgs 1-258	12-22-49	x of Chattels	Page 159

THE KANSAS POWER AND LIGHT COMPANY

TO

HARRIS TRUST AND SAVINGS BANK
as Trustee

Supplemental Indenture

DATED JULY 1, 1939

THE KANSAS POWER AND LIGHT COMPANY

SUPPLEMENTAL INDENTURE

Dated July 1, 1939

Supplemental to Mortgage and Deed of Trust dated July 1, 1939 to
Harris Trust and Savings Bank, as Trustee

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Supplemental Indenture, dated the first day of July, Nineteen hundred and thirty-nine (1939), made by and between **THE KANSAS POWER AND LIGHT COMPANY**, a corporation organized and existing under the laws of the State of Kansas (hereinafter called the "Company"), party of the first part, and **HARRIS TRUST AND SAVINGS BANK**, a corporation organized and existing under the laws of the State of Illinois (hereinafter called the "Trustee"), as Trustee under the Mortgage and Deed of Trust dated July 1, 1939, hereinafter mentioned, party of the second part;

WHEREAS, the Company has contemporaneously executed and delivered its Mortgage and Deed of Trust (hereinafter referred to as the "Original Indenture"), dated July 1, 1939, to the Trustee, to secure an issue of First Mortgage Bonds of the Company, issuable in series, and the Original Indenture provides that the denominations, rate of interest, date of maturity, redemption provisions and other provisions and agreements in respect of the First Mortgage Bonds, 3½% Series due 1969 (herein called "Bonds of 1969 Series") issued thereunder, are to be expressed in a Supplemental Indenture dated July 1, 1939, to be made by the Company and the Trustee under the Original Indenture; and

WHEREAS, the Company, in the exercise of the powers and authority conferred upon and reserved to it under the provisions of the Original Indenture, and pursuant to appropriate resolutions of the Board of Directors, has duly resolved and determined to make, execute and deliver to the Trustee a Supplemental Indenture in the form hereof for the purposes herein provided; and

WHEREAS, all conditions and requirements necessary to make this Supplemental Indenture a valid, binding and legal instrument have been done, performed and fulfilled and the execution and delivery hereof have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

THAT The Kansas Power and Light Company, in consideration of the premises and of One dollar to it duly paid by the Trustee

at or before the en sealing and delivery of these presents, the receipt whereof is hereby acknowledged, hereby covenants and agrees to and with the Trustee and its successors in the trust under the Original Indenture, for the benefit of those who shall hold the Bonds and coupons, or any of them, to be issued hereunder or thereunder as hereinafter provided, as follows:

ARTICLE I.

DESCRIPTION OF BONDS OF 1969 SERIES.

SECTION 1. The first or initial series of Bonds to be executed, authenticated and delivered under and secured by the Original Indenture shall be Bonds of 1969 Series. The Bonds of 1969 Series shall, subject to the provisions of Section 1 of Article II of the Original Indenture, be designated as "First Mortgage Bonds, 3½% Series due 1969" of the Company. The Bonds of 1969 Series shall be executed, authenticated and delivered in accordance with the provisions of, and shall in all respects be subject to, all of the terms, conditions and covenants of the Original Indenture.

The coupon Bonds of 1969 Series shall be dated July 1, 1939, and all Bonds of 1969 Series shall mature July 1, 1969, and shall bear interest at the rate of three and one-half per cent. (3½%) per annum, payable semi-annually on the first day of January and the first day of July in each year. The Bonds of 1969 Series shall be payable as to principal and interest in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, and shall be payable (as well the interest as the principal thereof) at the agency of the Company in the City of Chicago, Illinois, or at the agency of the Company in the Borough of Manhattan, The City of New York.

SECTION 2. The Bonds of 1969 Series shall be coupon Bonds registerable as to principal, of the denomination of \$1,000, num-

bered consecutively from M1 upwards, and registered Bonds without coupons of the denomination of \$1,000, numbered consecutively from RM1 upwards. The Company shall provide for registered Bonds without coupons of the denomination of any multiple of \$1,000. Coupon Bonds of 1969 Series may be exchanged, upon surrender thereof, with all unmatured coupons attached, at the agency of the Company in the City of Chicago, Illinois, or at the agency of the Company in the Borough of Manhattan, The City of New York, for a registered Bond or registered Bonds of 1969 Series without coupons, of authorized denominations, for the same aggregate principal amount, upon payment of charges and subject to the terms and conditions set forth in the Original Indenture.

SECTION 3. The coupon Bonds of 1969 Series, the coupons to be attached thereto, and the registered Bonds of 1969 Series without coupons shall be substantially in the following forms respectively:

[FORM OF COUPON BOND]

THE KANSAS POWER AND LIGHT COMPANY
 (Incorporated under the laws of the State of Kansas)
 FIRST MORTGAGE BOND, 3½% SERIES DUE 1969
 Due July 1, 1969

No..... \$1,000

THE KANSAS POWER AND LIGHT COMPANY, a corporation organized and existing under the laws of the State of Kansas (hereinafter called the "Company", which term shall include any successor corporation as defined in the Indenture hereinafter referred to), for value received, hereby promises to pay to the bearer or, if this Bond be registered, to the registered owner hereof, on the first day of July, 1969, the sum of One thousand dollars in any coin or currency of the United States of America

which at the time of payment is legal tender for public and private debts, and to pay interest thereon in like coin or currency from the first day of July 1939, at the rate of three and one-half per cent. (3½%) per annum, payable semi-annually, on the first days of January and July in each year until maturity, or, if this Bond shall be duly called for redemption, until the redemption date, or, if the Company shall default in the payment of the principal hereof, until the Company's obligation with respect to the payment of such principal shall be discharged as provided in the Indenture hereinafter mentioned, but only, in case of interest due on or before maturity, according to the tenor and upon presentation and surrender of the respective coupons therefor hereto attached as they severally mature. Both principal of, and interest on, this Bond are payable at the agency of the Company in the City of Chicago, Illinois, or at the agency of the Company in the Borough of Manhattan, The City of New York.

This Bond is one of a duly authorized issue of Bonds of the Company (herein called the "Bonds") in unlimited aggregate principal amount, of the series hereinafter specified, all issued and to be issued under and equally secured by a mortgage and deed of trust (herein called the "Indenture"), dated July 1, 1939, executed by the Company to Harris Trust and Savings Bank (herein called the "Trustee"), as Trustee, to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the bearers or registered owners of the Bonds and of the Trustee in respect thereto, and the terms and conditions upon which the Bonds are, and are to be, secured. The Bonds may be issued in series, for various principal sums, may mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided. This Bond is one of a series designated as the "First Mortgage Bonds, 3½% Series due 1969" of the Company limited to the aggregate principal amount of Twenty-six million five hundred thousand Dollars (\$26,500,000), issued under and secured by the Indenture and described in the indenture (herein called the "Supplemental Indenture of July 1, 1939") dated July

1, 1939, between the Company and the Trustee, supplemental to the Indenture.

To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the Bonds and coupons may be made with the consent of the Company by an affirmative vote of not less than 80% in amount of the Bonds entitled to vote then outstanding, at a meeting of Bondholders called and held as provided in the Indenture, and by an affirmative vote of not less than 80% in amount of the Bonds of any series entitled to vote then outstanding and affected by such modification or alteration, in case one or more but less than all of the series of Bonds then outstanding under the Indenture are so affected; provided, however, that no such modification or alteration shall be made which will affect the terms of payment of the principal of, or interest on, this Bond.

The Bonds of 3½% Series due 1969 are subject to redemption (otherwise than for the sinking fund mentioned below or by application of moneys included in the trust estate) at any time or from time to time prior to maturity, at the option of the Company, either as a whole or in part by lot, upon payment of the following percentages of the principal amounts thereof:

- 111% to and including June 30, 1941;
 - 110% thereafter to and including June 30, 1943;
 - 109% thereafter to and including June 30, 1945;
 - 108% thereafter to and including June 30, 1947;
 - 107% thereafter to and including June 30, 1949;
- thereafter, the percentages for the respective remaining periods specified below in the case of redemptions for the sinking fund;

together, in each case, with accrued interest to the redemption date, upon notice given by publication once in each of three separate calendar weeks in a daily newspaper, printed in the English language and published and of general circulation in the

Borough of Manhattan, The City of New York (the first of such publications to be not more than sixty and not less than thirty days before the redemption date), all subject to the conditions and as more fully set forth in the Indenture and Supplemental Indenture of July 1, 1939.

The Bonds of 3½% Series due 1969 are entitled to the benefit of the sinking fund as provided in the Supplemental Indenture of July 1, 1939, and, to the extent provided in said Supplemental Indenture, are subject to redemption for the sinking fund on July 1, 1940 and on the first day of July in any year thereafter, and at any time by application of moneys included in the trust estate, at the following percentages of the principal amounts thereof:

108.50% to and including June 30, 1940;
108.32% thereafter to and including June 30, 1941;
108.14% thereafter to and including June 30, 1942;
107.96% thereafter to and including June 30, 1943;
107.76% thereafter to and including June 30, 1944;
107.56% thereafter to and including June 30, 1945;
107.36% thereafter to and including June 30, 1946;
107.15% thereafter to and including June 30, 1947;
106.93% thereafter to and including June 30, 1948;
106.71% thereafter to and including June 30, 1949;
106.47% thereafter to and including June 30, 1950;
106.24% thereafter to and including June 30, 1951;
105.99% thereafter to and including June 30, 1952;
105.74% thereafter to and including June 30, 1953;
105.47% thereafter to and including June 30, 1954;
105.20% thereafter to and including June 30, 1955;
104.93% thereafter to and including June 30, 1956;
104.64% thereafter to and including June 30, 1957;
104.35% thereafter to and including June 30, 1958;
104.04% thereafter to and including June 30, 1959;
103.73% thereafter to and including June 30, 1960;
103.40% thereafter to and including June 30, 1961;
103.07% thereafter to and including June 30, 1962;

102.73% thereafter to and including June 30, 1963;
102.37% thereafter to and including June 30, 1964;
102.01% thereafter to and including June 30, 1965;
101.63% thereafter to and including June 30, 1966;
101.24% thereafter to and including June 30, 1967;
100.84% thereafter to and including June 30, 1968;
100.43% thereafter to and including June 30, 1969;

together, in each case, with accrued interest to the redemption date, upon notice of redemption given in the same manner as is provided in the case of redemption otherwise than for the sinking fund.

In case an event of default, as defined in the Indenture, shall occur, the principal of all the Bonds at any such time outstanding under the Indenture may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be waived by the holders of a majority in principal amount of the Bonds outstanding.

This Bond is transferable by delivery except while registered as to principal. This Bond may, from time to time, be registered as to principal in the name of the owner on books of the Company to be kept for that purpose at the agency of the Company in the City of Chicago, Illinois, and at the agency of the Company in the Borough of Manhattan, The City of New York, and such registration shall be noted hereon, after which no transfer hereof shall be valid unless made on said books by the registered owner hereof in person or by duly authorized attorney, and similarly noted hereon; but this Bond may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored; and this Bond may again, from time to time, be registered or discharged from registration in the same manner. Such registration, however, shall not affect the negotiability of the coupons hereto appertaining, which shall always be payable to bearer and transferable by delivery, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not

this Bond at the time be registered. Such registration, transfers and discharges from registration shall be without expense to the bearer or registered owner hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the bearer or registered owner requesting such registration, transfer or discharge from registration as a condition precedent to the exercise of such privilege.

Coupon Bonds of 3½% Series due 1969, may be exchanged upon surrender thereof, with all unmatured coupons attached, at said agencies of the Company for a fully registered Bond or fully registered Bonds without coupons of the same series, of authorized denominations, for the same aggregate principal amount, bearing interest from the interest date next preceding the date thereof (each fully registered Bond without coupons to be dated as of the time of issue, unless issued on an interest date, in which event it shall be dated as of the day next following such interest date), all upon payment of the charges and subject to the terms and conditions set forth in the Indenture.

No recourse shall be had for the payment of the principal of, or the interest on, this Bond, or for any claim based hereon or on the Indenture or any indenture supplemental thereto, against any incorporator, or against any stockholder, director or officer, past, present or future, of the Company, or of any predecessor or successor corporation, as such, either directly or through the Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, of incorporators, stockholders, directors or officers being released by every bearer or registered owner hereof by the acceptance of this Bond and as part of the consideration for the issue hereof, and being likewise released by the terms of the Indenture.

Neither this Bond, nor any of the coupons for interest thereon, shall be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose, until Harris Trust and Savings Bank, the Trustee under

the Indenture, or a successor trustee thereto under the Indenture, shall have signed the form of certificate endorsed hereon.

IN WITNESS WHEREOF, The Kansas Power and Light Company has caused this Bond to be signed in its name by its President or a Vice President, and its corporate seal (or a facsimile thereof) to be hereto affixed and attested by its Secretary or an Assistant Secretary, and interest coupons bearing the facsimile signature of its Treasurer to be attached hereto, as of the first day of July, 1939.

THE KANSAS POWER AND LIGHT COMPANY,

By.....
Vice President.

Attest:

.....
Assistant Secretary.

[FORM OF COUPON]

No. \$17.50
3½% Series due 1969

On the first day of, unless the Bond herein mentioned shall have been duly called for previous redemption and payment thereof duly provided for, The Kansas Power and Light Company will pay to bearer, on surrender of this coupon at the agency of the Company in the City of Chicago, Illinois, or at the agency of the Company in the Borough of Manhattan, The City of New York, Seventeen and 5/100 dollars in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, being six months' interest then payable on its First Mortgage Bond, 3½% Series due 1969, No.

.....
Treasurer.

[FORM OF REGISTERED BOND WITHOUT COUPONS]

THE KANSAS POWER AND LIGHT COMPANY
(Incorporated under the laws of the State of Kansas)

FIRST MORTGAGE BOND, 3½% SERIES DUE 1969

Due July 1, 1969

No.

§

THE KANSAS POWER AND LIGHT COMPANY, a corporation organized and existing under the laws of the State of Kansas (hereinafter called the "Company", which term shall include any successor corporation as defined in the Indenture hereinafter referred to), for value received, hereby promises to pay toor registered assigns, on the first day of July, 1969, the sum of dollars in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, and to pay interest thereon in like coin or currency from the interest date (January 1 or July 1) next preceding the date of this Bond, at the rate of three and one-half per cent. (3½%) per annum, payable semi-annually, on the first days of January and July in each year until maturity, or, if this Bond shall be duly called for redemption, until the redemption date, or, if the Company shall default in the payment of the principal hereof, until the Company's obligation with respect to the payment of such principal shall be discharged as provided in the Indenture hereinafter mentioned. Both principal of, and interest on, this Bond are payable at the agency of the Company in the City of Chicago, Illinois, or at the agency of the Company in the Borough of Manhattan, The City of New York.

This Bond is one of a duly authorized issue of Bonds of the Company (herein called the "Bonds") in unlimited aggregate principal amount, of the series hereinafter specified, all issued and to be issued under and equally secured by a mortgage and deed of trust (herein called the "Indenture"), dated July 1, 1939, executed by the Company to Harris Trust and Savings Bank

(herein called the "Trustee"), as Trustee, to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the bearers or registered owners of the Bonds and of the Trustee in respect thereto, and the terms and conditions upon which the Bonds are, and are to be, secured. The Bonds may be issued in series, for various principal sums, may mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided. This Bond is one of a series designated as the "First Mortgage Bonds, 3½% Series due 1969" of the Company limited to the aggregate principal amount of Twenty six million five hundred thousand Dollars (\$26,500,000), issued under and secured by the Indenture and described in the indenture (herein called the "Supplemental Indenture of July 1, 1939") dated July 1, 1939, between the Company and the Trustee, supplemental to the Indenture.

To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the Bonds and coupons may be made with the consent of the Company by an affirmative vote of not less than 80% in amount of the Bonds entitled to vote then outstanding, at a meeting of Bondholders called and held as provided in the Indenture, and by an affirmative vote of not less than 80% in amount of the Bonds of any series entitled to vote then outstanding and affected by such modification or alteration, in case one or more but less than all of the series of Bonds then outstanding under the Indenture are so affected; provided, however, that no such modification or alteration shall be made which will affect the terms of payment of the principal of, or interest on, this Bond.

The Bonds of 3½% Series due 1969 are subject to redemption (otherwise than for the sinking fund mentioned below or by application of moneys included in the trust estate) at any time or from time to time prior to maturity, at the option of the Com-

pany, either as a whole or in part by lot, upon payment of the following percentages of the principal amounts thereof:

- 111% to and including June 30, 1941;
 - 110% thereafter to and including June 30, 1943;
 - 109% thereafter to and including June 30, 1945;
 - 108% thereafter to and including June 30, 1947;
 - 107% thereafter to and including June 30, 1949;
- thereafter, the percentages for the respective remaining periods specified below in the case of redemptions for the sinking fund;

together, in each case, with accrued interest to the redemption date, upon notice given by publication once in each of three separate calendar weeks in a daily newspaper, printed in the English language and published and of general circulation in the Borough of Manhattan, The City of New York (the first of such publications to be not more than sixty and not less than thirty days before the redemption date), all subject to the conditions and as more fully set forth in the Indenture and Supplemental Indenture of July 1, 1939.

The Bonds of 3½% Series due 1969 are entitled to the benefit of the sinking fund as provided in the Supplemental Indenture of July 1, 1939, and, to the extent provided in said Supplemental Indenture, are subject to redemption for the sinking fund on July 1, 1940 and on the first day of July in any year thereafter, and at any time by application of moneys included in the trust estate, at the following percentages of the principal amounts thereof:

- 108.50% to and including June 30, 1940;
- 108.32% thereafter to and including June 30, 1941;
- 108.14% thereafter to and including June 30, 1942;
- 107.96% thereafter to and including June 30, 1943;
- 107.76% thereafter to and including June 30, 1944;
- 107.56% thereafter to and including June 30, 1945;
- 107.36% thereafter to and including June 30, 1946;
- 107.15% thereafter to and including June 30, 1947;

106.93% thereafter to and including June 30, 1948;
106.71% thereafter to and including June 30, 1949;
106.47% thereafter to and including June 30, 1950;
106.24% thereafter to and including June 30, 1951;
105.99% thereafter to and including June 30, 1952;
105.74% thereafter to and including June 30, 1953;
105.47% thereafter to and including June 30, 1954;
105.20% thereafter to and including June 30, 1955;
104.93% thereafter to and including June 30, 1956;
104.64% thereafter to and including June 30, 1957;
104.35% thereafter to and including June 30, 1958;
104.04% thereafter to and including June 30, 1959;
103.73% thereafter to and including June 30, 1960;
103.40% thereafter to and including June 30, 1961;
103.07% thereafter to and including June 30, 1962;
102.73% thereafter to and including June 30, 1963;
102.37% thereafter to and including June 30, 1964;
102.01% thereafter to and including June 30, 1965;
101.63% thereafter to and including June 30, 1966;
101.24% thereafter to and including June 30, 1967;
100.84% thereafter to and including June 30, 1968;
100.43% thereafter to and including June 30, 1969;

together, in each case, with accrued interest to the redemption date, upon notice of redemption given in the same manner as is provided in the case of redemption otherwise than for the sinking fund.

In case an event of default, as defined in the Indenture, shall occur, the principal of all the Bonds at any such time outstanding under the Indenture may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be waived by the holders of a majority in principal amount of the Bonds outstanding.

This Bond is transferable by the registered owner hereof, in person or by duly authorized attorney, on the books of the Company to be kept for that purpose at the agency of the Company

in the City of Chicago, Illinois, and at the agency of the Company in the Borough of Manhattan, The City of New York, upon surrender and cancellation of this Bond and on presentation of a duly executed written instrument of transfer, and thereupon a new registered Bond or Bonds without coupons of the same series, of the same aggregate principal amount and in authorized denominations will be issued to the transferee or transferees in exchange herefor; and this Bond, with or without others of like form and series, may in like manner be exchanged for one or more new registered Bonds without coupons of the same series of other authorized denominations but of the same aggregate principal amount; or the registered owner of this Bond, at his option, may in like manner surrender the same for cancellation in exchange for the same aggregate principal amount of coupon Bonds of the same series and in authorized denominations, with coupons attached maturing on and after the next ensuing interest date; all upon payment of the charges and subject to the terms and conditions set forth in the Indenture.

No recourse shall be had for the payment of the principal of, or the interest on, this Bond, or for any claim based hereon or on the Indenture or any indenture supplemental thereto, against any incorporator, or against any stockholder, director or officer, past, present or future, of the Company, or of any predecessor or successor corporation, as such, either directly or through the Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, of incorporators, stockholders, directors or officers being released by every owner hereof by the acceptance of this Bond and as part of the consideration for the issue hereof, and being likewise released by the terms of the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose, until Harris Trust and Savings Bank,

the Trustee under the Indenture, or a successor trustee thereto under the Indenture, shall have signed the form of certificate endorsed hereon.

IN WITNESS WHEREOF, The Kansas Power and Light Company has caused this Bond to be signed in its name by its President or a Vice-President, and its corporate seal (or a facsimile thereof) to be hereto affixed and attested by its Secretary or an Assistant Secretary.

Dated,

THE KANSAS POWER AND LIGHT COMPANY,

By.....

Attest:

Vice President.

.....
Assistant Secretary.

[FORM OF TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds (in temporary form), of the series designated therein, described in the within-mentioned Indenture and Supplemental Indenture of July 1, 1939.

HARRIS TRUST AND SAVINGS BANK,
Trustee,

By

Authorized Officer.

ARTICLE II.

ISSUE OF BONDS OF 1969 SERIES.

The total principal amount of Bonds of 1969 Series which may be authenticated and delivered under and secured by the Original

Indenture and any indenture supplemental thereto shall be limited to Twenty-six million five hundred thousand Dollars (\$26,500,000).

ARTICLE III.

REDEMPTION.

SECTION 1. The Bonds of 1969 Series shall, subject to the provisions of Article V of the Original Indenture, be redeemable (otherwise than for the sinking fund mentioned in Article IV hereof or by application of moneys included in the trust estate) at any time or from time to time prior to maturity, at the option of the Board of Directors of the Company, either as a whole or in part by lot, at the following percentages of the principal amounts thereof:

111% to and including June 30, 1941;

110% thereafter to and including June 30, 1943;

109% thereafter to and including June 30, 1945;

108% thereafter to and including June 30, 1947;

107% thereafter to and including June 30, 1949;

thereafter, the percentages for the respective remaining periods specified in Section 3 of Article IV hereof in the case of redemptions for the sinking fund;

together, in each case, with accrued interest to the redemption date.

SECTION 2. Subject to the provisions of Article V of the Original Indenture, notice of redemption shall be given by publication once in each of three separate calendar weeks in an authorized newspaper in the Borough of Manhattan, The City of New York, the first of such publications to be not more than sixty and not less than thirty days prior to the date fixed for redemption, and, if any of the Bonds to be redeemed are registered Bonds without coupons or coupon Bonds registered as to principal, similar notice shall be sent by the Company through the mails, postage prepaid, at least thirty days and not more than sixty days prior

to the date fixed for redemption, to the registered owners of such Bonds at their addresses as the same shall appear, if at all, on the transfer register of the Company.

ARTICLE IV.

SINKING FUND.

SECTION 1. The Company covenants and agrees with the Trustee that so long as any of the Bonds of 1969 Series are outstanding, the Company will pay to the Trustee as and for a sinking fund, for the use and benefit of the holders of the Bonds of 1969 Series

(a) during the twelve months' period ending on the thirtieth day of June in each of the calendar years 1940 to 1949, both inclusive, the sum of One hundred seventy thousand Dollars (\$170,000); and

(b) during the twelve months' period ending on the thirtieth day of June in each of the calendar years 1950 to 1968, both inclusive, the sum of Five hundred twenty thousand Dollars (\$520,000),

in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, except to the extent that in each such year Bonds of 1969 Series are used in lieu of such payments in cash as provided in Section 2 of this Article and except to the extent that cash is credited in each such year on account of such payments as permitted in Section 5 of Article VIII of the Original Indenture subject to Section 5 of this Article, provided however, in case all or substantially all of the gas properties (either with or without including the gas property in the City of Atchison, Kansas) shall have been released as an entirety from the lien of the Original Indenture and an aggregate principal amount of Bonds of 1969 Series not less than the greater amount specified in Section 3(b) of Article V hereof shall have been retired in the manner pro-

vided in said Section 3 or shall have been purchased or redeemed by the Company otherwise than out of trust estate moneys during the period of six months after such release, the Company need not pay any amount to the Trustee as and for a sinking fund thereafter to and including the thirtieth day of June, 1949 (if compliance with the aforesaid conditions necessary to an adjustment in the amount of the sinking fund payments occurs on or before May 21, 1949); and the amount which the Company shall pay to the Trustee as and for a sinking fund during the twelve months' period ending on June 30, 1950 or the thirtieth day of June immediately following the twenty-first day of May on or before which such compliance occurs (whichever thirtieth day of June is later) and during the twelve months' period ending on the thirtieth day of June in each calendar year thereafter, shall be an amount, expressed in dollars to the nearest multiple of one thousand, equal to one per cent. (1%) of the remainder obtained by subtracting,

(i) the principal amount of all Bonds of 1969 Series retired as aforesaid, plus the principal amount of Bonds of 1969 Series redeemed for the sinking fund or delivered to the Trustee and cancelled for the sinking fund prior to such compliance,

from

(ii) twenty-six million five hundred thousand (26,500,000).

All such Bonds purchased or redeemed by the Company within the period of six months after such release shall be delivered to the Trustee, together with the coupons and instruments of transfer provided for under Section 2 of this Article, on or before the twenty-first day of May next following compliance with the aforesaid conditions necessary to an adjustment in the amount of the sinking fund payments, together with an officers' certificate setting forth the same matters required by the officers' certificate provided for under Section 2 of this Article.

SECTION 2. In lieu of the whole or any part of the cash payments provided for in Section 1 of this Article, if on or before

May 21, 1940 or during the twelve months' period ending on the twenty-first day of May in any succeeding year preceding any sinking fund payment date, the Trustee shall purchase Bonds of 1969 Series for the sinking fund pursuant to the provisions of Section 5 of Article VIII of the Original Indenture subject to Section 5 of this Article or the Company shall deliver Bonds of 1969 Series to the Trustee for cancellation for the sinking fund, together with an officers' certificate as below provided, the obligation of the Company to make the said payment in cash before the first day of July, next following, shall be credited with an amount equal to the principal amount of such Bonds and the amount in cash required to be paid by the Company as aforesaid shall be reduced accordingly. The aforesaid officers' certificate shall state that

(a) such Bonds delivered by the Company have been acquired by the Company at a cost not in excess of the redemption price at the time applicable;

(b) to the knowledge of the signers of such certificate, none of such Bonds was acquired by the Company from any person controlling or controlled by or under common control with the Company; and

(c) no portion of said Bonds has been made the basis for the granting of an application for the authentication and delivery of additional Bonds or the release of property or the withdrawal or reduction of cash under the provisions of the Original Indenture.

All coupon Bonds so delivered by the Company to the Trustee for credit against the sinking fund obligation of the Company shall be accompanied by all unmatured coupons appertaining thereto and all registered Bonds without coupons and all coupon Bonds registered as to principal so delivered shall be accompanied by duly executed instruments of transfer. The term "control" as used in this Section with respect to any corporation shall mean the ownership, directly or indirectly, of a majority of the outstanding stock of such corporation entitled to vote for the election

of a majority of the directors either at all times or only so long as no senior class of stock has such voting power because of default in dividends or because of the existence of some other default.

SECTION 3. All cash paid to the Trustee pursuant to the provisions of this Article shall be held in trust and applied to the redemption on the first day of July, next following the receipt of such cash by the Trustee, of a principal amount of Bonds of 1969 Series equal to the amount of such cash. The Bonds of 1969 Series shall be redeemable for the sinking fund on the first day of July in any year, or at any time by application of moneys included in the trust estate pursuant to Section 8 of Article VIII of the Original Indenture, at the following percentages of the principal amounts thereof:

108.50% to and including June 30, 1940;
108.32% thereafter to and including June 30, 1941;
108.14% thereafter to and including June 30, 1942;
107.96% thereafter to and including June 30, 1943;
107.76% thereafter to and including June 30, 1944;
107.56% thereafter to and including June 30, 1945;
107.36% thereafter to and including June 30, 1946;
107.15% thereafter to and including June 30, 1947;
106.93% thereafter to and including June 30, 1948;
106.71% thereafter to and including June 30, 1949;
106.47% thereafter to and including June 30, 1950;
106.24% thereafter to and including June 30, 1951;
105.99% thereafter to and including June 30, 1952;
105.74% thereafter to and including June 30, 1953;
105.47% thereafter to and including June 30, 1954;
105.20% thereafter to and including June 30, 1955;
104.93% thereafter to and including June 30, 1956;
104.64% thereafter to and including June 30, 1957;
104.35% thereafter to and including June 30, 1958;
104.04% thereafter to and including June 30, 1959;
103.73% thereafter to and including June 30, 1960;

103.40% thereafter to and including June 30, 1961;
103.07% thereafter to and including June 30, 1962;
102.73% thereafter to and including June 30, 1963;
102.37% thereafter to and including June 30, 1964;
102.01% thereafter to and including June 30, 1965;
101.63% thereafter to and including June 30, 1966;
101.24% thereafter to and including June 30, 1967;
100.84% thereafter to and including June 30, 1968;
100.43% thereafter to and including June 30, 1969;

together, in each case, with accrued interest to the redemption date. Except as in this Section otherwise provided, such redemption shall be made in the manner and with the effect provided in Article III of this Supplemental Indenture and in Article V of the Original Indenture for redemptions otherwise than for the sinking fund. The Company covenants and agrees that it will, from sources other than the sinking fund, provide accrued interest and premiums on the Bonds so called for redemption for the sinking fund, and that it will pay the same to the Trustee prior to the date fixed for such redemption of such Bonds.

Unless the Company shall have duly delivered to the Trustee or the Trustee shall have purchased for cancellation for the sinking fund Bonds of 1969 Series in lieu of the whole of any cash payment required to be made for the sinking fund pursuant to the provisions of this Article, the Trustee shall, prior to the twenty-eighth day of May in each year commencing with the calendar year 1940, draw by lot in the manner deemed by it proper from the distinctive numbers of the coupon Bonds of 1969 Series outstanding and the distinctive numbers endorsed upon the outstanding registered Bonds of 1969 Series without coupons, the numbers of the Bonds of 1969 Series to be redeemed, and shall notify the Company in writing of the numbers of the Bonds of 1969 Series so drawn, and the Trustee shall give or cause to be given on behalf of the Company the notice required by Section 2 of Article III of this Supplemental Indenture in order to redeem, on the first day of July next following, the Bonds of 1969 Series so drawn at the redemption price for sinking fund purposes then in effect, and accrued interest.

SECTION 4. All Bonds of 1969 Series delivered to the Trustee in lieu of cash, purchased by the Trustee or redeemed for the sinking fund or made the basis for any reduction in the amount of the sinking fund in accordance with the provisions of this Article, together with the unmatured coupons thereto appertaining, shall be cancelled by the Trustee which shall deliver them to the Company. Bonds of 1969 Series so cancelled shall not be reissued and, so long as any Bonds of 1969 Series are outstanding, no additional Bonds shall be authenticated and delivered in substitution therefor and no property or obligation shall be released or cash withdrawn or reduced under the provisions of the Original Indenture on the basis thereof.

SECTION 5. So long as any Bonds of 1969 Series are outstanding, not more than Twenty-five thousand Dollars (\$25,000) in cash shall, in any one year, be credited on account of the sinking fund payments or used by the Trustee to purchase Bonds of 1969 Series for the sinking fund pursuant to the provisions of Section 5 of Article VIII of the Original Indenture out of any moneys received by the Trustee upon the release from the lien of the Original Indenture of any electric properties or in payment of principal of, or upon the release of, obligations deposited with the Trustee upon any such release pursuant to paragraphs (1) and (2) of Section 3 (d) of Article VII of the Original Indenture.

ARTICLE V.

ADDITIONAL COVENANTS.

The Company hereby covenants and agrees that:

SECTION 1. So long as any of the Bonds of 1969 Series shall remain outstanding, the Company will not (a) declare or pay any dividend or make any distribution (except dividends payable, or distributions made, in shares of its common stock and except for redemption of its preferred stock) to the holders of any shares of any class of its capital stock, except out of earned surplus of the Company available for dividends computed in accordance with good accounting practice, or (b) repurchase

any shares of its common stock except out of earned surplus, or (c) repurchase any shares of its preferred stock out of surplus created by reduction in the par or stated value of its common stock or the cancellation of shares of its common stock. In determining such earned surplus, the Company will charge against its earnings, during the calendar year ending December 31, 1939 and during each calendar year thereafter, and credit to reserves for depreciation and property retirement, amounts which shall aggregate not less than (i) fifteen per cent of the gross operating revenues of the Company for such calendar year after deducting from such gross operating revenues the cost to the Company of electric energy purchased for resale and the cost to the Company of the net amount of electric energy received by the Company on interchange and of the net amount of gas delivered by the Company on interchange, less (ii) the amounts expended for current maintenance during such calendar year. Any stock issued in lieu of common stock of the Company shall be deemed common stock for the purpose of this Section. Nothing herein contained shall prevent the merger of the Company into any other corporation or prevent the sale by the Company of its property as an entirety or substantially as an entirety as permitted in Article XII of the Original Indenture.

SECTION 2. So long as any Bonds of 1969 Series are outstanding, the Company will not issue or permit the issue of any Bonds, secured by the Original Indenture, which are payable in any currency or money other than in coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

SECTION 3. So long as any Bonds of 1969 Series are outstanding, in the event that all or substantially all of the gas properties (either with or without including the gas property in the City of Atchison, Kansas) shall have been released as an entirety from the lien of the Original Indenture, the Company will, at any time or from time to time within six months after the date of such release, retire Bonds outstanding under the Original Indenture in an aggregate principal amount equal to the lesser of

(a) the fair value of the gas properties so released pursuant to Section 3 of said Article VII, as stated in the engineer's certificate required by Section 3(b) of said Article VII, and the proceeds of the gas properties so released pursuant to Section 5 of said Article VII, less the amount of moneys, deposited with the Trustee pursuant to Sections 3(d), 4(d) and 5 of said Article VII on such release, withdrawn or reduced pursuant to Section 1 of Article VIII of the Original Indenture simultaneously with or within three months after such release; or

(b) the greater of

(i) Nine million Dollars (\$9,000,000) plus One hundred seventy-five thousand Dollars (\$175,000) for each full year (disregarding any period less than a full year) beginning with July 1, 1949 (if such date is before such release) and ending on the date of such release, less the principal amount of Bonds of 1969 Series redeemed for the sinking fund or delivered to the Trustee and cancelled for the sinking fund prior to the date of such release, or

(ii) One-half of the fair value of the gas properties so released, as stated in the engineer's certificate required by Section 3(b) of Article VII of the Original Indenture, and one-half of the proceeds of the gas properties so released pursuant to Section 5 of said Article VII.

Such retirement of Bonds shall be effected in either one or both of the following methods:

(aa) By the withdrawal pursuant to Section 2 of Article VIII of the Original Indenture of any moneys deposited with the Trustee pursuant to Sections 3(d), 4(d) and 5 of Article VII of the Original Indenture upon such release; or

(bb) By causing the Trustee to purchase or redeem Bonds, pursuant to Section 8 of Article VIII of the Original Indenture, out of any moneys deposited with the Trustee pursuant to Sections 3(d), 4(d) and 5 of Article VII of the Original Indenture upon such release.

SECTION 4. So long as any Bonds of 1969 Series are outstanding, in the event all or substantially all of the electric properties shall have been released as an entirety from the lien of the Original Indenture, the Company will, at any time or from time to time within six months after the date of such release, retire Bonds outstanding under the Original Indenture in an aggregate principal amount equal to the fair value of the electric properties so released pursuant to Section 3 of Article VII of the Original Indenture, as stated in the engineer's certificate required by Section 3(b) of said Article VII, and the proceeds of the electric properties so released pursuant to Section 5 of said Article VII. Such retirement of Bonds shall be effected in either one or both of the following methods:

(a) By the withdrawal pursuant to Section 2 of Article VIII of the Original Indenture of any moneys deposited with the Trustee pursuant to Sections 3(d), 4(d) and 5 of Article VII of the Original Indenture upon such release; or

(b) By causing the Trustee to purchase or redeem Bonds, pursuant to Section 8 of Article VIII of the Original Indenture, out of any moneys deposited with the Trustee pursuant to Sections 3(d), 4(d) and 5 of Article VII of the Original Indenture upon such release.

The Bonds to be so retired shall include a principal amount of Bonds of 1969 Series which bears the same ratio to the aggregate principal amount of all Bonds so retired as the aggregate principal amount of all Bonds of 1969 Series outstanding immediately prior to such release bears to the total principal amount of all Bonds then outstanding.

SECTION 5. All Bonds of 1969 Series delivered to the Trustee or purchased or redeemed pursuant to this Article, together with the unmatured coupons thereto appertaining, shall be cancelled by the Trustee, which shall deliver them to the Company. Bonds of 1969 Series so cancelled shall not be reissued, and, so long as any Bonds of 1969 Series are outstanding, no additional Bonds shall be authenticated and delivered in substitution therefor and

no property or obligation shall be released or cash withdrawn or reduced under the provisions of the Original Indenture on the basis thereof.

ARTICLE VI.

THE TRUSTEE.

The Trustee hereby accepts the trusts hereby declared and provided and agrees to perform the same upon the terms and conditions in the Original Indenture set forth and upon the following terms and conditions:

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or the due execution hereof by the Company or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general, each and every term and condition contained in Article XIII of the Original Indenture shall apply to this Supplemental Indenture with the same force and effect as if the same were herein set forth in full, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Supplemental Indenture.

ARTICLE VII.

MISCELLANEOUS PROVISIONS.

This Supplemental Indenture may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, said The Kansas Power and Light Company has caused this Indenture to be executed on its behalf by its President or one of its Vice Presidents and its corporate seal to be hereto affixed and said seal and this Indenture to be attested

by its Secretary or one of its Assistant Secretaries; and said Harris Trust and Savings Bank, in evidence of its acceptance of the trust hereby created, has caused this Indenture to be executed on its behalf by its President or one of its Vice Presidents, and its corporate seal to be hereto affixed and said seal and this Indenture to be attested by its Secretary or one of its Assistant Secretaries; all as of the first day of July, One thousand nine hundred and thirty-nine.

THE KANSAS POWER AND LIGHT COMPANY,

By H. L. HANLEY

[CORPORATE SEAL]

Vice President.

Attest:

I. S. STEWART

Assistant Secretary.

Signed, sealed and delivered by
The Kansas Power and Light
Company in the presence of:

S. L. POMEROY

C. P. NONGARD

As Witnesses.

HARRIS TRUST AND SAVINGS BANK,

By HAROLD ECKHART

[CORPORATE SEAL]

Vice President.

Attest:

F. O. MANN

Assistant Secretary.

Signed, sealed and delivered by
Harris Trust and Savings Bank
in the presence of:

S. L. POMEROY

E. M. PFELER

As Witnesses.

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

BE IT REMEMBERED, that on this 24th day of July, 1939, before me, the undersigned, TILLIE F. KURTZ, a Notary Public within and for the County and State aforesaid, personally came HAROLD ECKHART, a Vice President, and F. O. MANN, an Assistant Secretary, of Harris Trust and Savings Bank, a corporation duly organized, incorporated and existing under the laws of the State of Illinois, who are personally known to me to be such officers, and who are personally known to me to be the same persons who executed as such officers the within instrument of writing, and such persons duly acknowledged the execution of the same to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.

[NOTARIAL SEAL]

TILLIE F. KURTZ
Notary Public.

My Commission Expires July 13, 1941

STATE OF ILLINOIS }
COUNTY OF COOK } SS.:

BE IT REMEMBERED, that on this 24th day of July, 1939, before me, the undersigned, GUY H. STRAFER, a Notary Public within and for the County and State aforesaid, personally came H. L. HANLEY, a Vice President, and I. S. STEWART, an Assistant Secretary, of The Kansas Power and Light Company, a corporation duly organized, incorporated and existing under the laws of the State of Kansas, who are personally known to me to be such officers, who, being by me respectively, duly sworn, did each say that the said H. L. Hanley is Vice President and that the said I. S. Stewart is an Assistant Secretary of said corporation, that the consideration of and for the foregoing instrument was actual and adequate, that the same was made and given in good faith for the uses and purposes therein set forth and without any intent to hinder, delay or defraud creditors or purchasers.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.

[NOTARIAL SEAL]

GUY H. STRAFER
Notary Public.
My Commission Expires January 26, 1941

The Supplemental Indenture dated July 1, 1939 was recorded on July 27, 1939, in the offices of the Registers of Deeds of the Counties listed below, all in the State of Kansas, as follows:

COUNTY	RECORDING AS REAL ESTATE MORTGAGE			RECORDING AS CHATTEL MORTGAGE		
	TIME	BOOK	PAGE	TIME	BOOK	PAGE
Atchison	8:50 AM	250	—	9:00 AM	P	157
Barber	8:10 AM	46	181	8:10 AM	20	135
Barton	8:06 AM	52	417	8:06 AM	W	159
Brown	8:20 AM	200A	259	8:20 AM	X	136
Butler	8:15 AM	159	600	—	5087A	—
Clark	8:18 AM	46	—	8:25 AM	25	K3
Clay	8:08 AM	66	295	8:08 AM	30	135
Cloud	8:10 AM	87	579	8:10 AM	18	153
Comanche	8:32 AM	47B	—	8:32 AM	18	138
Dickinson	8:14 AM	111	233	8:14 AM	A7	147
Doniphan	9:15 AM	115	—	9:15 AM	10	144
Edwards	8:05 AM	23	398	8:06 AM	5	120
Ellis	9:10 AM	68	569	9:10 AM	18	K
Ellsworth	8:10 AM	50	259	8:10 AM	25	148
Gearry	9:05 AM	36	259-288	9:05 AM	2	155
Jackson	10:15 AM	108A	—	10:15 AM	40	K9
Jefferson	8:10 AM	174	544	8:20 AM	29	142
Johnson	8:10 AM	B	—	8:15 AM	30	145
Kingman	8:10 AM	S	93	8:10 AM	W	K
Kiowa	9:00 AM	F	182	9:05 AM	H-1	K-7
Lincoln	8:10 AM	46	259	8:15 AM	16	92
Marion	8:32 AM	217	B	8:32 AM	26	142
Marshall	8:10 AM	238	39	8:10 AM	13	150
McPherson	8:10 AM	123	101	8:10 AM	49	42
Morris	8:15 AM	62A	—	8:15 AM	8	152
Nemaha	8:45 AM	119	1-5	8:45 AM	5	151
Ottawa	8:10 AM	62	1-A	8:10 AM	29	K2409
Osage	8:10 AM	K44	—	8:10 AM	0	162
Pawnee	8:06 AM	44	1-30	8:06 AM	22	139
Pottawatomie	8:40 AM	99	V	8:40 AM	V	160
Pratt	8:07 AM	80	558	8:07 AM	37	148
Reno	8:15 AM	260	388	8:15 AM	B4	K
Republic	8:30 AM	140	268	8:30 AM	7	145-C
Rice	8:25 AM	119	500	8:25 AM	31	K
Riley	8:15 AM	196	1-A to 30-A	8:30 AM	V	146
Rush	8:06 AM	24	4	8:06 AM	0	948
Russell	9:15 AM	57	648	9:15 AM	33	K
Saline	8:32 AM	135	418-433	8:32 AM	32	177
Shawnee	8:00 AM	778	346	8:00 AM	39	2
Stafford	8:27 AM	76L	1-30	8:30 AM	32	10
Wabaunsee	9:25 AM	1	1-30	9:25 AM	27	40
Washington	8:05 AM	92	546	8:05 AM	40	145

THE KANSAS POWER AND LIGHT COMPANY

TO

HARRIS TRUST AND SAVINGS BANK
as Trustee

SECOND SUPPLEMENTAL INDENTURE

Dated April 1, 1949

THE KANSAS POWER AND LIGHT COMPANY
SECOND SUPPLEMENTAL INDENTURE DATED APRIL 1, 1949

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SECOND SUPPLEMENTAL INDENTURE, dated the first day of April, Nineteen hundred and forty-nine (1949), made by and between The Kansas Power and Light Company, a corporation organized and existing under the laws of the State of Kansas (hereinafter called the "Company"), party of the first part, and Harris Trust and Savings Bank, a corporation organized and existing under the laws of the State of Illinois (hereinafter called the "Trustee"), as Trustee under the Mortgage and Deed of Trust dated July 1, 1939, hereinafter mentioned, party of the second part;

WHEREAS, the Company has heretofore executed and delivered to the Trustee its Mortgage and Deed of Trust, dated July 1, 1939 (hereinafter referred to as the "Original Indenture"), to provide for and to secure an issue of First Mortgage Bonds of the Company issuable in series, and to declare the terms and conditions upon which the Bonds are to be issued thereunder; and

WHEREAS, the Company heretofore executed and delivered its Supplemental Indenture dated July 1, 1939, to said Original Indenture providing for the issuance thereunder of the Company's First Mortgage Bonds, 3½% Series, due 1969, in the aggregate principal amount of Twenty-six million, five hundred thousand dollars (\$26,500,000), of which Twenty-four million, five hundred twenty-three thousand dollars (\$24,523,000) are presently outstanding; and

WHEREAS, the Company is entitled at this time to have authenticated and delivered additional bonds upon compliance with the provisions of Article III of the Original Indenture; and

WHEREAS, the Company desires by this Second Supplemental Indenture to provide for the creation of a new series of bonds under the Original Indenture to be designated "First Mortgage Bonds, 2⅞% Series, Due 1979" (hereinafter called "Bonds of 1979 Series"); and the Original Indenture provides that certain terms and provisions, as determined by the Board of Directors of Company, of the Bonds of any particular series may be expressed in and provided by the execution of an appropriate supplemental indenture; and

WHEREAS, the Original Indenture provides that the Company and the Trustee may enter into indentures supplemental to the Original Indenture

to convey, transfer and assign to the Trustee and to subject to the lien of the Original Indenture additional properties acquired by the Company; and add to the covenants and agreements of the Company contained in the Original Indenture other covenants and agreements thereafter to be observed; and

WHEREAS, the Company in the exercise of the powers and authority conferred upon and reserved to it under the provisions of the Original Indenture and pursuant to appropriate resolutions of its Board of Directors, has duly resolved and determined to make, execute and deliver to the Trustee a Supplemental Indenture in the form hereof for the purposes herein provided; and

WHEREAS, all conditions and requirements necessary to make this Second Supplemental Indenture a valid, binding and legal instrument have been done, performed and fulfilled, and the execution and delivery hereof have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That, in consideration of the premises and of the mutual covenants herein contained and of the sum of One Dollar duly paid by the Trustee to the Company at or before the time of the execution of these presents, and of other valuable considerations, the receipt whereof is hereby acknowledged, and in order further to secure the payment of the principal of and interest and premium, if any, on all Bonds at any time issued and outstanding under the Original Indenture as amended by all indentures supplemental thereto (hereinafter sometimes collectively called "the Indenture") according to their tenor, purport and effect, and to declare certain terms and conditions upon and subject to which Bonds are to be issued and secured, the Company has executed and delivered this Supplemental Indenture and by these presents grants, bargains, sells, warrants, aliens, releases, conveys, assigns, transfers, mortgages, pledges, sets over and ratifies and confirms unto Harris Trust and Savings Bank, as Trustee, and to its successors in trust under the Indenture forever, all and singular the following described properties (in addition to all other properties heretofore specifically subjected to the lien of the Original Indenture and not heretofore released from the lien thereof), that is to say:

FIRST

All and singular the rents, real estate, chattels real, easements, servitudes, and leaseholds and other interests in real estate of the Company hereinafter enumerated, or which, subject to the provisions of Article XII, the Company may hereafter acquire, including among other things, the following property located in the State of Kansas, together with all improvements of any type located thereon:

PARCELS OF REAL ESTATE

The following described parcels of real estate, all of which are located in the State of Kansas in the respective counties hereinafter specified:

BARBER COUNTY

1. *Gas Compressor Station Site*: The East One-half ($E\frac{1}{2}$) of the Northeast Quarter ($NE\frac{1}{4}$) of the Southeast Quarter ($SE\frac{1}{4}$) of the Northeast Quarter ($NE\frac{1}{4}$) of Section Fourteen (14), Township Thirty-Three (33) South, Range Thirteen (13) West, except a small tract in the Northeast (NE) corner thereof, said tract being Two Hundred Seventy-one (271) feet North and South and One Hundred Eighty-five (185) feet East and West.

BROWN COUNTY

2. *Electric Substation Site*: A tract of land described as follows: Beginning at a point approximately Six Hundred Fourteen (614) feet East of the West section line of Section Twenty-eight (28), Township Two (2) South, Range Seventeen (17) East and approximately Twenty-five (25) feet South of the North line of the Southwest Quarter ($SW\frac{1}{4}$) of said Section; thence in a Southeasterly direction a distance of Twenty-two and Three-tenths (22.3) feet to a point approximately Six Hundred Twenty-four (624) feet East of the West section line of said Section; thence East a distance of Thirty (30) feet; thence in a Northeasterly direction a distance of Twenty-two and Three-tenths (22.3) feet to a point approximately Six Hundred Sixty-four (664) feet East of the West section line of said Section and approximately Twenty-five (25) feet South of the North line of the Southwest Quarter ($SW\frac{1}{4}$) of said Section; thence West to point of beginning, subject to right of way of Cities Service Gas Company.

3. *Electric Substation Site*: A tract of land in Lot One Hundred Forty-three (143) on Iowa Street in the City of Hiawatha de-

scribed as follows: Beginning at the Northwest (NW) corner of said lot, thence South Fifty (50) feet, thence East Thirty (30) feet, thence North Fifty (50) feet, thence West Thirty (30) feet to the place of beginning.

DICKINSON COUNTY

4. *Gas Regulator Station Site*: A tract of land in the Southwest Quarter (SW $\frac{1}{4}$) of Section Twenty-one (21), Township Thirteen (13), Range Two (2) East described as follows: Commencing at a point on the South line of Augustine Avenue, Three Hundred Ninety-four (394) feet West of the point where such South line projected, intersects the East line of said Southwest Quarter (SW $\frac{1}{4}$) of Section Twenty-one (21), running thence South Ten (10) feet, thence West Forty (40) feet, thence North Ten (10) feet, thence East on the South line of Augustine Avenue Forty (40) feet to the place of beginning, subject to the terms, and with all of the provisions, of a deed of date of October 28, 1931 from William H. Broughton and Myrtle Broughton to the United Gas and Pipe Line Company, recorded in the office of the Register of Deeds of Dickinson County, in Book 92 of Deeds at Page 315.

5. *Solomon Gas Town Border Station*: A tract of land described as follows: Commencing at the Northwest (NW) corner of Lot One Hundred Thirty-four (134) on Fourth Street in the original townsite of the City of Solomon, Dickinson County, Kansas, running thence South Ten (10) feet, thence East Forty (40) feet, thence North Ten (10) feet, thence West Forty (40) feet to the place of beginning.

6. *Abilene Pole Yard Site*: Lots Seven (7), Eight (8), Nine (9), and Ten (10) in Block Four (4) in J. M. Fisher's Addition to the City of Abilene.

7. *Electric Substation Site*: A part of the Northwest Quarter (NW $\frac{1}{4}$) of Section Twenty-Two (22), Township Thirteen (13) South, Range One (1) East of the 6th Principal Meridian described as follows: Beginning at a point Twenty-Five (25) feet East of the Northwest (NW) corner of said Quarter Section, thence South a distance of Forty (40) feet; thence East a distance of Forty (40) feet; thence North a distance of Forty (40) feet; thence West a distance of Forty (40) feet to the place of beginning.

EDWARDS COUNTY

8. *Addition to Kinsley Electric Plant Site*: All that certain tract or parcel of land lying and situate in the Northeast Quarter (NE $\frac{1}{4}$) of Section Thirty-three (33), Township Twenty-four (24)

South, Range Nineteen (19) West, at Kinsley, Edwards County, Kansas, and being more particularly described as follows: Commencing at the Northeast (NE) corner of said Section Thirty-three (33), thence West along the North line of said Section Thirty-three (33) a distance of Seven Hundred Fifteen (715) feet, more or less, to a point in a line parallel with and Fifty (50) feet Northwesterly from the center line of the main track of The Atchison, Topeka and Santa Fe Railway Company, formerly Atchison, Topeka and Santa Fe Railroad Company; as the same was originally located and constructed, said point being in the Northwesterly property line of said Railway Company; thence Southwesterly, along said Northwesterly property line, a distance of One Thousand Three Hundred Thirty-six (1336) feet, more or less, to a point at right angles to and Fifty (50) feet Northwesterly from said main track center line as originally located and constructed at Railway Engineer's Profile Station 1256 plus 32 feet, the point of beginning; thence continuing Southwesterly on last described course, a distance of Twenty-five (25) feet; thence Northwesterly at right angles, a distance of Ninety-four and Eight-tenths (94.8) feet, more or less, to the Southerly right of way line of State Highway No. K-45; thence Northeasterly along said Highway right of way line on a curve to the right with a radius of Two Thousand Eight Hundred Thirty-four and Ninety-three Hundredths (2834.93) feet, a distance of Twenty-five (25) feet, more or less, to a point; thence Southeasterly at right angles to said original main track center line, a distance of Ninety-three and Two-tenths (93.2) feet, more or less, to the point of beginning, and containing an area of Two Thousand Three Hundred Fifty (2350) square feet, more or less, except all oil, gas and/or other minerals in and under, and that may be produced from said land.

GEARY COUNTY

9. *Electric Substation Site:* Commencing at the point of beginning, which lies One Thousand Five Hundred Four (1504) feet East, and Six Hundred Eighty (680) feet North of the Southwest (SW) corner of Section Sixteen (16), Township Twelve (12) South, Range Eight (8) East; from said point of beginning thence Two Hundred Eight and Seventy-one Hundredths (208.71) feet East, thence Two Hundred Eight and Seventy-one Hundredths (208.71) feet North, thence Two Hundred Eight and Seventy-one Hundredths (208.71) feet West, thence Two Hundred Eight and Seventy-one Hundredths (208.71) feet South to the point of beginning, the total area of the parcel thus described being One (1) acre, except a one-half interest in and to all of the oil, gas and other minerals owned by The United Oil & Gas Royalty Association.

10. *Other Real Estate*: The following tract of land: Beginning at a point located in the Northwest (NW) corner of a bridge crossing the Smoky Hill River on Highway K-57 in Special Section Nine (9), Township Twelve (12) South, Range Six (6) East, thence West Eighteen Feet Six Inches (18'6"); thence North One Hundred Ninety (190) feet; thence in a Southeasterly direction Thirty-six Feet Eight Inches (36' 8") at 74°21'; thence Southwest approximately One Hundred Eighty (180) feet to the point of beginning.

GRANT COUNTY

11. *Gas Compressor Station Site*: The West One-Half ($W\frac{1}{2}$) of the North West Quarter ($NW\frac{1}{4}$) of the Northwest Quarter ($NW\frac{1}{4}$) and the Southeast Quarter ($SE\frac{1}{4}$) of the Northwest Quarter ($NW\frac{1}{4}$) of the Northwest Quarter ($NW\frac{1}{4}$), all in Section Ten (10) Township Thirty (30) South, Range Thirty-seven (37) West, except all oil, gas and other minerals in and under said premises, and subject to oil and gas lease to Hugoton Production Company.

JEFFERSON COUNTY

12. *Garage and Warehouse Site*: The North One Hundred Twelve and One-half ($112\frac{1}{2}$) feet of Lots Nine (9) and Ten (10), in Block Ten (10), Original City of Oskaloosa according to the recorded plat thereof, excepting however, a strip of land Ten (10) feet East and West by Fifty-one and One-half ($51\frac{1}{2}$) feet North and South out of Lot Nine (9) of said Block Ten (10) as measured from the Northwest (NW) corner of said Lot Nine (9).

MARSHALL COUNTY

13. *Electric Substation Site*: Lots Numbered One (1) and Two (2) on Park Street in the City of Blue Rapids as per last recorded plat thereof.

MCPHERSON COUNTY

14. *Lindsborg Town Border Metering Station Site*: Lot Twenty-six (26), Block One (1), Bethany Addition to Lindsborg.

NEMAHA COUNTY

15. *Electric Substation Site*: All of Lot Eleven (11), Block Thirty-nine (39), located in the City of Centralia.

POTTAWATOMIE COUNTY

16. *Electric Substation Site*: A tract of land Eighty (80) feet long and Fifteen (15) feet wide located in the Southeast (SE) corner

of the Northeast Quarter (NE $\frac{1}{4}$) of Section Thirty-two (32), Township Seven (7), Range Nine (9) East of the Sixth Principal Meridian, more particularly described as follows: Beginning at the point where the North right of way line of the road running East and West intersects with the West right of way line of the road running North and South, thence in a Northerly direction Eighty (80) linear feet on the West right of way line of the road running North and South; thence in a Westerly direction Fifteen (15) linear feet; thence in a Southerly direction Eighty (80) linear feet to a point on the North right of way line of the road running East and West; thence in an Easterly direction Fifteen (15) linear feet on the last mentioned right of way line to the point of beginning, containing .0275 acres more or less.

PRATT COUNTY

17. *Gas Regulator Station Site*: A tract of land in Lot number Six (6), Block Twenty-one (21), Anderson's Addition to the City of Pratt, described as follows: Beginning at the Southwest (SW) corner of said Lot Six (6), thence East Ten (10) feet; thence North Twelve (12) feet; thence West Ten (10) feet; thence South Twelve (12) feet to place of beginning.

RENO COUNTY

18. *Hutchinson Electric Plant Site*: The North One Hundred Ten (110) acres of the Southwest Quarter (SW $\frac{1}{4}$) of Section Nine (9), Township Twenty-three (23) South, Range Five (5) West, subject to rights of ways of Cities Service Gas Company, Drillers Gas Company, and the Chicago, Rock Island and Pacific Railroad Company. Also, beginning One Thousand Six Hundred Ninety (1690) feet East of the Southwest (SW) corner of the Southwest Quarter (SW $\frac{1}{4}$) of Section Nine (9), Township Twenty-three (23) South, Range Five (5) West, for point of beginning; thence North to the South line of the North One Hundred Ten (110) acres of said quarter section; thence East along said South line of said One Hundred Ten (110) acres Fifty (50) feet; thence South to the South line of said Southwest Quarter (SW $\frac{1}{4}$); thence West along said South line of said Southwest Quarter (SW $\frac{1}{4}$) to point of beginning; all being approximately one (1) acre situated in the Southwest Quarter (SW $\frac{1}{4}$) of Section Nine (9), Township Twenty-three (23) South, Range Five (5) West, for the purpose of a road right of way; subject to rights of ways of Cities Service Gas Company, Gas Service Company, and the Hutchinson Water Company, and subject further to option to repurchase in event of sale reserved in deed recorded in Book 248 at page 220.

RICE COUNTY

19. *Electric Substation Site:* Commencing at a point which is Thirty (30) feet South and Thirty (30) feet East of the Northwest (NW) corner of Section Two (2), Township Twenty (20) South, Range Eight (8) West of the 6th Principal Meridian and running from said point due South Five Hundred (500) feet; thence due East Three Hundred Fifty (350) feet; thence due North Five Hundred (500) feet; thence due West Three Hundred Fifty (350) feet to the point of beginning, subject to rights of ways of Cities Service Gas Company, The Kaw Pipe Line Company and the National Cooperative Refinery Association.

RILEY COUNTY

20. *Electric Substation Site:* Commencing at the point of beginning, which lies on the East right of way line of State Road No. K-13, at a distance of Eight Hundred Sixty-eight (868) feet South of the North line of Lot Five (5), Section Six (6), Township Ten (10) South, Range Eight (8) East; from said point of beginning thence East a distance of One Hundred Ninety-one and Two-tenths (191.2) feet; thence North, parallel to the East line of said Lot Five (5) a distance of Two Hundred Ninety and Nine-tenths (290.9) feet; thence West a distance of Two Hundred Sixty-four and Nine-tenths (264.9) feet to the said East right of way line of State Road No. K-13; thence Southerly along said East right of way line a distance of Three Hundred (300) feet to the point of beginning, total area of the parcel thus described being One and One-half (1½) acres.

21. *Electric Substation Site:* A part of Lot Five (5), in Section Eighteen (18), Township Ten (10) South, Range Eight (8) East of the 6th Principal Meridian, described as follows: Beginning at a point Nine Hundred Nineteen and Seven-tenths (919.7) feet East and Four Hundred Thirty-eight and Two hundredths (438.02) feet South of the Northwest (NW) corner of Lot Five (5), Section Eighteen (18), Township Ten (10) South, Range Eight (8) East of the 6th Principal Meridian, thence West One Hundred (100) feet; thence South Eighty-four (84) feet; thence East Fifty (50) feet; thence North Seventy-two (72) feet; thence East Fifty (50) feet; thence North Twelve (12) feet to the point of beginning.

RUSSELL COUNTY

22. *Gas Regulator Station Site:* Lot Six (6), Block Two (2), Windsor Park Subdivision, an addition to the City of Russell.

SHAWNEE COUNTY

23. *Electric Substation Site:* The West Fifty (50) feet of Lot Seventy-five (75), on Quincy Street, in "Eugene" or North Topeka, now a part of the City of Topeka.

24. *Electric Switching Station Site:* The West Seventy-five (75) feet of the following described tract of land: Commencing on the Township line, Five and four-hundredths (5.04) chains West of the Northeast (NE) corner of the Northwest Quarter (NW $\frac{1}{4}$) of Section Four (4), Township Twelve (12), Range Sixteen (16) East of the 6th Principal Meridian; thence West along Township line (now East Sixth Street) Five and four-hundredths (5.04) chains; thence South Three and Ninety-seven hundredths (3.97) chains; thence East Five and four-hundredths (5.04) chains; thence North Three and Ninety-seven hundredths (3.97) chains to place of beginning; being a tract of land Seventy-five (75) feet East and West and Two Hundred Twenty-nine (229) feet North and South.

25. *Electric Substation Site:* Lots numbered Fourteen (14) and Sixteen (16) on Twenty-first Street, in Southwest Subdivision.

26. *Addition to Tecumseh Power Plant Site:* A part of Lot Three (3) in the Northwest Quarter (NW $\frac{1}{4}$) of Section Thirty-one (31), Township Eleven (11) South, Range Seventeen (17) East, Described as follows: Beginning at a point on the East line of said Lot Three (3) and Four Hundred Sixteen (416) feet North of the Southeast (SE) corner thereof; thence Northwesterly Three Hundred Seventy-five and Three-tenths (375.3) feet to the South right of way line of the A. T. & S. F. Railway; thence Easterly along said South right of way line of the A. T. & S. F. Railway One Hundred Ninety-nine and Three-tenths (199.3) feet to the East line of said Lot Three (3); thence South Three Hundred Seventy-six (376) feet to the point of beginning, containing Eighty-three hundredths (.83) acres, more or less.

27. *Electric Substation Site:* Lots numbered One Hundred Eighteen (118) and One Hundred Twenty (120) in Belmont Addition, being a part of the Southwest Quarter (SW $\frac{1}{4}$) of Section Thirty-four (34), Township Eleven (11) South, Range (16) East.

28. *Warehouse Site:* Lots numbered Eighteen (18), Twenty (20), Twenty-two (22), Twenty-four (24), Twenty-six (26), Twenty-eight (28), Thirty (30), Thirty-two (32), Thirty-four (34) and Thirty-six (36) on Jackson Street.

29. *Potwin Electric Substation Site:* A part of Lots numbered Eight (8), Nine (9), Ten (10), Eleven (11) and Twelve (12) on Pearl Street, in Block Twenty (20), in Auburndale, an Addition to

the City of Topeka, described as follows: Beginning at the Northwest (NW) corner of Lot Eight (8), thence Southwesterly along the West line of Lot Eight (8) a distance of Fifty (50) feet; thence Southeasterly and parallel to the South line of the Chicago, Rock Island & Pacific Railroad right of way a distance of One Hundred Twenty-two and Eighty-two hundredths (122.82) feet more or less to the East line of Lot Twelve (12); thence Northerly along the East line of Lot Twelve (12) a distance of Fifty-four and Ninety-six hundredths (54.96) feet more or less to the South line of the Chicago, Rock Island & Pacific Railroad right of way; thence Northwesterly along the South line of said right of way a distance of One Hundred (100) feet to the place of beginning.

30. *Topeka Office Building Site*: Lots numbered Two Hundred Fifty-four (254), Two Hundred Fifty-six (256), Two Hundred Fifty-eight (258) and the North Two-fifths ($2/5$) of Lot numbered Two Hundred Sixty (260) on Kansas Avenue, Original Townsite, in the City of Topeka.

31. *Oakland Electric Substation Site*: All that part of the Northeast Quarter ($NE\frac{1}{4}$) of Section Thirty-three (33), Township Eleven (11) South, Range Sixteen (16) East, described as follows: Beginning at a point on the South line of Seward Avenue, said point being Thirty (30) feet East and Thirty-three (33) feet South of the Northwest (NW) corner of said quarter section; thence East along the South line of Seward Avenue, which lies Thirty-three (33) feet Southerly of, normally distant from and parallel with the North line of said quarter section, a distance of Thirty (30) feet; thence South at right angles Thirty (30) feet; thence West at right angles Thirty (30) feet more or less to a point Thirty (30) feet Easterly of and normally distant from the West line of said quarter section; thence North along a line Thirty (30) feet Easterly of, normally distant from and parallel with the West line of said quarter section Thirty (30) feet more or less to the point of beginning, containing Nine Hundred (900) square feet of land, more or less, subject to a reservation of the oil and/or gas within and under said premises, together with the right to remove the same through wells drilled upon adjoining property.

32. *Electric Substation Site*: A part of the Northeast Quarter ($NE\frac{1}{4}$) of Section Twelve (12), Township Twelve (12), South, Range Fifteen (15) East, more particularly described as follows: Beginning at a point where the center line of Shunganunga Creek intersects with the East line of Clay Street (formerly Buchanan) as extended; thence North on the East line of said Clay Street, as extended, to the center line of South Street (now vacated) in Steele's

Addition to the City of Topeka; thence East along the center line of said South Street One Hundred Fifty-three and Thirty-eight hundredths (153.38) feet to the extended center line of an alley (now vacated); thence North Twenty-five (25) feet to the North line of said South Street; thence East along the North line of said South Street One Hundred Fifty-three and Thirty-eight hundredths (153.38) feet to the West line of Central Park Street (formerly Clay Street), now vacated; thence South along the West line of said Central Park Street to the South line of said South Street; thence East Sixteen (16) feet to the Northeast (NE) corner of Lot One Hundred Forty-five (145) of Block Twenty-one (21) in said Steele's Addition (now vacated); thence South along the East line of said Lot One Hundred Forty-five (145) to the center of Shunganunga Creek; thence westerly along the center of said Shunganunga Creek to the place of beginning, subject to easement of Sewer District No. 99.

WABAUNSEE COUNTY

33. *Electric Substation Site:* A tract of land in Lot One (1), Block Thirteen (13), in East Eskridge, now City of Eskridge, more particularly described as follows: Beginning at the Northeast (NE) corner of said Lot One (1), thence in a Northwesterly direction along the North property line adjoining Second Street a distance of Fifty (50) feet; thence Southwesterly parallel to the West line of said Lot One (1) a distance of Forty (40) feet; thence in a Southeasterly direction parallel to the North line of said Lot One (1) a distance of Fifty (50) feet to the East line of said Lot One (1); thence Northeasterly a distance of Forty (40) feet to the place of beginning.

SECOND

Also all transmission and distribution systems used for the transmission and distribution of electricity, steam, water, gas and other agencies for light, heat, cold or power, or any other purpose whatever, whether underground or overhead or on the surface or otherwise of the Company enumerated below or which, subject to the provisions of Article XII, the Company may hereafter acquire, including all poles, posts, wires, cables, conduits, mains, pipes, tubes, drains, furnaces, switchboards, transformers, insulators, meters, lamps, fuses, junction boxes, water pumping stations, regulator stations, town border metering stations and other electric, steam, water and gas fixtures and apparatus:

ELECTRIC DISTRIBUTION SYSTEMS

The electric distribution systems located in and adjacent to the following communities in the State of Kansas:

- In Chase County: Cedar Point*
- In Pottawatomie County: Emmett*
- In Reno County: Plevna, Turon*
- In Rice County: Alden*
- In Stafford County: Macksville*

GAS DISTRIBUTION SYSTEMS

The gas distribution systems located in and adjacent to the following communities in the State of Kansas:

- In Dickinson County: Solomon*

ELECTRIC TRANSMISSION LINES

Line 1. A 6600 volt, wood pole, electric transmission line, approximately five (5) miles in length, extending from the Town of Emmett in Pottawatomie County to the Town of St. Clere, in Pottawatomie County.

Line 2. A 66000 volt, wood pole, electric transmission line, approximately fifteen and five-tenths (15.5) miles in length, extending from Matters Corner substation near Manhattan, in Riley County, to a junction South of Manhattan with a 66000 volt, steel tower, electric transmission line extending from electric generating plant in Hutchinson, Reno County to electric generating station at Tecumseh, near the City of Topeka, in Shawnee County.

Line 3. A 33000 volt, wood pole, electric transmission line, approximately two and five-tenths (2.5) miles in length, extending from Matters Corner substation near Manhattan, in Riley County to the City of Manhattan, Riley County.

Line 4. A 33000 volt, wood pole, electric transmission line, approximately ten and five-tenths (10.5) miles in length, extending to the Netawaka pumping station in Jackson County, from a junction near the Town of Circleville in Jackson County, with a line of like voltage which extends from near the Town of Hoyt in Jackson County to the Town of Circleville in Jackson County.

Line 5. A 6600 volt, wood pole, electric transmission line, approximately nine (9) miles in length, extending through the Town of Larkinburg in Jackson County to the Town of Arrington in Atchison County, from a junction near Denison in Jackson County with a 13,200 volt, wood pole, electric transmission line which extends from a point near the Town of Birmingham in Jackson County to the Town of Denison in Jackson County.

Line 6. A 6600 volt, wood pole, electric transmission line, approximately four (4) miles in length extending from the Town of Blue Rapids in Marshall County to the Town of Waterville, in Marshall County.

Line 7. A 33000 volt, wood pole, electric transmission line, approximately ten (10) miles in length, extending from the City of Hutchinson in Reno County to the United States Naval Air Base in Reno County.

Line 8. A 66000 volt, wood pole, electric transmission line, approximately eleven and three-tenths (11.3) miles in length, extending from the City of Atchison in Atchison County to a junction with electric transmission line of the Kansas Electric Power Company in Section twenty-three (23), Township seven (7) South, Range Twenty-one (21) East, Atchison County.

Line 9. A 66000 volt, wood pole, electric transmission line, approximately twenty-seven and two-tenths (27.2) miles in length, extending to the City of Lyons in Rice County from a junction near the City of McPherson in McPherson County with a line of like voltage which extends from electric generating plant in Hutchinson in Reno County to electric generating station at Tecumseh, near the City of Topeka in Shawnee County.

Line 10. An 11500 volt, wood pole, electric transmission line, approximately thirteen (13) miles in length, extending from the Town of Chase in Rice County to the Town of Alden in Rice County, together with branch to the Town of Raymond in Rice County.

Line 11. A 33000 volt, wood pole, electric transmission line, approximately eight (8) miles in length, extending from the steam electric generating station at Tecumseh, near the City of Topeka, in Shawnee County, to the City of Topeka, in Shawnee County.

GAS TRANSMISSION LINES

Line 1. *Castleton-McPherson 18 Inch Line.* A certain 18 inch steel pipe gas transmission line approximately 38.23 miles in length,

commencing at a point of connection with the *Barber County Field-Abilene-Clay Center-Munden 16 Inch-8 Inch-2 Inch Line* in the North-East Quarter of Section 24, Township 25 South, Range 7 West, and extending in a Northeastwardly direction through Sections 24 and 13, in Township 25 South, Range 7 West; Sections 18, 7, 8, and 5 in Township 25 South, Range 6 West; Sections 32, 33, 28, 27, 22, 15, 14, 11, 12, and 1 in Township 24 South, Range 6 West; Section 36 in Township 23 South, Range 6 West; Sections 31, 30, 29, 20, 21, 16, 9, and 4 in Township 23 South, Range 5 West; Sections 33, 28, 27, 22, 23, 14, 11, 12, and 1 in Township 22 South, Range 5 West; Section 6, Township 22 South, Range 4 West, all in Reno County, Kansas; Sections 31, 30, 29, 20, 21, 16, 9, 10, 3, and 2 in Township 21 South, Range 4 West; Sections 35, 26, 25, and 24 in Township 20 South, Range 4 West; Sections 19, 18, 7, 8, and 5 to a point on the *Barber County Field-Abilene-Clay Center-Munden 16 Inch-8 Inch-2 Inch Line* in the Southwest Quarter of the Southeast Quarter of Section 5, Township 20 South, Range 3 West, all in McPherson County, Kansas.

Line 2. *Lake City-Dearhead Field Line.* A certain 16 inch steel pipe gas transmission line approximately 19.06 miles in length, commencing at a point of connection with the *Pratt-Calista 18 Inch Line* in the Southwest Quarter of Section 23, Township 28 South, Range 13 West, and extending in a Southwesterly direction through Sections 23, 26, 35, and 34 in Township 28 South, Range 13 West; Sections 3, 10, 15, 22, 27, 34, and 33, in Township 29 South, Range 13 West, all in Pratt County, Kansas; Sections 4, 9, 16, 21, 28, 29, 32, and 31 in Township 30 South, Range 13 West; Section 36, Township 30 South, Range 14 West; Sections 1, 2, 3, 10, 9, 16, 17, 20, 29, 30, and 31, Township 31 South, Range 14 West; Section 36, Township 31 South, Range 15 West; Sections 1, 12, 11, 14, 23, and 26 to a point in the Northwest Quarter of the Northwest Quarter of Section 26, Township 32 South, Range 15 West, all in Barber County, Kansas.

Line 3. *Great Bend-St. John 8 Inch and 10 Inch Line.* A certain 8 inch and 10 inch steel pipe gas transmission line approximately 25.97 miles in length, of which 4.59 miles is 10 inch and 21.38 miles is 8 inch, commencing at a point of connection with the *Otis Ellinwood Line* in the Southwest Quarter of the Southwest Quarter of Section 26, Township 19 South, Range 13 West, and extending in a Southerly direction through Sections 26 and 35, Township 19 South, Range 13 West; Sections 3, 10, 15, 22, 27, 34, Township 20 South, Range 13 West, all in Barton County, Kansas; Sections 3, 10, 15, 22, 27, and 34, in Township 21 South, Range 13 West; Sections 3, 10, 15, 22, 27, and 34, in Township 22 South, Range 13 West; Sections

3, 10, 15, 22, 27, and 34, in Township 23 South, Range 13 West; Sections 3 and 4, to a point in the Southwest corner of the Northwest Quarter of the Southwest Quarter of Section 3, thence in a Westerly direction to a point in the Southeast corner of the Northeast Quarter of the Southwest Quarter of Section 4, Township 24 South, Range 13 West, all in Stafford County, Kansas.

Line 4. *McPherson 8 Inch Line*. A certain 8 inch steel pipe gas transmission line approximately .92 miles in length extending from a point of connection with the *Barber County Field-Abilene-Clay Center-Munden 16 Inch-8 Inch-2 Inch Line* in the Southeast corner of Section 28, Township 19 South, Range 3 West, thence extending Westwardly approximately .25 miles in said Section 28, thence in a Southwestwardly direction through Section 33, Township 19 South, Range 3 West, to the No. 2 McPherson Town Border Station in the Northwest corner of the Southwest Quarter of Section 33, Township 19 South, Range 3 West, all in McPherson County, Kansas.

Line 5. *Cunningham 2 Inch Line*. A certain 2 inch steel pipe gas transmission line approximately .70 miles in length, beginning at a point of connection with the Skelly 12 inch line in the Southeast corner of Section 31, Township 27 South, Range 10 West, thence extending Eastwardly through Section 32, Township 27 South, Range 10 West to the Cunningham Town Border Station in the Southeast Quarter of Section 32, Township 27 South, Range 10 West, all in Kingman County, Kansas.

Line 6. *8 Inch Tie-Over Line*. A certain 8 inch steel pipe gas transmission line approximately .782 miles in length, commencing at a point of connection with the *Barber Field 8 Inch Line No. 2* in the Southeast corner of the Northwest Quarter of Section 22, Township 33 South, Range 13 West, thence in a Northerly direction to a point of connection with the *Barber County Field-Abilene-Clay Center-Munden 16 Inch-8 Inch-2 Inch Line* in the Southeast Quarter of the Southwest Quarter of Section 15, Township 33 South, Range 13 West, thence in a Northwestwardly direction to a point of connection with the *Barber County Field 6 Inch and 8 Inch Line No. 1* in the Southwest Quarter of the Southwest Quarter of Section 15, Township 33 South, Range 13 West, all in Barber County, Kansas.

Line 7. *Edwards County Field Line*. A certain 8 inch steel pipe gas transmission line approximately 7.25 miles in length commencing at a point of connection with the *Pratt Lewis Russell Line* in the Southeast corner of Section 3, Township 26 South, Range 17 West, and extending in a Northeasterly direction through Sections 3 and 2, Township 26 South, Range 17 West; Sections 36 and 25,

Township 25 South, Range 17 West; Sections 30, 19, 18, 17, 8, and 5, to a point in the Southeast corner of Section 5, Township 25 South, Range 16 West; all in Edwards County, Kansas.

Line 8. *Junction City 4 Inch Line*. A certain 4 inch steel pipe gas transmission line approximately .66 miles in length commencing at a point of connection with the *Buckeye-Fort Riley 10 Inch Line* in the Southwest Quarter of the Northwest Quarter of Section 2, Township 12 South, Range 5 East, thence extending in a Southeastwardly direction to the Junction City Town Border Station #2 in the Southeast Quarter of the Southwest Quarter of Section 2, Township 12 South, Range 5, East, all in Geary County Kansas.

Line 9. *Smoky Hill Air Base Line*. A certain 4 inch steel pipe gas transmission line approximately 1.52 miles in length commencing at a point of connection with the *McPherson-Salina 8 Inch Line* and the *McPherson-Assaria-Mentor-Salina 6 Inch and 8 Inch Line* in the Southeast corner of the Southwest Quarter of Section 36, Township 14 South, Range 3 West, then extending Westwardly through Section 36, Township 14 South, Range 3 West, and extending Westwardly through Sections 1, 2, and 3 to a point in the Northeast corner of Section 3, Township 15 South, Range 3 West, all in Saline County, Kansas.

Line 10. *Medicine Lodge Field Compressor 8 Inch Line*. A certain 8 inch steel gas pipe transmission line, approximately .92 miles in length, commencing at a point of connection with the *Barber County Field-Abilene-Clay Center-Munden 16 Inch-8 Inch Line* in the Northwest Quarter of the Northwest Quarter of Section 13, Township 33 South, Range 13 West, and extending in a Southeastwardly direction to a point of connection with the *Barber Field 8 Inch Line No. 2* in the Southeast Quarter of the Southwest Quarter of Section 13, Township 33 South, Range 13 West, all in Barber County, Kansas.

Line 11. *Stanolind-Zook Field Line*. A certain 6 inch steel pipe gas transmission line, approximately 9.05 miles in length commencing at a point of connection with the *Pratt Lewis Russell Line* in the Southwest corner of Section 18, Township 23 South, Range 17 West, and extending in an Eastwardly direction through Sections 18, 20, 16, 15, 14, 13, Township 23 South, Range 17 West; Sections 18, 17, and 16, to a point in the Southeast corner of Section 16, Township 23 South, Range 16 West, all in Pawnee County, Kansas.

Line 12. *Jones Patnce Field 6 Inch Line*. A certain 6 inch steel pipe gas transmission line approximately 3.21 miles in length commencing at a point of connection with the *Otis Ellinwood Line* in the Southwest corner of Section 28, Township 17 South, Range

15 West, and extending in a Southwardly direction through Sections 28 and 33, Township 17 South, Range 15 West, and Sections 4, 9, and 16, Township 18 South, Range 15 West, to a point in the Northwest Quarter of the Northwest Quarter of Section 16, Township 18 South, Range 15 West, all in Barton County, Kansas.

Line 13. *Great Bend Brick Plant Line*. A certain 4 inch steel pipe gas transmission line, approximately .64 miles in length, commencing at a point of connection with the *Otis Ellinwood Line* in the Northwest corner of Section 21, Township 19 South, Range 13 West, and extending in an Eastwardly direction to a point in the Northwest Quarter of the Northeast Quarter of Section 21, Township 19 South, Range 13 West, all in Barton County, Kansas.

Line 14. *Lehigh Field 4 Inch Line*. A certain 4 inch steel pipe gas transmission line approximately 7.80 miles in length, commencing at a point of connection with the *Marion County 8 Inch and 4 Inch Line* in the Northeast corner of Section 23, Township 19 South, Range 2 East, and extending in a Westwardly direction through Sections 23, 22, 21, 20, and 19, Township 19 South, Range 2 East; Sections 24, 23, and 22, Township 19 South, Range 1 East, to a point near the Northwest corner of the Northeast Quarter of the Northwest Quarter of Section 22, Township 19 South, Range 1 East, all in Marion County, Kansas.

Line 15. *Solomon Branch Line*. A certain 3 inch steel pipe gas transmission line approximately 8.48 miles in length, commencing at a point of connection with the *Abilene Branch Line* in the Northwest Quarter of the Southeast Quarter of Section 21, Township 13 South, Range 2 East, and extending in a Westwardly direction through Sections 21, 20, and 19, Township 19 South, Range 2 East; Sections 24, 23, 22, 21, 20, 19, and 18 to a point in the Northeast Quarter of the Southwest Quarter of Section 18, Township 13 South, Range 1 East, all in Dickinson County, Kansas.

Line 16. *Inman Branch Line*. A certain 2 inch steel pipe gas transmission line approximately .45 miles in length commencing at a point of connection with the *Barber Field-Abilene-Clay Center-Munden 16 Inch-8 Inch-2 Inch Line* in the Southwest Quarter of the Northeast Quarter of Section 16, Township 21 South, Range 4 West, and extending in a Northwestwardly direction to a point in the Northeast corner of the Southwest Quarter of the Northwest Quarter of Section 16, Township 21 South, Range 4 West, all in McPherson County, Kansas.

Line 17. *Murphy Dehydration Plant 2 Inch Line*. A certain 2 inch steel pipe gas transmission line approximately .24 miles in

length commencing at a point of connection with Line 15 in the Southwest corner of the Northeast Quarter, Section 20, Township 13 South, Range 2 East, thence extending in a Northerly direction to the Murphy Dehydration Plant in the Northwest Quarter of the Northeast Quarter of Section 20, Township 13 South, Range 2 East, all in Dickinson County, Kansas.

Line 18. *Tudor-Morgan Field Line*. A certain 4 inch and 3 inch steel pipe gas transmission line approximately 1.19 miles in length, of which 1 mile is 4 inch pipe and .19 mile is 3 inch, commencing at a point of connection with the *Pratt St. John 6 inch and 4 Inch Line* in the Northwest Quarter of the Southeast Quarter of Section 24, Township 24 South, Range 13 West, and extending in a Westwardly direction through Sections 24 and 23 to a point in the Southeast Quarter of the Northwest Quarter of Section 23, Township 24 South, Range 13 West, all in Stafford County, Kansas.

THIRD.

Also all franchises and all permits, ordinances, easements, privileges, immunities and licenses, all rights to construct, maintain and operate overhead, surface and underground systems for the distribution and transmission of electricity or steam for the supply to itself or others of light, heat, cold or power or any other purpose whatsoever, all rights-of-way, all waters, water rights and flowage rights and all grants and consents, now owned by the Company or, subject to the provisions of Article XII of the Original Indenture which it may hereafter acquire.

Also all inventions, patent rights and licenses of every kind now owned by the Company or, subject to the provisions of Article XII of the Original Indenture which it may hereafter acquire.

FOURTH.

Also, subject to the provisions of Article XII of the Original Indenture all other property, real, personal and mixed (except as therein or herein expressly excepted) of every nature and kind and wheresoever situated now or hereafter possessed by or belonging to the Company, or to which it is now, or may at any time hereafter be, in any manner entitled at law or in equity.

FIFTH.

Together with all and singular, the tenements, hereditaments and appurtenances belonging or in any wise appertaining to the aforesaid

property or any part thereof, with the reversion and reversions, remainder and remainders, tolls, rents, revenues, issues, income, products and profits thereof, and all the estate, right, title, interest and claim whatsoever, at law and in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

EXPRESSLY EXCEPTING AND EXCLUDING, HOWEVER, all properties of the character excepted from the lien of the Original Indenture.

TO HAVE AND TO HOLD all said properties, real, personal and mixed, mortgaged, pledged and conveyed by the Company as aforesaid, or intended so to be, unto the Trustee and its successors and assigns forever;

SUBJECT, HOWEVER, to the exceptions and reservations hereinabove recited, to existing leases other than leases which by their terms are subordinate to the lien of the Indenture, to existing liens upon right-of-way for transmission or distribution line purposes, as defined in Article I of the Original Indenture, and any extensions thereof, and subject to existing easements for streets, alleys, highways, rights-of-way and railroad purposes over, upon and across certain of the property hereinbefore described and subject also to all the terms, conditions, agreements, covenants, exceptions and reservations expressed or provided in the deeds or other instruments respectively under and by virtue of which the Company acquired the properties hereinabove described and to undetermined liens and charges, if any, incidental to construction or other existing permitted liens as defined in Article I of the Original Indenture;

IN TRUST, NEVERTHELESS, upon the terms and trusts in the Original Indenture, and the indentures supplemental thereto, including this Second Supplemental Indenture, set forth, for the equal and proportionate benefit and security of all present and future holders of the Bonds and coupons issued and to be issued thereunder, or any of them, without preference of any of said Bonds and coupons of any particular series over the Bonds and coupons of any other series by reason of priority in the time of issue, sale or negotiation thereof, or by reason of the purpose of issue or otherwise howsoever, except as otherwise provided in Section 2 of Article IV of the Original Indenture.

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED, by and between the parties hereto for the benefit of those who shall hold the Bonds and coupons, or any of them, to be issued under the Indenture as follows:

ARTICLE I.

DESCRIPTION OF BONDS OF 1979 SERIES.

SECTION 1. The second series of Bonds to be executed, authenticated and delivered under and secured by the Indenture shall be Bonds of 1979 Series. The Bonds of 1979 Series shall be designated as "First Mortgage Bonds, 2 $\frac{7}{8}$ % Series Due 1979" of the Company. The Bonds of 1979 Series shall be executed, authenticated and delivered in accordance with provisions of, and shall in all respects be subject to, all of the terms, conditions and covenants of the Original Indenture, subject further to all the terms, conditions and covenants of this Supplemental Indenture.

The coupon Bonds of 1979 Series shall be dated April 1, 1949, and all Bonds of 1979 Series shall mature April 1, 1979, and shall bear interest at the rate of two and seven-eighths per cent (2 $\frac{7}{8}$ %) per annum, payable semi-annually on the first days of April and October in each year. Every fully registered Bond of 1979 Series shall be dated as of the date of authentication (except that if any fully registered Bond of the 1979 Series shall be authenticated upon any interest payment date for that Series it shall be dated as of the day following) and shall bear interest from the April 1 or October 1 next preceding. The Bonds of 1979 Series shall be payable as to principal and interest in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, at the agency of the Company in the Borough of Manhattan, The City of New York, or at the option of the holder thereof at the agency of the Company in the City of Chicago, Illinois.

SECTION 2. The Bonds of 1979 Series shall be coupon Bonds registerable as to principal, of the denomination of \$1,000, numbered consecutively from M1 upwards, and registered bonds without coupons of the denomination of \$1,000, numbered consecutively from RM1 upwards, and \$5,000 numbered consecutively from RV1 upwards and any multiple of \$5,000 numbered consecutively from R1 upwards. Coupon Bonds of 1979 Series may be exchanged, upon surrender thereof, with all unmatured coupons attached, at the agency of the Company in the Borough of Manhattan, The City of New York, or at the agency of the Company in the City of Chicago, Illinois, for a registered Bond or registered Bonds

of 1979 Series without coupons of authorized denominations for the same aggregate principal amount, upon payment of charges and subject to the terms and conditions set forth in the Original Indenture.

SECTION 3. The coupon Bonds of 1979 Series, the coupons to be attached thereto, and the registered Bonds of 1979 Series without coupons shall be substantially in the following forms, respectively:

[FORM OF COUPON BOND]

THE KANSAS POWER AND LIGHT COMPANY
(Incorporated under the laws of the State of Kansas)

FIRST MORTGAGE BOND, 2 $\frac{7}{8}$ % SERIES DUE 1979

Due April 1, 1979

No. M.

\$1,000

THE KANSAS POWER AND LIGHT COMPANY, a corporation organized and existing under the laws of the State of Kansas (hereinafter called the "Company", which term shall include any successor corporation as defined in the Indenture hereinafter referred to), for value received, hereby promises to pay to the bearer or, if this Bond be registered, to the registered owner hereof, on the first day of April, 1979, the sum of One thousand dollars in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, and to pay interest thereon in like coin or currency from the first day of April, 1949, at the rate of two and seven-eighths per cent. (2 $\frac{7}{8}$ %) per annum, payable semi-annually, on the first days of April and October in each year until maturity, or, if this Bond shall be duly called for redemption, until the redemption date, or, if the Company shall default in the payment of the principal hereof, until the Company's obligation with respect to the payment of such principal shall be discharged as provided in the Indenture hereinafter mentioned, but only, in case of interest due on or before maturity, according to the tenor and upon presentation and surrender of the respective coupons therefor hereto attached as they severally mature. Both principal of, and interest on, this Bond are payable at the agency of the Company in the Borough

of Manhattan, The City of New York, or, at the option of the bearer or registered owner hereof, at the agency of the Company in the City of Chicago, Illinois.

This Bond is one of a duly authorized issue of Bonds of the Company (herein called the "Bonds"), in unlimited aggregate principal amount, of the series hereinafter specified, all issued and to be issued under and equally secured by a mortgage and deed of trust, dated July 1, 1939, executed by the Company to Harris Trust and Savings Bank (herein called the "Trustee"), as Trustee, as amended by the indenture supplemental thereto dated April 1, 1949 (herein called the "Supplemental Indenture of April 1, 1949"), between the Company and the Trustee (said mortgage and deed of trust, as so amended, being herein called the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the bearers or registered owners of the Bonds and of the Trustee in respect thereto, and the terms and conditions upon which the Bonds are, and are to be, secured. The Bonds may be issued in series, for various principal sums, may mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided. This Bond is one of a series designated as the "First Mortgage Bonds, 2 $\frac{7}{8}$ % Series Due 1979" (herein called "Bonds of 1979 Series") of the Company, issued under and secured by the Indenture executed by the Company to the Trustee.

To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the Bonds and coupons may be made with the consent of the Company by an affirmative vote of not less than 80% in principal amount of the Bonds entitled to vote then outstanding, at a meeting of Bondholders called and held as provided in the Indenture, and by an affirmative vote of not less than 80% in principal amount of the Bonds of any series entitled to vote then outstanding and affected by such modification or alteration, in case one or more but less than all of the series of Bonds then outstanding under the Indenture are so affected; provided, however, that no such modification or alteration shall be made which will affect the terms of payment of the principal of, or interest or premium (if any) on, this Bond, which are unconditional. The Company has reserved the right to make certain amendments to the Indenture, without any consent or

other action by holders of Bonds of this series, to the extent necessary from time to time to qualify the Indenture under the Trust Indenture Act of 1939, all as more fully provided in the Indenture.

The Bonds of 1979 Series are subject to redemption (otherwise than for the Improvement and Sinking Fund and the Maintenance Fund provided for in the Supplemental Indenture of April 1, 1949, or upon application of certain moneys included in the trust estate), at any time or from time to time prior to maturity at the option of the Company, either as a whole or in part by lot, upon payment of the regular redemption prices applicable to the respective periods set forth below, together, in each case, with accrued interest to the redemption date, all subject to the conditions of, and as more fully set forth in, the Indenture.

The Bonds of 1979 Series are subject to redemption for said Improvement and Sinking Fund, or said Maintenance Fund, or upon application of certain moneys included in the trust estate, at any time or from time to time prior to maturity, upon payment of the special redemption prices applicable to the respective periods set forth below, together, in each case, with accrued interest to the redemption date, all subject to the conditions of, and as more fully set forth in, the Indenture.

If Redeemed During the 12 Months Period Ending March 31	Regular Redemption Price	Special Redemption Price
	Expressed as Percentages of the Principal Amount of the Bonds	
1950	104.50	101.52
1951	104.35	101.48
1952	104.20	101.45
1953	104.05	101.41
1954	103.90	101.38
1955	103.75	101.34
1956	103.60	101.30
1957	103.45	101.27
1958	103.30	101.23
1959	103.15	101.18
1960	103.00	101.14
1961	102.85	101.10
1962	102.70	101.05
1963	102.55	101.01
1964	102.40	100.96

If Redeemed During the 12 Months Period Ending March 31	Regular Redemption Price	Special Redemption Price
	Expressed as Percentages of the Principal Amount of the Bonds	
1965	102.25	100.91
1966	102.10	100.86
1967	101.95	100.81
1968	101.80	100.76
1969	101.65	100.71
1970	101.50	100.65
1971	101.35	100.59
1972	101.20	100.53
1973	101.05	100.47
1974	100.90	100.41
1975	100.75	100.35
1976	100.60	100.28
1977	100.45	100.21
1978	100.30	100.14
1979	100.15	100.07

Such redemption in every case shall be effected upon notice given by publication once in each of three separate calendar weeks in an authorized newspaper, printed in the English language and published and of general circulation in the Borough of Manhattan, The City of New York (the first of such publications to be no more than sixty and not less than thirty days before the redemption date), and, if any of the Bonds are registered, similar notice shall be sent by the Company through the mail, postage prepaid, at least thirty days and not more than sixty days prior to the redemption date, to the registered owners of such Bonds, at their addresses as the same shall appear, if at all, on the transfer register of the Company, all subject to the conditions of, and as more fully set forth in, the Indenture.

In case an event of default, as defined in the Indenture, shall occur, the principal of all the Bonds at any such time outstanding under the Indenture may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be

waived by the holders of a majority in principal amount of the Bonds outstanding.

This Bond is transferable by delivery except while registered as to principal. This Bond may, from time to time, be registered as to principal in the name of the owner on books of the Company to be kept for that purpose at the agency of the Company in the Borough of Manhattan, The City of New York, and at the agency of the Company in the City of Chicago, Illinois, and such registration shall be noted hereon, after which no transfer hereof shall be valid unless made on said books by the registered owner hereof in person or by duly authorized attorney, and similarly noted hereon; but this Bond may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored; and this Bond may again, from time to time, be registered or discharged from registration in the same manner. Such registration, however, shall not affect the negotiability of the coupons hereto appertaining, which shall always be payable to bearer and transferable by delivery, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not this Bond at the time be registered.

Coupon Bonds of 1979 Series may be exchanged upon surrender thereof, with all unmatured coupons attached, at either of said agencies of the Company for a fully registered Bond or fully registered Bonds without coupons of the same series, of authorized denominations, for the same aggregate principal amount, bearing interest from the interest date next preceding the date thereof (each fully registered Bond without coupons to be dated as of the time of issue, unless issued on an interest date, in which event it shall be dated as of the day next following such interest date), all upon payment of the charges and subject to the terms and conditions set forth in the Indenture.

No recourse shall be had for the payment of the principal of, or the interest on, this Bond, or for any claim based hereon or on the Indenture or any indenture supplemental thereto, against any incorporator, or against any stockholder, director or officer, past, present or future, of the Company, or of any predecessor or successor corporation, as such, either directly or through the Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or

otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, of incorporators, stockholders, directors or officers being released by every bearer or registered owner hereof by the acceptance of this Bond and as part of the consideration for the issue hereof, and being likewise released by the terms of the Indenture.

Neither this Bond, nor any of the coupons for interest thereon, shall be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose, until Harris Trust and Savings Bank, the Trustee under the Indenture, or a successor trustee thereto under the Indenture, shall have signed the form of certificate endorsed hereon.

IN WITNESS WHEREOF, The Kansas Power and Light Company has caused this Bond to be signed in its name by its President or a Vice President, and its corporate seal (or a facsimile thereof) to be hereto affixed and attested by its Secretary or an Assistant Secretary, and interest coupons bearing the facsimile signature of its Treasurer to be attached hereto, as of the first day of April, 1949.

THE KANSAS POWER AND LIGHT COMPANY,

By
Vice President.

Attest:

.....
Assistant Secretary.



[FORM OF COUPON]

No. \$.....
First Mortgage Bond,
2 7/8 % Series Due 1979

On the first day of, unless the Bond herein mentioned shall have been called for previous redemption and payment thereof duly provided for, The Kansas Power and Light Company will pay to bearer, on surrender of this coupon at the agency of the Company in the Borough of Manhattan, The City of New York or, at the option of the bearer, at the agency of the Company in the City of Chicago, Illinois, and /100 Dollars in any coin or currency of the United States of America, which at the time of payment is legal tender for public and private debts, being six months' interest then payable on its First Mortgage Bond, 2 7/8 % Series Due 1979, No.

.....
Treasurer.

[FORM OF REGISTERED BOND WITHOUT COUPONS]

THE KANSAS POWER AND LIGHT COMPANY
(Incorporated under the laws of the State of Kansas)
FIRST MORTGAGE BOND, 2 7/8 % SERIES DUE 1979

Due April 1, 1979

No. R. \$.....

THE KANSAS POWER AND LIGHT COMPANY, a corporation organized and existing under the laws of the State of Kansas (hereinafter called the "Company", which term shall include any successor corporation as defined in the Indenture hereinafter referred to), for value received, hereby promises to pay to.....
..... or registered assigns, on the first day of April, 1979, the sum of Dollars in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, and to pay interest thereon in like coin or

currency from the April 1 or October 1 next preceding the date of this Bond at the rate of two and seven-eighths per cent. ($2\frac{7}{8}\%$) per annum, payable semi-annually, on the first days of April and October in each year until maturity, or, if this Bond shall be duly called for redemption, until the redemption date, or, if the Company shall default in the payment of the principal hereof, until the Company's obligation with respect to the payment of such principal shall be discharged as provided in the Indenture hereinafter mentioned. Both principal of, and interest on, this Bond are payable at the agency of the Company in the Borough of Manhattan, The City of New York, or, at the option of the holder hereof, at the agency of the Company in the City of Chicago, Illinois.

This Bond is one of a duly authorized issue of Bonds of the Company (herein called the "Bonds"), in unlimited aggregate principal amount, of the series hereinafter specified, all issued and to be issued under and equally secured by a mortgage and deed of trust, dated July 1, 1939, executed by the Company to Harris Trust and Savings Bank (herein called the "Trustee"), as Trustee, as amended by the indenture supplemental thereto dated April 1, 1949 (herein called the "Supplemental Indenture of April 1, 1949"), between the Company and the Trustee (said mortgage and deed of trust, as so amended, being herein called the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the bearers or registered owners of the Bonds and of the Trustee in respect thereto, and the terms and conditions upon which the Bonds are, and are to be, secured. The Bonds may be issued in series, for various principal sums, may mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided. This Bond is one of a series designated as the "First Mortgage Bonds, $2\frac{7}{8}\%$ Series Due 1979" (herein called "Bonds of 1979 Series") of the Company, issued under and secured by the Indenture executed by the Company to the Trustee.

To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the Bonds and coupons may be made with the consent of the Company by an affirmative vote of not less than 80% in principal amount of the Bonds entitled to vote then outstanding, at a meeting of Bondholders called and held as provided in the Indenture, and by an affirmative

vote of not less than 80% in principal amount of the Bonds of any series entitled to vote then outstanding and affected by such modification or alteration, in case one or more but less than all of the series of Bonds then outstanding under the Indenture are so affected; provided, however, that no such modification or alteration shall be made which will affect the terms of payment of the principal of, or interest or premium (if any) on, this Bond, which are unconditional. The Company has reserved the right to make certain amendments to the Indenture, without any consent or other action by holders of the Bonds of this series, to the extent necessary from time to time to qualify the Indenture under the Trust Indenture Act of 1939, all as more fully provided in the Indenture.

The Bonds of 1979 Series are subject to redemption (otherwise than for the Improvement and Sinking Fund and the Maintenance Fund provided for in the Supplemental Indenture of April 1, 1949, or upon application of certain moneys included in the trust estate), at any time or from time prior to maturity at the option of the Company, either as a whole or in part by lot, upon payment of the regular redemption prices applicable to the respective periods set forth below, together, in each case, with accrued interest to the redemption date, all subject to the conditions of, and as more fully set forth in, the Indenture.

The Bonds of 1979 Series are subject to redemption for said Improvement and Sinking Fund, or said Maintenance Fund, or upon application of certain moneys included in the trust estate, at any time or from time to time prior to maturity, upon payment of the special redemption prices applicable to the respective periods set forth below, together, in each case, with accrued interest to the redemption date, all subject to the conditions of, and as more fully set forth in, the Indenture.

If Redeemed During the 12 Months Period Ending March 31	Regular	Special
	Redemption Price	Redemption Price
	Expressed as Percentages of the Principal Amount of the Bonds	
1950	104.50	101.52
1951	104.35	101.48
1952	104.20	101.45
1953	104.05	101.41
1954	103.90	101.38
1955	103.75	101.34
1956	103.60	101.30
1957	103.45	101.27

If Redeemed During the 12 Months Period Ending March 31	Regular Redemption Price	Special Redemption Price
	Expressed as Percentages of the Principal Amount of the Bonds	
1958	103.30	101.23
1959	103.15	101.18
1960	103.00	101.14
1961	102.85	101.10
1962	102.70	101.05
1963	102.55	101.01
1964	102.40	100.96
1965	102.25	100.91
1966	102.10	100.86
1967	101.95	100.81
1968	101.80	100.76
1969	101.65	100.71
1970	101.50	100.65
1971	101.35	100.59
1972	101.20	100.53
1973	101.05	100.47
1974	100.90	100.41
1975	100.75	100.35
1976	100.60	100.28
1977	100.45	100.21
1978	100.30	100.14
1979	100.15	100.07

Such redemption in every case shall be effected upon notice given by publication once in each of three separate calendar weeks in an authorized newspaper, printed in the English language and published and of general circulation in the Borough of Manhattan, The City of New York (the first of such publications to be no more than sixty and not less than thirty days before the redemption date), and, if any of the Bonds are registered, similar notice shall be sent by the Company through the mail, postage prepaid, at least thirty days and not more than sixty days prior to the redemption date, to the registered owners of such Bonds, at their addresses as the same shall appear, if at all, on the transfer register of the Company, all subject to the conditions of, and as more fully set forth in, the Indenture.

In case an event of default, as defined in the Indenture, shall occur, the principal of all the Bonds at any such time outstanding under the Indenture may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be waived by the holders of a majority in principal amount of the Bonds outstanding.

This Bond is transferable by the registered owner hereof, in person or by duly authorized attorney, on the books of the Company to be kept for that purpose at the agency of the Company in the Borough of Manhattan, The City of New York, and at the agency of the Company in the City of Chicago, Illinois, upon surrender and cancellation of this Bond and on presentation of a duly executed written instrument of transfer, and thereupon a new registered Bond or Bonds without coupons of the same series, of the same aggregate principal amount and in authorized denominations will be issued to the transferee or transferees in exchange herefor; and this Bond, with or without others of like form and series, may in like manner be exchanged for one or more new registered Bonds of the same series of other authorized denominations but of the same aggregate principal amount; or the registered owner of this Bond, at his option, may in like manner surrender the same for cancellation in exchange for the same aggregate principal amount of coupon Bonds of the same series and in authorized denominations, with coupons attached maturing on and after the next ensuing interest date; all upon payment of the charges and subject to the terms and conditions set forth in the Indenture.

No recourse shall be had for the payment of the principal of, or the interest on, this Bond, or for any claim based hereon or on the Indenture or any indenture supplemental thereto, against any incorporator, or against any stockholder, director or officer, past, present or future, of the Company, or of any predecessor or successor corporation, as such, either directly or through the Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, of incorporators, stockholders, directors or officers being released by every owner hereof by the acceptance of

this Bond and as part of the consideration for the issue hereof, and being likewise released by the terms of the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose, until Harris Trust and Savings Bank, the Trustee under the Indenture, or a successor trustee thereto under the Indenture, shall have signed the form of certificate endorsed hereon.

IN WITNESS WHEREOF, The Kansas Power and Light Company has caused this Bond to be signed in its name by its President or a Vice President, and its corporate seal (or a facsimile thereof) to be hereto affixed and attested by its Secretary or an Assistant Secretary.

Dated,

THE KANSAS POWER AND LIGHT COMPANY,

By

Vice President.

Attest:

.....
Assistant Secretary.

[FORM OF TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds, of the series designated herein, described in the within-mentioned Mortgage and Deed of Trust of July 1, 1939 and Supplemental Indenture of April 1, 1949.

HARRIS TRUST AND SAVINGS BANK,
Trustee,

By
Authorized Officer.

SECTION 4. Until Bonds of 1979 Series in definitive form are ready for delivery, the Company may execute, and upon its request in writing the Trustee shall authenticate and deliver, in lieu thereof, Bonds of 1979

Series in temporary form, as provided in Section 9 of Article II of the Original Indenture. Such Bonds of 1979 Series in temporary form may, in lieu of the statement of the specific redemption prices required to be set forth in such Bonds in definitive form, include a reference to this Supplemental Indenture for a statement of such redemption prices.

ARTICLE II.

ISSUE OF BONDS OF 1979 SERIES.

SECTION 1. The total principal amount of Bonds of 1979 Series which may be authenticated and delivered herein is not limited except as the Original Indenture and this Supplemental Indenture limit the principal amount of bonds which may be issued thereunder.

SECTION 2. Bonds of 1979 Series for the aggregate principal amount of Ten Million Dollars (\$10,000,000), being the initial issue of Bonds of 1979 Series may forthwith be executed by the Company and delivered to the Trustee and shall be authenticated by the Trustee and delivered (either before or after the filing or recording hereof) to or upon the order of the Company, upon receipt by the Trustee of the resolutions, certificates, instruments and opinions required by Sections 3 and 4 of Article III of the Original Indenture, subject to the provisions of this Supplemental Indenture of April 1, 1949.

ARTICLE III.

REDEMPTION.

SECTION 1. The Bonds of 1979 Series shall, subject to the provisions of Article V of the Original Indenture, be redeemable (otherwise than for the Improvement and Sinking Fund or the Maintenance Fund, provided in Article IV hereof, and otherwise than pursuant to Section 8 of Article VIII of the Original Indenture), at any time or from time to time prior to maturity, at the option of the Board of Directors of the Company, either as a whole or in part by lot, upon payment of the regular redemption prices applicable to the respective periods set forth below, together, in each case, with accrued interest to the redemption date:

If Redeemed During the 12 Months Period Ending March 31	Regular Redemption Price Expressed as Percentage of the Principal Amount of the Bonds
1950	104.50
1951	104.35
1952	104.20
1953	104.05
1954	103.90
1955	103.75
1956	103.60
1957	103.45
1958	103.30
1959	103.15
1960	103.00
1961	102.85
1962	102.70
1963	102.55
1964	102.40
1965	102.25
1966	102.10
1967	101.95
1968	101.80
1969	101.65
1970	101.50
1971	101.35
1972	101.20
1973	101.05
1974	100.90
1975	100.75
1976	100.60
1977	100.45
1978	100.30
1979	100.15

The Bonds of 1979 Series shall, subject to the provisions of Article V of the Original Indenture, be redeemable through the operation of the Improvement and Sinking Fund or the Maintenance Fund, provided in Article IV hereof, or pursuant to Section 8 of Article VIII of the Original Indenture, at any time or from time to time prior to maturity upon payment of the special redemption prices applicable to the respective periods set forth below, together, in each case,

with accrued interest to the redemption date; provided, however, that in the case of redemption of Bonds of 1979 Series through the operation of said Improvement and Sinking Fund, if the date fixed for such redemption shall be earlier than January 1 of the year in which the deposit of the moneys applied to such redemption shall become due, such redemption shall be at the applicable regular redemption price above set forth;

If Redeemed During the 12 Months Period Ending March 31	Special Redemption Price Expressed as Percentage of the Principal Amount of the Bonds
1950	101.52
1951	101.48
1952	101.45
1953	101.41
1954	101.38
1955	101.34
1956	101.30
1957	101.27
1958	101.23
1959	101.18
1960	101.14
1961	101.10
1962	101.05
1963	101.01
1964	100.96
1965	100.91
1966	100.86
1967	100.81
1968	100.76
1969	100.71
1970	100.65
1971	100.59
1972	100.53
1973	100.47
1974	100.41
1975	100.35
1976	100.28
1977	100.21
1978	100.14
1979	100.07

SECTION 2. Subject to the provisions of Article V of the Original Indenture, notice of redemption shall be given by publication once in each of three separate calendar weeks in an authorized newspaper in the Borough of Manhattan, The City of New York, the first of such publications to be not more than sixty and not less than thirty days prior to the date fixed for redemption, and, if any of the Bonds to be redeemed are registered Bonds or coupon Bonds registered as to principal, similar notice shall be sent by the Company through the mails, postage prepaid, at least thirty days and not more than sixty days prior to the date of redemption, to the registered owners of such Bonds at their addresses as the same shall appear, if at all, on the transfer register of the Company.

ARTICLE IV.

IMPROVEMENT AND SINKING FUND AND MAINTENANCE FUND RESPECTING BONDS OF 1979 SERIES.

SECTION 1. The Company covenants and agrees that, so long as any Bonds of 1979 Series are outstanding, it will, as an Improvement and a Sinking Fund provision, on or before April 30 of each year beginning with the year 1950, deposit with the Trustee an amount in cash and/or a principal amount of theretofore issued and outstanding Bonds of 1979 Series, not theretofore made the basis for the authentication and delivery of Bonds or the withdrawal of cash or the reduction of the amount of cash required to be paid to the Trustees under any provision of the Original Indenture or of this Supplemental Indenture, equal in the aggregate to one per cent (1%) of (a) the greatest aggregate principal amount of all issued Bonds of 1979 Series outstanding at any one time prior to January 1 of such year less (b) the aggregate principal amount of all issued Bonds of 1979 Series retired (other than through operation of the Improvement and Sinking Fund or the Maintenance Fund provided for herein) pursuant to Section 8 of Article VIII of the Original Indenture prior to the date of such deposit; provided, however, that there shall be credited against the amount of cash and/or principal amount of Bonds of 1979 Series so required to be deposited with the Trustee an amount equal to sixty per cent (60%) of the amount of net bondable value of property additions not subject to an unfunded prior lien which the Company then elects to make the basis of a credit under this Section.

On or before April 30 of each such year, the Company shall deliver to the Trustee:

(a) an officers' certificate which shall state:

(1) the greatest aggregate principal amount of Bonds of 1979 Series outstanding at any one time prior to January 1 of such year; and

(2) the aggregate principal amount of all issued Bonds of 1979 Series retired (other than through operation of the Improvement and Sinking Fund or the Maintenance Fund provided for herein) pursuant to Section 8 of Article VIII of the Original Indenture prior to the date of such officers' certificate;

and

(b) if the Company then elects to make the basis of a credit under this section any amount of net bondable value of property additions not subject to an unfunded prior lien, the certificates, instruments, opinions, prior lien bonds and cash prescribed in Subdivisions (a) to (g), both inclusive, of Section 4 of Article III of the Original Indenture.

So long as any of the Bonds of 1979 Series are outstanding, property additions used as the basis of a credit under this Section shall not thereafter be made the basis for the authentication and delivery of Bonds or the withdrawal of cash or the reduction of the amount of cash required to be paid to the Trustee under any provision of the Original Indenture or this Supplemental Indenture.

Notwithstanding any other provisions of the Original Indenture or this Supplemental Indenture, the Company shall be permitted from time to time to anticipate in whole or in part the requirements of this Section becoming due on April 30 of the then current year or any subsequent year or years, by depositing cash and/or a principal amount of issued Bonds of 1979 Series with the Trustee in full satisfaction or in partial satisfaction of the requirements of this Section.

The Trustee, upon receipt of cash pursuant to the provisions of this Section, shall forthwith proceed to apply the same toward the purchase of issued Bonds of 1979 Series, in an aggregate principal amount not exceeding the amount of cash deposited, on any securities exchange or in the open market or at private sale at the price or prices most favor-

able to the Company in the judgment of the Trustee; provided, however, that no Bonds of 1979 Series shall be purchased at such price (including accrued interest and brokerage) that the cost thereof to the Company would exceed the cost of redeeming such Bonds of 1979 Series on a date forty days after the date of such purchase (including in such cost the premium, if any, and accrued interest from the interest date next preceding the date of purchase to such redemption date).

Notwithstanding the foregoing provisions of this Section, the Company, at the time of paying to the Trustee any Improvement and Sinking Fund payment, or at any time or from time to time thereafter, may, by a request in writing signed in the name of the Company by its President, or any Vice President, and its Treasurer or any Assistant Treasurer, accompanied by a certified resolution of the Board of Directors authorizing or directing the Trustee to apply an amount therein specified to the redemption of Bonds of 1979 Series, direct the Trustee to apply such Improvement and Sinking Fund payment or any part thereof (not theretofore disbursed by the Trustee for the purchase of Bonds of 1979 Series or required for the purchase of Bonds of 1979 Series under offers or proposals theretofore accepted by the Trustee) to the redemption of Bonds of 1979 Series, and in such event the amount so specified is hereby required to be applied promptly to the redemption of Bonds of 1979 Series. Upon receipt of such instrument in writing and certified resolution of the Board of Directors, the Trustee shall select by lot, in any manner determined by the Trustee to be equitable, from the Bonds of 1979 Series, the particular Bonds of 1979 Series or portions thereof to be redeemed, in an aggregate principal amount sufficient to exhaust as nearly as may be the full amount so specified and within ten days after the receipt of such instrument in writing and certified resolution notify the Company of the particular Bonds of 1979 Series or portions thereof to be redeemed. The Company shall thereupon cause notice of such redemption to be given.

Notwithstanding any other provisions of this Section, if moneys in excess of the sum of Twenty-five thousand Dollars (\$25,000) deposited with the Trustee pursuant to this Section (except moneys which have theretofore been set aside for the purchase of Bonds of 1979 Series or for the redemption of Bonds of 1979 Series called for redemption) shall have remained on deposit for a period of ninety days, such moneys so

remaining on deposit shall promptly thereafter be applied by the Trustee to the redemption of issued Bonds of 1979 Series. In such case the Trustee shall select by lot in any manner determined by the Trustee to be equitable from the Bonds of 1979 Series the particular Bonds of 1979 Series or portions thereof to be redeemed in an aggregate principal amount sufficient to exhaust as nearly as may be the full amount of cash remaining on deposit with the Trustee pursuant to this Section and shall notify the Company of the particular Bonds of 1979 Series or portions thereof to be redeemed. The Company shall thereupon cause notice of such redemption to be given.

Any Bonds of 1979 Series delivered to, or purchased or redeemed by the Trustee pursuant to the provisions of this Section shall forthwith be cancelled by the Trustee and delivered to the Company and shall not be reissued, and, so long as any Bonds of 1979 Series are outstanding no Bonds of 1979 Series so delivered, purchased or redeemed and cancelled shall be made the basis for the authentication and delivery of Bonds, or the withdrawal of cash or the reduction of the amount of cash required to be paid to the Trustee under any provision of the Original Indenture or of this Supplemental Indenture.

SECTION 2. The Company covenants and agrees that, so long as any of the Bonds of 1979 Series are outstanding, it will provide a Maintenance Fund (herein called the Maintenance Fund), as follows:

The total expenditures of the Company for (i) maintenance and repairs, (ii) replacements, and (iii) bondable property in excess of retirements theretofore certified to the Trustee pursuant to this Section, for the period from January 1, 1949 to December 31, inclusive, of the last year included in said period (determined as hereinafter set forth), together with the amount of cash theretofore deposited with the Trustee during said period pursuant to this Section will be at least equal to 15% of the amount of operating revenues of the Company during the same period; to the extent of any deficiency, the Company will on or before each April 30 thereafter, either (x) certify to the Trustee expenditures for bondable property charged to plant accounts on or after January 1, 1949 in excess of the cost of property retirements credited to plant accounts of the Company on or after January 1, 1949 which, except as otherwise permitted in this Section, have not previously

been made the basis of the authentication and delivery of Bonds or the withdrawal of cash or the reduction of the amount of cash required to be paid to the Trustee under any provision of the Original Indenture or the Supplemental Indenture dated July 1, 1939 or this Supplemental Indenture, or (y) deposit cash or principal amount of Bonds of 1979 Series theretofore issued and outstanding, with the Trustee.

On or before April 30, 1950 and before each April 30 thereafter, the Company shall file with the Trustee:

(a) An officers' certificate stating as of the end of the calendar year preceding the date of the Certificate:

(i) the amount of the operating revenues of the Company, as defined in Section 4 of this Article IV during the period beginning January 1, 1949,

(ii) 15% of such amount;

(iii) the expenditures for maintenance and repairs charged to operating expense accounts of the Company for the period beginning January 1, 1949;

(iv) the expenditures for replacements for the period beginning January 1, 1949, which shall be deemed to be the cost of bondable property charged to plant accounts on and after January 1, 1949, in an amount equal to the cost of property retirements credited to plant accounts on and after January 1, 1949;

(v) the expenditures for bondable property charged to plant accounts on and after January 1, 1949 in excess of the cost of property retirements credited to plant accounts on and after January 1, 1949 and theretofore included in certificates filed with the Trustee pursuant to this paragraph (a);

(vi) the amount of any cash theretofore deposited with the Trustee pursuant to this Section;

and if the total of the amount set forth in subdivisions (iii) to (vi) inclusive of this paragraph (a) is less than the amount set forth in subdivision (ii) hereof to the extent of any such deficiency, further stating:

(vii) The expenditures for bondable property charged to plant accounts of the Company on and after January 1, 1949 in excess of the cost of property retirements credited to plant accounts on and after January 1, 1949 and not theretofore made the basis of the authentication and delivery of Bonds or the withdrawal of cash, or the reduction of the amount of cash required to be paid to the Trustee under any provision of the Original Indenture or of the Supplemental Indenture of July 1, 1939 or of this Supplemental Indenture for which the Company then elects to take credit under this Section; and

(viii) the amount of any cash or Bonds of 1979 Series theretofore issued and outstanding then to be deposited with the Trustee as a credit under this Section;

and

(b) if any of the bondable property referred to in subdivision (vii) of this paragraph (a) shall consist of property additions, the resolutions, certificates, instruments, opinion of counsel, prior lien Bonds and cash required by Section 3 of Article VIII of the Original Indenture, except that such documents shall refer to the reduction of cash rather than to the withdrawal of cash and the period to be specified in the engineer's certificate during which the property additions were purchased, constructed or otherwise acquired by the Company, shall commence on January 1, 1949.

Any cash deposited with the Trustee under this Section in accordance with the request of the Company expressed by a certified resolution shall be applied by the Trustee to the purchase or redemption of Bonds of 1979 Series or paid over to the Company upon delivery by the Company to the Trustee of an aggregate principal amount of issued Bonds of 1979 Series equal to the amount of cash so to be paid over. Any such cash may also be withdrawn by the Company upon compliance with the provisions of Section 3 of Article VIII of the Indenture.

Any Bonds of 1979 Series delivered to, or purchased or redeemed by, the Trustee pursuant to provisions of this Section shall forthwith be canceled by the Trustee and shall not be reissued. So long as any Bonds of 1979 Series are outstanding, no property additions included in the bondable property for which credit is claimed under subdivision (vii) of paragraph (a), and no Bonds purchased or redeemed pursuant

to the provisions of this Section, shall thereafter be used as a basis for the authentication and delivery of Bonds, or the withdrawal of cash or the reduction of the amount of cash required to be paid to the Trustee under any provision of the Original Indenture or of this Supplemental Indenture, unless the total of expenditures and credits previously certified to the Trustee under this Section, plus the total of cash deposited under this Section, is more than the Maintenance Fund requirement for the same period and then only to the extent of such excess.

SECTION 3. Upon the purchase or redemption by the Trustee of any Bonds of 1979 Series pursuant to the provisions of this Article:

(a) The Company shall pay to the Trustee all interest up to but not including the day of purchase or redemption, as the case may be, on all Bonds so purchased or redeemed, together with cash in the amount, if any, by which the aggregate purchase or redemption price (excluding interest) paid by the Trustee exceeds the aggregate principal amount of the Bonds purchased or redeemed. The cost of all advertising or publishing and all brokerage charges shall be paid by the Company, or, if paid by the Trustee, shall forthwith be paid to it by the Company upon demand.

(b) The Trustee shall pay to or upon the order of the Treasurer or an Assistant Treasurer of the Company, from any moneys deposited with the Trustee under Sections 1 or 2 of this Article IV, an amount equal to the amount by which the aggregate principal amount of Bonds purchased exceeds the aggregate purchase price (less interest) paid by the Trustee for such Bonds.

SECTION 4. The term "operating revenues of the Company" as that term is used in this Article IV herein shall mean and include all revenues derived by the Company from the operation of its plant and properties, remaining after deducting therefrom an amount equal to the aggregate cost to the Company of electric energy or gas purchased for resale to others and rentals paid for the use of property owned by others and leased to or operated by the Company and the maintenance of which and depreciation or depletion on which are borne by the owners.

SECTION 5. No moneys received by the Trustee pursuant to any provision of the Original Indenture or this Supplemental Indenture other than this Article IV, and no Bonds purchased or redeemed with such moneys pursuant to Section 8 of Article VIII of the Original Indenture, shall be credited at any time to or on account of the Improvement and Sinking Fund or Maintenance Fund provided for in this Article IV.

ARTICLE V.

ADDITIONAL COVENANTS.

The Company hereby covenants, warrants and agrees:

SECTION 1. That, so long as any of the Bonds of 1979 Series are outstanding, the Company will not declare any dividend on its common stock (other than dividends payable solely in shares of common stock) or make any other distribution on or acquire for value any shares of its common stock (except in exchange for shares of common stock), unless, after giving effect to such declaration, distribution or acquisition, the sum of

(a) all amounts expended by the Company, during the period commencing April 1, 1949 and ending on the last day of the second month preceding the month in which such dividend is paid or in which such distribution or acquisition is made, for maintenance and repairs and included or reflected in its operating expense accounts,

(b) all appropriations from income, or from earned surplus accumulated during such period, made by the Company during such period for depreciation and depletion of its plants or property, and

(c) the amount by which (i) the sum of \$1,763,592 plus the net income (computed in accordance with sound accounting practice) of the Company during such period applicable to the common stock of the Company exceeds (ii) the total amount disbursed by the Company during such period as dividends on its common stock (other than dividends payable in common stock) and otherwise distributed on its common stock and expended during such period in acquiring shares of its common stock

shall be equal to or in excess of fifteen per cent (15%) of the operating revenues of the Company, as defined in Section 4 of Article IV of this Supplemental Indenture, during such period. The earned surplus of the Company as at April 1, 1949, with the exception of \$1,763,592 thereof, shall be restricted against payment of dividends on the common stock (other than dividends payable solely in shares of common stock) of the Company. Nothing contained herein, however, shall be construed to prevent the Company from charging to earned surplus accumulated prior to April 1, 1949 (1) surplus charges (including, without limiting the generality thereof, surplus charges such as depreciation adjustments, judgments, settlement of claims, taxes and interest thereon) applicable to a period prior to such date, (2) charges for the write-off of unamortized debt discount, premium and expense carried on the books of the Company at March 31, 1949, made pursuant to any rule, regulation, requirement or order of any governmental authority having jurisdiction in the premises, (3) charges for the write-off or write-down, approved by or made pursuant to any rule, regulation, requirement or order of any governmental authority having jurisdiction in the premises, of the amount at which any property of the Company was carried in its plant accounts or in any other accounts as a result of transfer from its utility plant accounts as shown on its books at March 31, 1949, or (4) charges for the write-off of any capital stock expense applicable to the preferred stock of the Company outstanding as at March 31, 1949, or of any commission and expense or any premiums, duplicate interest charges and duplicate dividend requirements which may be incurred in connection with any refinancing of the bonds and preferred stock of the Company outstanding as at March 31, 1949. The Company shall credit to earned surplus accumulated prior to April 1, 1949 any credits to earned surplus which are in accordance with good accounting practice applicable to a period prior to such date.

SECTION 2. That the Company is lawfully seized and possessed of all of the mortgaged property described in the granting clauses of this Supplemental Indenture; that it has good right and lawful authority to mortgage the same as provided in this Supplemental Indenture; and that such mortgaged property is, at the actual date of the initial issue of the Bonds of 1979 Series, free and clear of any deed of trust, mortgage, lien, charge or encumbrance thereon or affecting the title thereto prior to the Indenture, except as set forth in the granting clauses of the Original Indenture or this Supplemental Indenture.

SECTION 3: So long as any of the Bonds of 1979 Series are outstanding the provisions of Sections 3 and 4 of Article V of the Supplemental Indenture dated July 1, 1939 between the Company and Harris Trust and Savings Bank, as Trustee, shall continue in full force and effect and there shall be added to said Section 4 the following paragraph:

"The Bonds to be so retired shall include a principal amount of Bonds of 1979 Series which bears the same ratio to the aggregate principal amount of all Bonds so retired as the aggregate principal amount of all Bonds of 1979 Series outstanding immediately prior to such release bears to the total principal amount of all Bonds then outstanding."

ARTICLE VI.

AMENDMENTS OF RATIO OF BONDS ISSUABLE TO PROPERTY ADDITIONS, AND OF CERTAIN OTHER RATIOS.

SECTION 1. So long as any of the Bonds of the 1979 Series shall remain outstanding:

(1) Notwithstanding the provisions of Section 4 of Article III of the Original Indenture, no Bonds shall be authenticated and delivered pursuant to the provisions of Article III of the Original Indenture and issued upon the basis of net bondable value of property additions for an aggregate principal amount in excess of sixty percent (60%) of the net bondable value of property additions not subject to an unfunded prior lien.

For the purposes of subsections (e) and (f) of the definition of "net bondable value of property additions not subject to an unfunded prior lien", contained in Article I of the Original Indenture, and subdivisions 8 and 9 of clause (a) of Section 4 of Article III of the Original Indenture, in all computations made with respect to a period subsequent to April 1, 1949, the deductions therein referred to shall in each case be ten-sixths (10/6ths) of the respective amounts mentioned, in lieu of ten-sevenths (10/7ths).

(2) Notwithstanding the provisions of Section 3(a) of Article VIII of the Original Indenture, no moneys received by the Trustee pursuant to Section 5(a) of Article III of the Original Indenture shall be paid over by the Trustee in an amount in excess of sixty percent (60%) of the net bondable value of property additions not subject to an unfunded prior lien, and for the purposes of Section 3

of Article VII of the Original Indenture, the amount of cash required to be deposited by the Company pursuant to subsection (d) of said Section 3 of Article VII, shall not be reduced in an amount in excess of sixty percent (60%) of the net bondable value of property additions not subject to an unfunded prior lien.

(3) For the purposes of clauses (c) and (d) of the definition of "net bondable value of property additions subject to an unfunded prior lien", contained in Article I of the Original Indenture, and subsection 7 of clause (a) of Section 4 of Article III of the Original Indenture, in all computations made with respect to a period subsequent to April 1, 1949, the deductions therein referred to shall in each case be ten-sixths (10/6ths) of the respective amounts mentioned, in lieu of ten-sevenths (10/7ths).

(4) Subsection (a) of Section 14, clauses (1) and (2) of subsection (a) of Section 16 of Article IV and clause (1) of Subsection (b) of Section 1 of Article XII of the Original Indenture shall be deemed amended by substituting the words "sixty percent (60%)" for "seventy percent (70%)" where they appear in said provisions of the Original Indenture.

(5) The definition of the term "net earnings available for interest, depreciation and property retirement", as contained in Article I of the Original Indenture, shall be deemed to mean the net earnings of the Company ascertained as follows:

(a) The total operating revenues of the Company and the net non-operating revenues of the properties of the Company shall be ascertained.

(b) From the total, determined as provided in Subsection (a), there shall be deducted all operating expenses, including all salaries, rentals, insurance, license and franchise fees, expenditures for repairs and maintenance, taxes (other than income, excess profits and other taxes measured by or dependent on net taxable income), depreciation as shown on the books of Company or an amount equal to the minimum provision for depreciation as hereinafter defined, whichever is greater, but excluding all property retirement appropriations, all interest and sinking fund charges, amortization of stock and debt discount and expense or premium and further excluding any charges to

income or otherwise for the amortization of plant or property accounts or of amounts transferred therefrom.

(c) The balance remaining after the deduction of the total amount computed pursuant to Subsection (b) from the total amount computed pursuant to Subsection (a) shall constitute the "net earnings of the Company available for interest", provided that not more than fifteen percent (15%) of the net earnings of the Company available for interest may consist of the aggregate of (i) net non-operating income, (ii) net earnings from mortgaged property other than property of the character of property additions, and (iii) net earnings from property not subject to the lien of this Indenture.

(d) No income received or accrued by the Company from securities and no profits or losses from the sale of capital assets shall be included in making the computations aforesaid.

(e) In case the Company shall have acquired any acquired plant or systems or shall have been consolidated or merged with any other corporation, within or after the particular period for which the calculation of net earnings of the Company available for interest, depreciation and property retirement is made, then, in computing the net earnings of the Company available for interest, depreciation and property retirement, there may be included, to the extent they may not have been otherwise included, the net earnings or net losses of such acquired plant or system or of such other corporation, as the case may be, for the whole of such period. The net earnings or net losses of such property additions, or of such other corporation, for the period preceding such acquisition or such consolidation or merger, shall be ascertained and computed as provided in the foregoing subsections of this definition as if such acquired plant or system had been owned by the Company during the whole of such period, or as if such other corporation had been consolidated or merged with the Company prior to the first day of such period.

(f) In case the Company shall have obtained the release of any property pursuant to Section 3 of Article VII of the Original Indenture, of a fair value in excess of Five hundred thousand dollars as shown by the engineer's certificate required by said Section 3, or shall have obtained the release of any property

pursuant to Section 5 of Article VII of the Original Indenture, the proceeds of which shall have exceeded Five hundred thousand dollars, within or after the particular period for which the calculation of net earnings of the Company available for interest, depreciation and property retirement is made, then, in computing the net earnings of the Company available for interest, depreciation and property retirement, the net earnings or net losses of such property for the whole of such period shall be excluded to the extent practicable on the basis of actual earnings and expenses of such property or on the basis of such estimates of the earnings and expenses of such property as the signers of an officers' certificate filed with the Corporate Trustee pursuant to Section 3(b) of Article III or Section 16 of Article IV of the Original Indenture shall deem proper.

The term "minimum charge for depreciation" as used herein shall mean an amount equal to (a) fifteen percent (15%) of the total operating revenues of the Company after deducting therefrom an amount equal to the aggregate cost to the Company of electric energy, gas and water purchased for resale to others and rentals paid for, or other payments made for the use of, property owned by others and leased to or operated by the Company, the maintenance of which and depreciation on which is borne by the owners, less (b) an amount equal to the expenditures for maintenance and repairs to the plants and property of the Company and included or reflected in its operating expense accounts.

The terms "net earnings of property available for interest, depreciation and property retirement" and "net earnings of another corporation available for interest, depreciation and property retirement" as contained in Article I of the Original Indenture, when used with respect to any property or with respect to another corporation, and shall mean the net earnings of such property or the net earnings of such other corporation, as the case may be, computed in the manner provided in subsections (a), (b), (c) and (d) hereof.

(6) Notwithstanding the provisions of clauses (1) and (2) of subsection (b) of Section 3 of Article III and subsection (b) of Section 14 of Article IV, and subsection (b) of Section 16 of Article

IV and clause (2) of subsection (b) of Section 1 of Article XII of the Original Indenture, the computation of net earnings required therein shall be made as provided in subsection (5) of this Section 1 of this Second Supplemental Indenture, and the net earnings tests required in said mentioned provisions of Articles III, IV and XII of the Original Indenture shall be based on two times the annual interest charges described in such provisions, instead of two and one-half times such charges, but shall not otherwise affect such provisions or relieve from the requirements therein pertaining to ten per cent (10%) of the principal amount of bonds therein described.

ARTICLE VII.

MISCELLANEOUS PROVISIONS.

SECTION 1. The Trustee accepts the trusts herein declared, provided, created or supplemented and agrees to perform the same upon the terms and conditions herein and in the Original Indenture set forth and upon the following terms and conditions:

SECTION 2. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Second Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general each and every term and condition contained in Article XIII of the Original Indenture, as amended by this Second Supplemental Indenture, shall apply to and form part of this Second Supplemental Indenture with the same force and effect as if the same were herein set forth in full with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this Second Supplemental Indenture.

SECTION 3. Whenever in this Second Supplemental Indenture either of the parties hereto is named or referred to, such reference shall, subject to the provisions of Articles XII and XIII of the Original Indenture, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this Second Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the

Trustee shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

SECTION 4. Nothing in this Second Supplemental Indenture, expressed or implied, is intended or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons outstanding under the Indenture, any right, remedy or claim under or by reason of this Second Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Second Supplemental Indenture contained by and on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons outstanding under the Indenture.

SECTION 5. This Second Supplemental Indenture shall be simultaneously executed in several counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

SECTION 6. The titles of the several Articles of this Second Supplemental Indenture shall not be deemed to be any part thereof.

ARTICLE VIII.

SECTION 1. For the purpose of qualification of the Indenture, under the Trust Indenture Act of 1939, the Original Indenture is hereby amended by adding thereto new Articles XVIII to XXII (both inclusive) to read as follows:

"ARTICLE XVIII.

DEFINITION OF CERTAIN TERMS—ADDITIONAL COVENANTS WITH RESPECT TO RECORDING AND FILING, PAYING AGENTS AND COMPLIANCE WITH CONDITIONS.

SECTION 1. Any term defined in Section 303 of the Trust Indenture Act of 1939 and not defined in this Indenture shall have the

meaning assigned to such term in such Section 303 as in force on the date of the execution of the Second Supplemental Indenture dated as of April 1, 1949, hereinafter sometimes called "Second Supplemental Indenture".

SECTION 2. The Company covenants and agrees that, in addition to any opinions of counsel heretofore furnished to the Trustee with respect to recording, filing, re-recording and refiling, it will furnish to the Trustee (a) promptly after the execution and delivery of the Second Supplemental Indenture or any other indenture supplemental to this Indenture, executed and delivered subsequently to the Second Supplemental Indenture, an opinion of counsel (who may be of counsel for the Company) either stating that in the opinion of such counsel the Original Indenture and each indenture supplemental thereto, including this Second Supplemental Indenture, have been properly recorded and filed so as to make effective any lien intended to be created thereby, and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary to make such lien effective; and (b) on or before the first day of April in each year commencing with the year 1950, an opinion of counsel (who may be of counsel for the Company) either stating that in the opinion of such counsel such action has been taken with respect to recording, filing, re-recording and refiling of the Original Indenture and of each indenture supplemental thereto as is necessary to maintain the lien thereof, and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary to maintain such lien.

SECTION 3. (a) The Company covenants that, if it shall appoint a paying agent other than the Trustee, it will cause such paying agent to execute and deliver to the Trustee an instrument in which it shall agree with the Trustee, subject to the provisions of this Section, (1) that such paying agent shall hold in trust for the benefit of the Bondholders or the Trustee all sums held by such paying agent for the payment of the principal of or interest on the Bonds; and (2) that such paying agent shall give the Trustee notice of any default by the obligor in the making of any deposit with it for the payment of the principal of or interest on the Bonds

and of any default by the obligor in the making of any such payment. Such paying agent shall not be obligated to segregate such sums from other funds of such paying agent, except to the extent required by law.

(b) The Company covenants that if the Company acts as its own paying agent, it will, on or before each due date of the principal of or of any instalment of interest on the Bonds, set aside and segregate and hold in trust for the benefit of the Bondholders or the Trustee a sum sufficient to pay such principal or interest so becoming due on the Bonds and will notify the Trustee of such action, or of any failure to take such action.

(c) Anything in this Section to the contrary notwithstanding, the Company may at any time, for the purpose of obtaining a release or satisfaction of this Indenture or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by it or any paying agent as required by this Section, such sums to be held by the Trustee upon the trusts in this Indenture contained.

(d) Anything in this Section to the contrary notwithstanding, the holding of sums in trust as provided in this Section is subject to the provisions of Section 9 of Article VIII of the Indenture.

SECTION 4. In the case of conditions precedent provided for in this Indenture (including any covenants compliance with which constitutes a condition precedent) which relate to the authentication and delivery of Bonds, to the release or the release and substitution of property subject to the lien of this Indenture, to the satisfaction and discharge of this Indenture, or to any other action to be taken by the Trustee at the request or upon the application of the Company, the Company covenants to furnish to the Trustee, as evidence of compliance with such conditions precedent, in addition to or as a part of the certificates or opinions of officers of the Company or other persons required in such cases by the other applicable provisions of this Indenture:

(a) certificates or opinions made by the President or a Vice-President and the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Company stating that such conditions precedent have been complied with; and

(b) an opinion of counsel (who may be of counsel for the Company) stating that in his or their opinion such conditions precedent have been complied with.

In any case where a certificate of net earnings is required as a condition precedent to the authentication and delivery of Bonds, such certificate shall also be made and signed by an independent public accountant selected or approved by the Trustee in the exercise of reasonable care, if the aggregate principal amount of Bonds then applied for plus the aggregate principal amount of Bonds authenticated and delivered hereunder since the commencement of the then current calendar year (other than those with respect to which a certificate of net earnings is not required, or with respect to which a certificate of net earnings made and signed by an independent public accountant has previously been furnished to the Trustee) is ten per centum (10%) or more of the aggregate amount of the Bonds at the time outstanding; but no certificate of net earnings need be made and signed by any person other than the President or a Vice-President and an accountant, as to dates or periods not covered by annual reports required to be filed by the Company, in the case of conditions precedent which depend upon a state of facts as of a date or dates or for a period or periods different from that required to be covered by such annual reports but, in any event, one of the signers thereof shall be an accountant.

Section 5. Notwithstanding the provisions of Sections 3 and 4 of Article III; Sections 3 and 4 of Article VII, and Sections 1, 2, 3, 4, 6 and 7 of Article VIII hereof, the Company covenants and agrees that, as hereinafter provided, it will furnish to the Trustee, in addition to or as a part of certificates or opinions of officers of the Company or other persons required by the applicable provisions of this Indenture, the following certificates or opinions:

(a) In the event that the Company shall make application to the Trustee for the release from the lien of this Indenture of any property or any securities, the Company shall furnish to the Trustee a certificate or opinion of an engineer, appraiser, or other expert as to the fair value of such property or securities to be

released, which certificate or opinion shall state that in the opinion of the person making the same the proposed release will not impair the security under this Indenture in contravention of the provisions thereof. If the fair value of such property or securities and of all other property or securities released since the commencement of the then current calendar year, as set forth in the certificates or opinions required by this subdivision (a), is ten per centum (10%) or more of the aggregate principal amount of the Bonds outstanding under this Indenture at the time, such certificate or opinion shall be made by an independent engineer, appraiser, or other expert; provided, however, that such certificate or opinion of an independent engineer, appraiser, or other expert shall not be required in the case of any release of property or securities, if the fair value thereof as set forth in the certificate or opinion required by this subdivision (a) is less than Twenty-five Thousand Dollars (\$25,000) or less than one per centum (1%) of the aggregate principal amount of the Bonds outstanding under this Indenture at the time.

(b) In the event that the deposit with the Trustee of any securities (other than Bonds issued under this Indenture and securities secured by a lien prior to the lien of this Indenture upon property subject to the lien of this Indenture) is to be made the basis for the withdrawal of cash constituting a part of the trust estate or the release of property or securities subject to the lien of this Indenture, the Company shall furnish to the Trustee a certificate or opinion of an engineer, appraiser, or other expert as to the fair value to the Company of such securities. If the fair value to the Company of such securities and of all other such securities made the basis of any such withdrawal of cash or release of property or securities since the commencement of the then current calendar year, as set forth in the certificates or opinions required by this subdivision (b), is ten per centum (10%) or more of the aggregate principal amount of the Bonds outstanding under this Indenture at the time, such certificate or opinion shall be made by an independent engineer, appraiser, or other expert; provided, however, that such a certificate of an independent engineer, appraiser, or other expert shall not

be required with respect to any securities so deposited, if the fair value thereof to the Company as set forth in the certificate or opinion required by this subdivision (b) is less than Twenty-five Thousand Dollars (\$25,000) or less than one per centum (1%) of the aggregate principal amount of Bonds outstanding under this Indenture at the time.

(c) If the Company shall make application to the Trustee for the authentication and delivery of Bonds, the withdrawal of cash, constituting a part of the trust estate, or the release of property or securities subject to the lien of this Indenture, there shall be furnished to the Trustee, a certificate or opinion of an engineer, appraiser or other expert as to the fair value to the Company of any property the subjection of which to the lien of this Indenture is to be made the basis for such authentication and delivery of Bonds, withdrawal of cash or release of property or securities and if

(A) within six months prior to the date of acquisition thereof by the Company the property so subjected has been used or operated by a person or persons other than the Company, in a business similar to that in which it has been or is to be used by the Company, and

(B) the fair value to the Company of such property as set forth in such certificate or opinion is not less than Twenty-five Thousand Dollars (\$25,000) and not less than one per centum (1%) of the aggregate principal amount of the bonds at the time outstanding,

such certificate or opinion shall be made by an independent engineer, appraiser or other expert and, in the case of the authentication and delivery of Bonds, shall cover the fair value to the Company of any property so used or operated which has been so subjected to the lien of this Indenture since the commencement of the then current year, and as to which a certificate or opinion of an independent engineer, appraiser or other expert has not previously been furnished.

(d) Any certificate or opinion required under the provisions of this Section may be made by an officer or employee of the Company who is an engineer, appraiser, or other expert, appointed by the Board of Directors of the Company and approved by the Trustee, except in cases in which this Section requires that such certificate or opinion be made by an independent person. In cases in which such certificate or opinion is required to be made by an independent person, such certificate or opinion shall be made by an engineer, appraiser, or other expert who is in fact independent and who is selected by the Company and approved by the Trustee in the exercise of reasonable care. The approval by the Trustee of the maker of such certificate or opinion shall be sufficiently evidenced by the acceptance of such certificate or opinion.

If, in any case within the provisions of this Section, a qualified officer or employee of the Company or an independent engineer, appraiser, or other expert is permitted or required by another applicable provision of this Indenture to make or join in the signing of a certificate with respect to the fair value of property or securities covered by the provisions of this Section, the certificate or opinion required under this Section may be incorporated into and included in such certificate or opinion required under such other applicable provision of this Indenture.

Section 6. The Company covenants and agrees that each certificate or opinion which is specifically required by the provisions of this Indenture to be delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall, among other things, include (1) a statement that the person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (3) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to

whether or not, in the opinion of such person, such condition or covenant has been complied with.

ARTICLE XIX.

REPORTS BY THE COMPANY AND THE TRUSTEE.

SECTION 1. The Company covenants and agrees

(1) to file with the Trustee, within fifteen (15) days after the Company is required to file the same with the Securities and Exchange Commission, copies of the annual reports and of the information, documents, and other reports (or copies of such portions of any of the foregoing as such Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with such Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934; or, if the Company is not required to file information, documents, or reports pursuant to either of such sections, then to file with the Trustee and the Securities and Exchange Commission in accordance with rules and regulations prescribed from time to time by said Commission, such of the supplementary and periodic information, documents, and reports which may be required pursuant to Section 13 of the Securities Exchange Act of 1934 in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(2) to file with the Trustee and the Securities and Exchange Commission, in accordance with the rules and regulations prescribed from time to time by said Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants provided for in this Indenture as may be required from time to time by such rules and regulations, including, in the case of annual reports, if required by such rules and regulations, certificates or opinions of independent public accountants, conforming to the requirements of Section 6 of Article XVIII hereof, as to compliance with conditions or covenants, compliance with which is subject to verification by accountants; but no such certificate or opinion shall be required as to (A) dates or

periods not covered by annual reports required to be filed by the Company, in the case of conditions precedent which depend upon a state of facts as of a date or dates or for a period or periods different from that required to be covered by such annual reports or (B) the amount and value of property additions, except as provided in paragraph (c) of Section 5 of Article XVIII hereof, or (C) the adequacy of depreciation, maintenance or repairs;

(3) to transmit to the holders of Bonds, in the manner and to the extent provided in subsection (c) of Section 2 of this Article, with respect to reports pursuant to subsection (a) of said Section 2, such summaries of any information, documents and reports required to be filed by the Company pursuant to subsections (1) and (2) of this Section as may be required by rules and regulations prescribed from time to time by the Securities and Exchange Commission; and

(4) to furnish to the Trustee (a) with or as a part of each annual report and each other document or report filed with the Trustee pursuant to subsections (1) and (2) of this Section, an officers' certificate stating that in the opinion of the signers such annual report or other document or report complies with the requirements of such subsections (1) and (2), and (b) after the Company shall have transmitted to the holders of bonds any summary of information, documents or reports pursuant to subsection (3) of this Section, an officers' certificate stating that in the opinion of the signers such summary complies with the requirements of such subsection (3).

Each certificate furnished to the Trustee pursuant to the provisions of this Section shall conform to the requirements of Section 6 of Article XVIII hereof.

SECTION 2. (a) The Trustee shall transmit, within sixty (60) days after May 15 in each year, beginning with the year 1950, to the Bondholders as hereinafter in this Section provided, a brief report dated as of May 15 of each such year, with respect to

(1) its eligibility and qualifications under Sections 5 and 8 of Article XIII hereof, or in lieu thereof, if to the best of its knowledge the Trustee has continued to be eligible and qualified under such Sections, a written statement to such effect;

(2) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee, as such, which remain unpaid on the date of such report, and for the reimbursement of which the Trustee claims or may claim a lien or charge, prior to that of the Bonds on the trust estate, or on property or funds held or collected by it as Trustee, provided that the Trustee shall not be required (but may elect) to state such advances, if such advances so remaining unpaid aggregate not more than one-half of one per centum ($\frac{1}{2}$ of 1%) of the principal amount of the Bonds outstanding on the date of such report;

(3) the amount, interest rate, and maturity date of all other indebtedness owing by the obligor to the Trustee in its individual capacity on the date of such report, with a brief description of any property held as collateral security therefor, except an indebtedness based upon a creditor relationship arising in any manner described in paragraphs (2), (3), (4) or (6) of subsection (b) of Section 9 of Article XIII hereof;

(4) the property and funds physically in the possession of the Trustee, as such Trustee, on the date of such report;

(5) any release, or release and substitution, of property subject to the lien of this Indenture, since the date of the Second Supplemental Indenture, (and the consideration therefor, if any) which has not been previously reported, provided, however, that to the extent that the aggregate value as shown by the release papers of any or all of such released properties does not exceed an amount equal to one per centum (1%) of the principal amount of Bonds then outstanding, the report need only indicate the number of such releases, the total value of property released as shown by the release papers, the aggregate amount of cash received and the aggregate value of property received in substitution therefor as shown by the release papers;

(6) any additional issue of Bonds subsequent to April 1, 1949, which has not been previously reported; and

(7) any action taken by the Trustee in the performance of its duties under this Indenture, since the date of the Second Supple-

mental Indenture, which it has not previously reported and which in its opinion materially affects the Bonds or the trust estate, except action in respect of a default, as defined in Section 1 of Article IX hereof, notice of which has been or is to be withheld by it in accordance with the provisions of Section 3 of this Article.

(b) The Trustee shall transmit to the Bondholders as hereinafter provided a brief report with respect to—

(1) the release, or release and substitution, of property subject to the lien of this Indenture (and the consideration therefor, if any) unless the fair value of such property, as set forth in the certificate or opinion required by subsection (a) of Section 5 of Article XVIII hereof is less than ten per centum (10%) of the principal amount of Bonds outstanding at the time of such release, or such release and substitution, such report to be so transmitted within ninety (90) days after such time; and

(2) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee, as such, since the date of the last report transmitted pursuant to the provisions of subsection (a) of this Section (or if no such report has yet been so transmitted, since the date of execution of the Second Supplemental Indenture), for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Bonds on the trust estate or on property or funds held or collected by it as Trustee, and which it has not previously reported pursuant to this paragraph, provided that the Trustee shall not be required (but may elect) to state such advances, if such advances remaining unpaid at any time aggregate not more than ten per centum (10%) of the principal amount of Bonds outstanding at such time, such report to be transmitted within ninety (90) days after such time.

(c) Reports pursuant to this Section shall be transmitted by mail—

(1) to all registered holders of Bonds, as the names and addresses of such holders appear upon the registration books of the Company;

(2) to such holders of Bonds as have, within two years preceding such transmission, filed their names and addresses with the Trustee for that purpose; and

(3) except in the case of reports pursuant to subsection (b) of this Section, to each Bondholder whose name and address is preserved at the time by the Trustee, as provided in Section 23 of Article IV hereof.

(d) A copy of each such report shall, at the time of such transmission to Bondholders, be filed by the Trustee with each stock exchange upon which the Bonds are listed and also with the Securities and Exchange Commission. The Company shall notify the Trustee of the name and address of each stock exchange on which the Bonds are listed.

(e) The provisions of this Section which have been made specifically applicable to the Trustee, shall apply to the Trustee and, if a separate or co-trustee is appointed pursuant to Section 6 of Article XIII hereof, to any separate or co-trustee. Notwithstanding any of the provisions of this Section which require any separate or co-trustee, appointed pursuant to Section 6 of Article XIII hereof, to transmit reports to the Bondholders and to file such reports with each stock exchange upon which the Bonds are listed and also with the Securities and Exchange Commission, such separate or co-trustee may, if it so elects, furnish to the Trustee all information concerning such separate or co-trustee which such separate or co-trustee is required to report, and the Trustee shall transmit and file such information, in accordance with the provisions of this Section, on behalf of such separate or co-trustee.

(f) For the purpose of this Section, all Bonds which have been authenticated and delivered and not returned to the Trustee and cancelled, shall be deemed to be outstanding.

(g) The Company hereby covenants and agrees to pay all expenses of the Trustee incurred in preparing, transmitting, filing and mailing reports pursuant to this Section.

The opinion of counsel provided for in Section 5 of Article VII hereof shall state the amount of net proceeds received or to be received for the property taken or purchased and the amount so stated shall be

deemed to be the fair value of such property for the purpose of subdivision (b) of this Section.

SECTION 3. The Trustee shall, within ninety (90) days after the occurrence thereof, give to the holders of Bonds, in the manner and to the extent provided in subsection (c) of Section 2 of this Article, notice of all defaults known to the Trustee, unless such defaults shall have been cured before the giving of such notice (the term "defaults" for the purposes of this Section being hereby defined to be the events specified in Section 1 of Article IX of this Indenture not including any periods of grace provided for in said Section 1); but in the case of any default, as specified in subdivision (c) of said Section 1, no such notice shall be given until at least sixty (60) days after the occurrence thereof; provided that, except in the case of default in the payment of the principal of or interest on any of the Bonds, or in the payment of any installment of any fund required to be applied to the purchase or redemption of any of the Bonds hereby secured, the Trustee shall be protected in withholding such notice if and so long as the board of directors, executive committee, or a trust committee of directors and/or responsible officers, of the Trustee in good faith determines that the withholding of such notice is in the interest of the Bondholders and any separate or co-trustee who is an individual shall be protected in withholding such notice if and so long as such separate or co-trustee in good faith determines that the withholding of such notice is in the interest of the Bondholders.

The term "responsible officers" of the Trustee shall mean and include the chairman of the board of directors, the president, every vice-president, every assistant vice-president, the secretary, the treasurer, and every officer and assistant officer of the Trustee, other than those specifically above mentioned, to whom any corporate trust matter is referred because of his knowledge of, and familiarity with, a particular subject; and the term "responsible officer", as used in this Indenture, shall mean and include any of said officers.

SECTION 4. Section 23 of Article IV of the Original Indenture is amended by inserting in the seventh line of the third paragraph thereof the words "within five days" immediately after the word "may," contained therein, and by inserting in place of paragraph (ii) of said section the following:

"(ii) If the Trustee shall elect not to afford to such applicant Bondholder access to such information, the Trustee shall upon written request of such applicant Bondholder mail to all Bondholders whose names and addresses appear in the most recent information in the possession of the Trustee, a copy of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed, and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after such tender the Trustee shall mail to such applicant Bondholder and file with the Securities and Exchange Commission together with a copy of the material to be mailed a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the holders of Bonds or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If said Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections, or if, after the entry of an order sustaining one or more of such objections, said Commission shall find, after notice and opportunity for a hearing, that all the objections so sustained have been met, and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Bondholders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicant Bondholder respecting his application."

Neither the Trustee, nor any paying agent shall be held liable or accountable by reason of the disclosure of information as to names and addresses or mailing of any material pursuant to any request made under this Section.

ARTICLE XX.

SECTION 1. If any provision of this Indenture limits, qualifies, or conflicts with another provision of this Indenture which has been required to be included pursuant to any requirements of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939, such required provision shall control.

The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of the Bondholders allowed in any judicial proceedings relative to the Company, or its creditors, or its property. For all purposes of this paragraph, the term "Company" shall mean the Company and any other obligor on the Bonds secured by the Indenture. If any provision of Section 8 of Article IX hereof limits, qualifies, or conflicts with any provision of this paragraph, such provision of this paragraph shall control.

SECTION 2. The second paragraph of the definition of Bondholders contained in Article I of the Original Indenture is hereby amended to read as follows:

"For the purposes of this Indenture any reference to a particular percentage or proportion of the Bondholders, or to a particular percentage or proportion of the holders of Bonds of a particular series, shall mean the holders at the particular time of the specified percentage or proportion in aggregate principal amount of all Bonds then outstanding under this Indenture, or of all Bonds of the particular series then outstanding under this Indenture, as the case may be, exclusive of Bonds or of Bonds of the particular series, as the case may be, held or owned by the Company and any other obligor upon such Bonds or by any affiliate of the Company or such obligor, whether or not theretofore issued, and whether held in the Company's treasury or, subject to Section 17 of Article IX, pledged to secure any indebtedness; except that for the purposes of determining whether the Trustee shall be protected in relying on any directions or consents received from bondholders, only the Bonds which the Trustee knows are so held or owned shall be so excluded."

For the purposes of the foregoing definition of Bondholders, the word "affiliate" shall mean any person that directly, or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, the Company or any other obligor on the Bonds.

The last paragraph of Section 6 of Article XV of the Original Indenture is hereby deleted.

SECTION 3. The words "to the knowledge of the Trustee" are hereby deleted from the third and fourth lines of Section 7 of Article VII of the Original Indenture.

SECTION 4. The words "incurred without negligence or bad faith" are hereby inserted after the word "liabilities" in the ninth line of Section 7 of Article IX and in the fifth line of the third paragraph of Article XVI, of the Original Indenture.

ARTICLE XXI.

CONCERNING THE TRUSTEE.

SECTION 1. The Trustee undertakes and, if a separate or co-trustee is appointed pursuant to Section 6 of Article XIII hereof, such separate or co-trustee undertakes, prior to an event of default, as defined in Section 1 of Article IX hereof, and after the curing of all such events of default which may have occurred, to perform such duties and only such duties as are specifically set forth in this Indenture, and in case of such event of default (which has not been cured) to exercise such of the rights and powers vested in them by this Indenture, and to use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. For the purposes of this Section 1 and of Section 2 of this Article an event of default shall be deemed cured when the act or omission or other event giving rise to such event of default shall have been cured, remedied or terminated.

The Trustee, upon receipt of evidence furnished to it by or on behalf of the Company pursuant to any provision of this Indenture, will examine the same to determine whether or not such evidence conforms to the requirements of this Indenture.

SECTION 2. No provision of this Indenture shall, or shall be construed to, relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own wilful misconduct except that:

(a) prior to an event of default, as defined in Section 1 of Article IX hereof, and after the curing of all such events of default which may have occurred, the Trustee shall not be liable except for the performance of such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee but the duties and obligations of the Trustee prior to an event of default, as defined in Section 1 of Article IX hereof, and after the curing of all such events of default which may have occurred, shall be determined solely by the express provisions of this Indenture;

(b) prior to an event of default, as defined in Section 1 of Article IX hereof, and after the curing of all such events of default

which may have occurred, and in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions conforming to the requirements of this Indenture; and

(c) no Trustee which is a corporation shall be personally liable for any error of judgment made in good faith by a responsible officer or responsible officers (as defined in Section 3 of Article XIX hereof) of such Trustee unless it shall be proved that such Trustee was negligent in ascertaining the pertinent facts and no Trustee who is an individual shall be personally liable for any error of judgment made in good faith by him unless it shall be proved that he was negligent in ascertaining the pertinent facts.

The provisions of this Section, which have been made specifically applicable to the Trustee, shall apply to the Trustee and, if a separate or co-trustee is appointed pursuant to Section 6 of Article XIII hereof, to any separate or co-trustee.

SECTION 3. Section 23 of Article IV, Section 12 of Article IX, Section 2 of Article XII, Sections 1 and 2 of Article XIII and Section 6 of Article XV hereof, shall be subject to the provisions of Sections 1 and 2 of this Article XXI. The words "Nor, except as otherwise provided in this Indenture, shall the Trustee be liable for anything whatever in connection with this trust, except for its own negligence or wilful misconduct." are hereby deleted from Section 1 of Article XIII hereof.

SECTION 4. Nothing in this Indenture shall be deemed to modify the obligation of the Trustee to exercise, during the continuance of an event of default, as defined in Section 1 of Article IX hereof, the rights and powers vested in it by this Indenture with the degree of care and skill specified in Section 1 of this Article.

SECTION 5. The certificate provided for in Section 1 of Article XIII of this Indenture to prove or establish a matter shall be full warrant to the Trustee for any action taken or suffered by it under the provisions hereof upon the faith thereof only prior to an event of default as defined in Section 1 of Article IX hereof, or after all events of default have been cured.

SECTION 6. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it.

SECTION 7. Section 8 of Article XIII of the Original Indenture is hereby amended to read as follows:

“(a) If any Trustee has or acquires any conflicting interest, as defined by subsection (d) of this Section, such Trustee shall, within ninety (90) days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign by giving written notice to the Company, but such resignation shall not become effective until the appointment of a successor trustee and such successor's acceptance of such appointment. The Company covenants to take prompt steps to have a successor appointed in the manner provided in Section 5 of this Article. Upon giving such notice of resignation, the resigning Trustee shall publish notice thereof in one newspaper printed in the English language and customarily published on each business day and of general circulation in the City of Chicago, Illinois, once in each of four successive calendar weeks, in each case on any business day of the week. If the resigning Trustee fails to publish such notice within ten days after giving written notice of its resignation to the Company, the Company shall publish such notice.

(b) In the event that any Trustee shall fail to comply with the provisions of subsection (a) of this Section, such Trustee shall, within ten days after the expiration of such ninety (90) day period, transmit notice of such failure to the Bondholders in the manner and to the extent provided in subsection (c) of Section 2 of Article XIX of this Indenture with respect to reports pursuant to subsection (a) of said Section 2.

(c) Any Bondholder who has been, for at least six months, a bona fide holder of one or more Bonds may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of any Trustee, and the appointment of a successor, if such Trustee fails, after written request therefor by such holder, to comply with the provisions of subsection (a) of this Section.

(d) A Trustee shall be deemed to have a conflicting interest if—

(1) such Trustee is trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the obligor, are outstanding unless such other indenture is a collateral trust indenture under which the only collateral consists of Bonds issued under this Indenture, provided that there shall be excluded from the operation of this paragraph (1) any indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the obligor are outstanding, if the obligor shall have sustained the burden of proving, on application to the Securities and Exchange Commission and after opportunity for hearing thereon, that trusteeship under this Indenture and such other indenture is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify such Trustee from acting as such under one of such indentures;

(2) such Trustee or any of its directors or executive officers is the obligor upon the bonds or an underwriter for the obligor;

(3) such Trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common control with the obligor or an underwriter for the obligor;

(4) such Trustee or any of its directors or executive officers is a director, officer, partner, employee, appointee, or representative of the obligor, or of an underwriter (other than such Trustee itself) for the obligor who is currently engaged in the business of underwriting, except that (A) one individual may be a director and/or an executive officer of such Trustee and a director and/or an executive officer of the obligor, but may not be at the same time an executive officer of both a Trustee and the obligor; (B) if and so long as the number of directors of a Trustee in office is more than nine, one additional individual may be a director and/or an executive officer of such Trustee and a director of the obligor; and (C) any Trustee may be designated by the obligor or by any underwriter for the obligor, to act in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, escrow agent, or depository, or in any other similar capacity, or, subject to the provisions of paragraph (1) of this subsection, to act as trustee, whether under an indenture or otherwise;

(5) ten per centum (10%) or more of the voting securities of such Trustee is beneficially owned either by the obligor or by any director, partner or executive officer thereof, or twenty per centum (20%) or more of such voting securities is beneficially owned, collectively, by any two or more of such persons; or ten per centum (10%) or more of the voting securities of such Trustee is beneficially owned either by an underwriter for the obligor or by any director, partner or executive officer thereof, or is beneficially owned, collectively, by any two or more such persons;

(6) such Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default as hereinafter in this Section defined, (A) five per centum (5%) or more of the voting securities, or ten per centum (10%) or more of any other class of security, of the obligor, not including the Bonds issued under this Indenture and securities issued under any other indenture under which such Trustee is also trustee, or (B) ten per centum (10%) or more of any class of security of an underwriter for the obligor;

(7) such Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default as hereinafter in this Section defined, five per centum (5%) or more of the voting securities of any person who, to the knowledge of such Trustee, owns ten per centum (10%) or more of the voting securities of, or controls directly or indirectly or is under direct or indirect common control with the obligor;

(8) such Trustee is the beneficial owner of or holds as collateral security for an obligation which is in default as hereinafter in this Section defined, ten per centum (10%) or more of any class of security of any person who, to the knowledge of such Trustee, owns fifty per centum (50%) or more of the voting securities of the obligor; or

(9) such Trustee owns on May 15 in any calendar year, in the capacity of executor, administrator, testamentary or *inter vivos* trustee, guardian, committee or conservator, or in any other similar capacity, an aggregate of twenty-five per centum (25%) or more of the voting securities, or of any class of security of any person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraph (6), (7), or (8) of this subsection. As to any such securities of which such Trustee acquired ownership through becoming executor, administrator, or testamentary trustee of an estate which included them, the provisions of the

preceding sentence shall not apply for a period of two years from the date of such acquisition, to the extent that such securities included in such estate do not exceed twenty-five per centum (25%) of such voting securities or twenty-five per centum (25%) of any such class of security. Promptly after May 15, in each calendar year, such Trustee shall make a check of its holdings of such securities in any of the above-mentioned capacities as of May 15. If the obligor fails to make payment in full of principal or interest upon the Bonds when and as the same become due and payable, and such failure continues for thirty (30) days thereafter, such Trustee shall make a prompt check of its holdings of such securities in any of the above-mentioned capacities as of the date of the expiration of such thirty-day period, and after such date, notwithstanding the foregoing provisions of this paragraph, all such securities so held by such Trustee with sole or joint control over such securities vested in it, shall, but only so long as such failure shall continue, be considered as though beneficially owned by such Trustee, for the purposes of paragraphs (6), (7), and (8) of this subsection.

The specifications of percentages in paragraphs (5) to (9), inclusive, of this subsection shall not be construed as indicating that the ownership of such percentages of the securities of a person is or is not necessary or sufficient to constitute direct or indirect control for the purposes of paragraph (3) or (7) of subsection (d) of this Section.

For the purposes of paragraphs (6), (7), (8), and (9) of subsection (d) of this Section only, (A) the terms "security" and "securities" shall include only such securities as are generally known as corporate securities, but shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a person by one or more banks, trust companies, or banking firms, or any certificate of interest or participation in any such note or evidence of indebtedness; (B) an obligation shall be deemed to be in default when a default in payment of principal shall have continued for thirty (30) days or more and shall not have been cured; and (C) a Trustee shall not be deemed to be the owner or holder of (i) any security which it holds as collateral security (as trustee or otherwise) for an obligation which is not in default as above defined, or (ii) any security which it holds as collateral security under this Indenture, irrespective of any default hereunder, or (iii) any security which it holds as agent for collection, or as custodian, escrow agent or depositary, or in any similar representative capacity.

For the purposes of this Section the term "underwriter" when used with reference to the obligor means every person, who, within three years prior to the time as of which the determination is made, has purchased from the obligor with a view to, or has sold for the obligor in connection with, the distribution of any security of the obligor outstanding at such time, or has participated or has had a direct or indirect participation in any such undertaking, or has participated or has had a participation in the direct or indirect underwriting of any such undertaking; but such term shall not include a person whose interest was limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers' commission.

The percentages of voting securities and other securities specified in this Section shall be calculated in accordance with the following provisions:

(i) A specified percentage of the voting securities of any Trustee, the obligor or any other person referred to in this Section (each of whom is referred to as a "person" in this paragraph) means such amount of the outstanding voting securities of such person as entitles the holder or holders thereof to cast such specified percentages of the aggregate votes which the holders of all the outstanding voting securities of such person are entitled to cast in the direction or management of the affairs of such person.

(ii) A specified percentage of a class of securities of a person means such percentage of the aggregate amount of securities of the class outstanding.

(iii) The term "amount", when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to capital shares, and the number of units if relating to any other kind of security.

(iv) The term "outstanding" means issued and not held by or for the account of the issuer. The following securities shall not be deemed outstanding within the meaning of this definition:

(w) Securities of an issuer held in a sinking fund relating to securities of the issuer of the same class;

(x) Securities of an issuer held in a sinking fund relating to another class of securities of the issuer, if the obligation evidenced by such other class of securities is not in default as to principal or interest or otherwise;

(y) Securities pledged by the issuer thereof as security for an obligation of the issuer not in default as to principal or interest or otherwise;

(z) Securities held in escrow if placed in escrow by the issuer thereof;

provided, however, that any voting securities of an issuer shall be deemed outstanding if any person other than the issuer is entitled to exercise the voting rights thereof.

(v) A security shall be deemed to be of the same class as another security if both securities confer upon the holder or holders thereof substantially the same rights and privileges; provided, however, that, in the case of secured evidences of indebtedness, all of which are issued under a single indenture, differences in the interest rates or maturity dates of various series thereof shall not be deemed sufficient to constitute such series different classes; and provided, further, that, in the case of unsecured evidences of indebtedness, differences in the interest rates or maturity dates thereof shall not be deemed sufficient to constitute them securities of different classes, whether or not they are issued under a single indenture.

The provisions of this Section which have been made specifically applicable to a Trustee, shall apply to the Trustee and, if a separate or co-trustee is appointed pursuant to Section 6 of Article XIII hereof, to any separate or co-trustee, except that in case of the resignation of a separate or co-trustee the appointment of a successor shall (subject to the provisions of subsection (c) of this Section) be governed by the provisions of Section 6 of Article XIII hereof."

SECTION 8. Section 9 of Article XIII of the Original Indenture is hereby amended to read as follows:

"(a) Subject to the provisions of subsection (b) of this Section, if any Trustee shall be, or shall become, a creditor, directly or indirectly, secured or unsecured, of the obligor within four months prior to a default as defined in the last paragraph of this subsection, or subsequent to such a default, then, unless and until such default shall be cured, such Trustee shall set apart and hold in a special account for the benefit of such Trustee individually and the holders of the Bonds and the holders of any other indenture securities (as in the last paragraph of this subsection (a) defined)

(1) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest, effected after the beginning of such four months' period and valid as against the obligor and its other creditors, except any such reduction resulting from

the receipt or disposition of any property described in paragraph (2) of this subsection (a), or from the exercise of any right of set-off which such Trustee could have exercised if a petition in bankruptcy had been filed by or against the obligor upon the date of such default; and

(2) all property received in respect of any claim as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such four months' period, or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of the obligor and its other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of a Trustee

(A) to retain for its own account (i) payments made on account of any such claim by any person (other than the obligor) who is liable thereon, and (ii) the proceeds of the bona fide sale of any such claim by such Trustee to a third person, and (iii) distributions made in cash, securities, or other property in respect of claims filed against the obligor in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law;

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such four months' period;

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such four months' period and such property was received as security therefor simultaneously with the creation thereof, and if such Trustee shall sustain the burden of proving that at the time such property was so received such Trustee had no reasonable cause to believe that a default as defined in the last paragraph of this subsection would occur within four months; or

(D) to receive payment on any claim referred to in paragraph (B) or (C), against the release of any property held as security for such claim as provided in paragraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of paragraphs (B), (C), and (D), property substituted after the beginning of such four months' period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and, to the extent that any claim referred to in any such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any preexisting claim of a Trustee as such creditor, such claim shall have the same status as such preexisting claim.

If a Trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned between such Trustee, the Bondholders and the holders of other indenture securities in such manner that such Trustee, the Bondholders and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the obligor in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law, the same percentage of their respective claims, figured before crediting to the claim of such Trustee anything on account of the receipt by it from the obligor of the funds and property in such special account and before crediting to the respective claims of such Trustee, the Bondholders, and the holders of other indenture securities dividends on claims filed against the obligor in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law, whether such distribution is made in cash, securities, or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership or proceeding for reorganization is pending shall have jurisdiction (i) to apportion between such Trustee, the bondholders, and the holders of other indenture securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and the proceeds thereof, or (ii) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in deter-

mining the fairness of the distributions to be made to such Trustee, the Bondholders, and the holders of other indenture securities, with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee who has resigned or been removed after the beginning of such four months' period shall be subject to the provisions of this subsection as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such four months' period, it shall be subject to the provisions of this subsection if and only if the following conditions exist—

(i) the receipt of property or reduction of claim which would have given rise to the obligation to account, if such Trustee had continued as trustee, occurred after the beginning of such four months' period; and

(ii) such receipt of property or reduction of claim occurred within four months after such resignation or removal.

As used in this Section, the term "default" means any failure to make payment in full of the principal of or interest upon the Bonds or upon any other indenture securities when and as such principal or interest becomes due and payable; and the term "other indenture securities" means securities upon which the obligor is an obligor (as defined in the Trust Indenture Act of 1939) outstanding under any other indenture (a) under which such Trustee is also trustee, (b) which contains provisions substantially similar to the provisions of this subsection (a), and (c) under which a default exists at the time of the apportionment of the funds and property held in said special account.

(b) There shall be excluded from the operation of subsection (a) of this Section a creditor relationship arising from—

(1) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by such Trustee;

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction, or by this Indenture for the purpose of preserving the property subject to the lien of this Indenture or of discharging tax liens or other prior liens or encumbrances on the trust estate, if notice of such advance and of the circumstances surrounding the making thereof is given to the bondholders, as provided in subsections (a), (b) and (c) of Section 2 of Article XIX of this Indenture with respect to advances by any Trustee as such;

(3) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depositary, or other similar capacity;

(4) an indebtedness created as a result of services rendered or premises rented; or an indebtedness created as a result of goods or securities sold in a cash transaction, as defined in the last paragraph of this subsection (b);

(5) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the obligor; or

(6) the acquisition, ownership, acceptance, or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self-liquidating paper, as defined in the last paragraph of this subsection.

As used in this Section, the term "security" shall have the meaning assigned to such term in the Securities Act of 1933, as amended and in force on the date of the execution of the Second Supplemental Indenture; the term "cash transaction" shall mean any transaction in which full payment for goods or securities sold is made, within seven days after delivery of the goods or securities, in currency or in checks or other orders drawn upon banks or bankers and payable on demand; the term "self-liquidating paper" shall mean any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the obligor for the purpose of financing the purchase, processing, manufacture, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising

from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by such Trustee simultaneously with the creation of the creditor relationship with the obligor arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation; and the term "Trustee" shall include the Trustee and any separate trustee or co-trustee appointed pursuant to Section 6 of Article XIII hereof."

SECTION 9. In case at any time the Trustee shall cease to be eligible or qualified in accordance with the provisions of Sections 5 and 8 of Article XIII of this Indenture, then the Trustee shall resign immediately in the manner and with the effect in Section 5 of Article XIII hereof provided; and, in the event that it does not resign immediately in such case, then it may be removed forthwith as provided in Section 5 of Article XIII hereof.

SECTION 10. Section 7 of Article XIII of the Original Indenture is hereby amended by inserting after the word "authority" in the twelfth line thereof, the following: ", provided that it shall have a capital and surplus aggregating at least Five million Dollars (\$5,000,000)," and by deleting the words "anything herein to the contrary notwithstanding" in line 15 thereof.

The Company covenants that, whenever necessary to avoid or fill a vacancy in the office of Trustee, the Company will in the manner provided in Section 5 of Article XIII hereof appoint a Trustee so that there shall at all times be a Trustee under this Indenture, eligible under the provisions of said Section 5.

Every separate trustee, every co-trustee and every successor trustee, other than any trustee which may be appointed as successor to the Trustee, shall, to the extent permitted by law, but to such extent only, be appointed subject to the following provisions and conditions, namely: the rights, powers, duties and obligations conferred or imposed upon trustees hereunder or any of them shall be conferred or imposed upon and exercised or performed by the Trustee, or the Trustee and such separate trustee or separate trustees or co-trustee or co-trustees jointly, as shall be provided in the instruments and agreements appointing such

separate trustee or separate trustees or co-trustee or co-trustees, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by such separate trustee or separate trustees or co-trustee or co-trustees.

The first sentence of the second paragraph of Section 5, Article XIII of the Original Mortgage, is hereby amended to read as follows:

"The Trustee and every successor trustee hereunder shall always be a corporation and a bank or trust company or a national banking association in good standing, having its principal office in the Borough of Manhattan, City of New York, the City of Chicago, Illinois, or the City of Topeka, Kansas, if there be such a bank or trust company or national banking association willing to accept the trust on customary terms. The Trustee and every successor trustee hereunder shall be authorized to exercise corporate trust powers and shall be subject to supervision or examination by Federal or state authorities and have a capital and surplus aggregating not less than Five Million Dollars (\$5,000,000) or such larger amount as may be required by the laws of any governmental authority having jurisdiction or rules or regulations and orders of any regulatory body established thereunder."

SECTION 11. For all purposes of this Indenture, the term "obligor" shall mean the Company and any other obligor on the bonds secured hereby. For all purposes of the first paragraph of Section 8 of Article IX hereof, the term "Company" shall mean the Company and any other obligor on the bonds secured hereby.

ARTICLE XXII.

MISCELLANEOUS PROVISIONS.

SECTION 1. Wherever reference is made in this Indenture to the Trust Indenture Act of 1939, reference is made to such Act as it was in force on the date of the execution of the Second Supplemental Indenture.

SECTION 2. Notwithstanding any other provision of this Indenture, the right of any holder of any Bond to receive payment of the principal of

and interest on such Bond, on or after the respective due dates expressed in such Bond, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder.

SECTION 3. Any instrument supplemental to this Indenture executed pursuant to the provisions of Article XIV hereof, shall comply with all applicable provisions of the Trust Indenture Act of 1939 as in force on the date of the execution of such supplemental indenture.

The Company reserves the right without any consent or other action by holders of Bonds of the 1979 Series or of any subsequent series to make such amendments of the Indenture, as shall be necessary from time to time in order to qualify the Indenture, under the Trust Indenture Act of 1939 as in force on the date of the making of any such amendment, provided that no such amendment shall, without the consent of the holder of any Bond issued under the Indenture, affected thereby, impair or affect the right of such holder to receive payment of the principal of (and premium, if any) and interest on such Bond, on or after the respective due dates expressed in such Bond, or to institute suit for the enforcement of any such payment on or after such respective dates, or permit the creation of any lien ranking prior to, or on a parity with, the lien of the Indenture with respect to any of the property mortgaged and pledged thereunder or the deprivation of such Bondholder of a lien upon the mortgaged and pledged property for the security of his Bonds (subject only to the lien of taxes for the then current year, the lien of taxes, assessments or governmental charges not then due and delinquent and to any mortgage or other liens existing upon said property which are prior to the Indenture at the time of such amendment), and the holders and owners of any Bonds of the 1979 Series or any subsequent series outstanding under the Indenture by acceptance of such Bonds, agree and consent to the making of any such amendments."

IN WITNESS WHEREOF, THE KANSAS POWER AND LIGHT COMPANY, party hereto of the first part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or a Vice-President, and its corporate seal to be attested by its Secretary or an Assistant Secretary for and in its behalf, and HARRIS TRUST AND

SAVINGS BANK, party hereto of the second part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or a Vice-President and its corporate seal to be attested by its Secretary or an Assistant Secretary, all as of the day and year first above written.

THE KANSAS POWER AND LIGHT COMPANY,

By D. E. ACKERS
President.

[CORPORATE SEAL]

Attest:
ARTHUR MAYER
Assistant Secretary.

Executed, sealed and delivered by THE
KANSAS POWER AND LIGHT COMPANY,
in the presence of:

ANNE R. CAMPBELL
EDWIN H. HUDSON

HARRIS TRUST AND SAVINGS BANK,
As Trustee.

By F. O. MANN
Vice-President.

[CORPORATE SEAL]

Attest:
W. H. MILSTED
Secretary.

Executed, sealed and delivered by HARRIS
TRUST AND SAVINGS BANK, in the pres-
ence of:

W. LEE STOETZEL
H. W. PHILLIPS

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

BE IT REMEMBERED, that on this 5th day of May, 1949, before me, the undersigned, a Notary Public within and for the County and State aforesaid, personally came D. E. ACKERS, President, and ARTHUR MAYER, Assistant Secretary, of The Kansas Power and Light Company, a corporation duly organized, incorporated and existing under the laws of the State of Kansas, who are personally known to me to be such officers, and who are personally known to me to be the same persons who executed as such officers the within instrument of writing, and such persons duly acknowledged the execution of the same to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.

[NOTARIAL SEAL]

HARRY N. RAINSLY
Notary Public.

HARRY N. RAINSLY
NOTARY PUBLIC, STATE OF NEW YORK
No. 41-3198350
Qualified in Queens County
Cert. filed with New York
County Clerk and Register
Term expires March 30, 1951

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

BE IT REMEMBERED, that on this 6th day of May, 1949, before me, the undersigned, a Notary Public within and for the County and State aforesaid, personally came, F. O. MANN, a Vice President, and W. H. MILSTED, Secretary, of Harris Trust and Savings Bank, a corporation duly organized, incorporated and existing under the laws of the State of Illinois, who are personally known to me to be such officers, and who are personally known to me to be the same persons who executed as such officers the within instrument of writing, and such persons duly acknowledged the execution of the same to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.

[NOTARIAL SEAL]

LOUIS CHRISTEN
Notary Public.

My Commission Expires
September 17, 1952.

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

BE IT REMEMBERED, that on this 5th day of May, 1949, before me, the undersigned, a Notary Public within and for the County and State aforesaid, personally came D. E. ACKERS, President, and ARTHUR MAYER, Assistant Secretary, of The Kansas Power and Light Company, a corporation duly organized, incorporated and existing under the laws of the State of Kansas, who are personally known to me to be such officers, who, being by me respectively, duly sworn, did each say that the said D. E. Ackers is President and that the said Arthur Mayer is Assistant Secretary of said corporation, that the consideration of and for the foregoing instrument was actual and adequate, that the same was made and given in good faith for the uses and purposes therein set forth and without any intent to hinder, delay or defraud creditors or purchasers.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.

[NOTARIAL SEAL]

HARRY N. RAINSLY
Notary Public.

HARRY N. RAINSLY
NOTARY PUBLIC, STATE OF NEW YORK
No. 41-3198350
Qualified in Queens County
Cert. filed with New York
County Clerk and Register
Term expires March 30, 1951

The foregoing Second Supplemental Indenture dated April 1, 1949 was recorded in the offices of the Registers of Deeds of the Counties listed below, all in the State of Kansas and on the dates indicated, as follows:

COUNTY	RECORDING AS REAL ESTATE MORTGAGE			RECORDING AS CHATTEL MORTGAGE		
	DATE	BOOK	PAGE	DATE	BOOK	PAGE
Atchison	5-20-49	284	73	5-20-49		19-20
Barber	5-20-49	54	309	5-20-49	25	K
Barton	5-24-49	52	449	5-24-49	2	K-109
Brown	5-20-49	229B	1	5-20-49	Z	
Butler	5-20-49	186	8	5-20-49	93	
Chase	5-21-49	67	1 to 83 Inc.	5-21-49	2	K
Clark	5-23-49	46		5-23-49	27	K
Clay	5-20-49	112	60 to 89 Inc.	5-20-49	34	145
Cloud	5-20-49	97	166-210	5-20-49	25	139
Comanche	5-20-49	50	1-83	5-20-49	19	K
Dickinson	5-20-49		Locker #2	5-20-49	C	H
Doniphan	5-20-49	117		5-20-49	14	141
Edwards	5-20-49	25	215	5-20-49	10223	
Ellis	5-20-49	78	365	5-20-49	24	K
Ellsworth	5-23-49	54B	1	5-23-49	30	137
Geary	5-20-49	36A	1-88	5-20-49	9	164A
Jackson	5-21-49	114D		5-21-49	46	K-11
Jefferson	5-24-49	201	364	5-24-49	33	K
Johnson	5-20-49	200	1 to 83 Inc.	5-20-49	42	91
Kingman	5-20-49	93	R	5-20-49	II	K
Kiowa	5-23-49	59	1-83	5-23-49	L-I	18
Lincoln	5-20-49	52	345	5-20-49	20	87
Marion	5-23-49	252	1	5-23-49	30	142
Marshall	5-20-49	234	601	5-20-49	1	K
McPherson	5-20-49	133	1	5-20-49	63	201
Morris	5-20-49	56	587	5-20-49	12	K
Nemaha	5-20-49	202	145 to 159	5-20-49	8	
Ottawa	5-20-49	62	1-B	5-20-49	31	K#3249
Osage	5-20-49	K-56	1	5-20-49	11,448	
Pawnee	5-20-49	57	1 to 183 Inc.	5-20-49	25	K
Pottawatomie	5-20-49	113	Sec. IV	5-20-49	1	157
Pratt	5-23-49	85	215	5-23-49	42	154
Reno	5-20-49	300	261	5-20-49	B-14	Ka
Republic	5-20-49	152A		5-20-49	13	141
Rice	5-20-49	148	55	5-20-49	34	K
Riley	5-20-49	228		5-20-49	1	153
Rush	5-20-49	26	10	5-20-49	1	675
Russell	5-23-49	66	I	5-23-49	39	K
Saline	5-20-49	167	150-194 Inc.	5-20-49	5-671	
Shawnee	5-18-49	1011	184	5-18-49	—	—
Stafford	5-20-49	81	1-83	5-20-49	36	2
Wabaunsee	5-20-49	M15	499	5-20-49	31	212
Washington	5-20-49	125	194	5-20-49	44	143

THE KANSAS POWER AND LIGHT COMPANY

To

HARRIS TRUST AND SAVINGS BANK

as Trustee

SIXTH SUPPLEMENTAL INDENTURE

Dated October 4, 1951

C

SIXTH SUPPLEMENTAL INDENTURE, dated the 4th day of October, 1951, made by and between The Kansas Power and Light Company, a corporation, organized and existing under the laws of the State of Kansas (hereinafter called the "Company"), party of the first part, and Harris Trust and Savings Bank, a corporation, organized and existing under the laws of the State of Illinois (hereinafter called the "Trustee"), as Trustee under the Mortgage and Deed of Trust, dated as of July 1, 1939, hereinafter mentioned, party of the second part;

WHEREAS, Company has heretofore executed and delivered to the Trustee its Mortgage and Deed of Trust dated as of July 1, 1939, (hereinafter referred to as the "Original Indenture") to provide for and secure an issue of First Mortgage Bonds of the Company, issuable in series and to declare the terms and conditions upon which the Bonds were and are to be issued thereunder; and

WHEREAS, The Company has heretofore executed and delivered to the Trustee its Second Supplemental Indenture dated April 1, 1949, its Fourth Supplemental Indenture dated October 1, 1949, and its Fifth Supplemental Indenture dated December 1, 1949, supplementing and amending the Original Indenture and providing for the issuance thereunder of Bonds of certain series; and

WHEREAS, By mistake in description, certain property was included and described in said Second Supplemental Indenture (Tract No. 24, page 9 thereof) as follows:

The West Seventy-five (75) feet of the following described tract of land: Commencing on the Township line Five and four-hundredths (5.04) chains West of the Northeast (NE) corner of the Northwest Quarter (NW $\frac{1}{4}$) of Section Four (4), Township Twelve (12), Range Sixteen (16) East of the 6th Principal Meridian; thence West along Township line (now East Sixth Street) Five and four-hundredths (5.04) chains; thence South Three and Ninety-seven hundredths (3.97) chains; thence East Five and four-hundredths (5.04) chains; thence North Three and Ninety-seven hundredths (3.97) chains to place of beginning; being a tract of land Seventy-five (75) feet East and West and Two Hundred Twenty-nine (229) feet North and South, in Shawnee County, Kansas,

when in fact such property as so described was not then and is not now owned by the Company; and

WHEREAS, The property intended to be described as the certain Electric Switching Station Site, Tract No. 24 in said Second Supplemental Indenture is correctly described hereinafter; and

WHEREAS, The parties hereto desire by this Sixth Supplemental Indenture to correct the erroneous description set forth and contained in said Second Supplemental Indenture as Electric Switching Site, Tract No.

24 in Shawnee County, Kansas, and to specifically subject to the lien of the Original Indenture, the Second Supplemental Indenture and all of the other indentures supplemental thereto, the property hereinafter described;

NOW, THEREFORE, THIS INDENTURE, WITNESSETH:

That in consideration of the premises and of the mutual covenants herein stated and of the sum of One Dollar (\$1.00) duly paid by Trustee to the Company at or before the execution of this Sixth Supplemental Indenture and of other valuable considerations, the receipt of which is hereby acknowledged, and in order to further secure the payment of the principal of and interest and premium, if any, on all Bonds at any time issued and outstanding under the Original Indenture, as amended by all the indentures supplemental thereto, according to their tenor, purport and effect, the Company has executed and delivered this Sixth Supplemental Indenture and by these presents grants, bargains, sells, warrants, aliens, releases, conveys, assigns, transfers, mortgages, sets over and ratifies and confirms unto Harris Trust and Savings Bank, as Trustee, and to its successor in trust under the Original Indenture and indentures supplemental thereto, forever, all and singular, the following described property, that is to say:

Electric Switching Station Site: The West Seventy-five (75) feet of the East One Hundred Twenty-five (125) feet of the following described property: Commencing on the Township line, Five and four-hundredths (5.04) chains West of the Northeast (NE) corner of the Northwest Quarter (NW $\frac{1}{4}$) of Section Four (4), Township Twelve (12), Range Sixteen (16) East of the 6th Principal Meridian; thence West along Township line (Now East Sixth Street) Five and four-hundredths (5.04) chains; thence South Three and Ninety-seven hundredths (3.97) chains; thence East Five and four-hundredths (5.04) chains; thence North Three and Ninety-seven hundredths (3.97) chains to place of beginning; being a tract of land Seventy-five (75) feet East and West and Two Hundred Twenty-nine (229) feet North and South, all in Shawnee County, Kansas.

TO HAVE AND TO HOLD such property in trust upon and subject to all the terms, conditions, covenants and purposes set forth in the Original Indenture and in all indentures supplemental thereto, all to the same extent and with the same force and effect as though said property had been correctly described in the granting clauses of said Second Supplemental Indenture wherein it was intended to have been described and for such purpose this Sixth Supplemental Indenture is executed.

IN WITNESS WHEREOF, The Kansas Power and Light Company, party hereto of the first part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President, and its corporate seal to be attested by its Secretary for and on its behalf, and Harris Trust and Savings Bank, party hereto of the second part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice-Presidents and its corporate seal to be attested by its Assistant Secretary, all as of the day and year first above written.

THE KANSAS POWER AND LIGHT COMPANY

By s/ R. W. McClure
Vice-President.

Attest:

s/ I. S. Stewart (Seal)
Secretary.

Executed, sealed and delivered by
The Kansas Power and Light Company,
in the presence of:

s/ Ruth Haught

s/ Walter D. Felzke

HARRIS TRUST AND SAVINGS BANK

By s/ F. O. Mann
Vice-President.

Attest:

s/ G. H. Askew (Seal)
Assistant Secretary.

Executed, sealed and delivered by
Harris Trust and Savings Bank,
in the presence of:

s/ Lois M. Andes

s/ Jeanne Harrington

RECORDED IN BOOK 1098 PAGE 376

#975

State of Kansas)
Shawnee County) ss.
Received for Record
1951 Oct 19 PM 2 26 .4
Register of Deeds
Elburn M. Beal
By /s/ E.D.G.

EXHIBIT 2-D

THE KANSAS POWER AND LIGHT COMPANY

TO

HARRIS TRUST AND SAVINGS BANK
as Trustee

FOURTEENTH SUPPLEMENTAL INDENTURE

Dated May 1, 1976

THE KANSAS POWER AND LIGHT COMPANY
Fourteenth Supplemental Indenture Dated May 1, 1976

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FOURTEENTH SUPPLEMENTAL INDENTURE, dated the first day of May, Nineteen Hundred and Seventy-Six, made by and between The Kansas Power and Light Company, a corporation organized and existing under the laws of the State of Kansas (hereinafter called the "Company"), party of the first part, and Harris Trust and Savings Bank, a corporation organized and existing under the laws of the State of Illinois (hereinafter called the "Trustee"), as Trustee under the Mortgage and Deed of Trust dated July 1, 1939, hereinafter mentioned, party of the second part;

WHEREAS, the Company has heretofore executed and delivered to the Trustee its Mortgage and Deed of Trust, dated July 1, 1939 (hereinafter referred to as the "Original Indenture") to provide for and to secure an issue of First Mortgage Bonds of the Company, issuable in series, and to declare the terms and conditions upon which the Bonds are to be issued thereunder; and

WHEREAS, the Company has heretofore executed and delivered its Supplemental Indenture dated July 1, 1939, to said Original Indenture providing for the issuance thereunder of the Company's First Mortgage Bonds, 3½% Series due 1969, in the aggregate principal amount of Twenty-six Million, five hundred thousand dollars (\$26,500,000), all of which have been redeemed, cancelled and are not outstanding; and

WHEREAS, the Company has heretofore executed and delivered its Second Supplemental Indenture dated April 1, 1949 (hereinafter called the "Second Supplemental Indenture") to said Original Indenture amending the Original Indenture and providing for the issuance thereunder of the Company's First Mortgage Bonds, 2¾% Series Due 1979, in the aggregate principal amount of Ten Million dollars (\$10,000,000), of which Nine Million, six hundred thousand dollars (\$9,600,000) are presently outstanding; and

WHEREAS, the Company has heretofore executed and delivered its Fourth Supplemental Indenture dated October 1, 1949 (hereinafter called the "Fourth Supplemental Indenture") to said Original Indenture providing for the issuance thereunder of the Company's First Mortgage Bonds, 2¾% Series Due 1979, in the aggregate principal amount of Six Million, five hundred thousand dollars (\$6,500,000), of which Six Million, three hundred and five thousand dollars (\$6,305,000) are presently outstanding; and

WHEREAS, the Company has heretofore executed and delivered its Fifth Supplemental Indenture dated December 1, 1949 (hereinafter called the "Fifth Supplemental Indenture"), to said Original Indenture providing for the issuance thereunder of the Company's First Mortgage Bonds, 2¾% Series Due 1984, in the aggregate principal amount of Thirty-two Million, five hundred thousand dollars (\$32,500,000), of which Thirty-one Million, five hundred twenty-five thousand dollars (\$31,525,000) are presently outstanding; and

WHEREAS, the Company has heretofore executed and delivered its Seventh Supplemental Indenture dated December 1, 1951 (hereinafter called the "Seventh Supplemental Indenture"), to said Original Indenture amending Article IV of the Second Supplemental Indenture, Article IV of the Fourth Supplemental Indenture and Article IV of the Fifth Supplemental Indenture and providing for the issuance thereunder of the Company's First Mortgage Bonds, 3¼% Series Due 1981, in the aggregate principal amount of Five Million, two hundred fifty thousand dollars (\$5,250,000), of which Five Million, one hundred ninety-eight thousand dollars (\$5,198,000) are presently outstanding; and

WHEREAS, the Company has heretofore executed and delivered its Eighth Supplemental Indenture dated May 1, 1952 (hereinafter called the "Eighth Supplemental Indenture"), to said Original Indenture providing for the issuance thereunder of the Company's First Mortgage Bonds, 3¼% Series Due 1982, in the aggregate principal amount of Four Million, seven hundred fifty thousand dollars (\$4,750,000), of which Four Million, seven hundred and three thousand dollars (\$4,703,000) are presently outstanding; and

WHEREAS, the Company has heretofore executed and delivered its Ninth Supplemental Indenture dated October 1, 1954 (hereinafter called the "Ninth Supplemental Indenture"), to said Original Indenture providing for the issuance thereunder of the Company's First Mortgage Bonds, 3¼% Series Due 1984, in the aggregate principal amount of Eight Million Dollars (\$8,000,000), of which Eight Million Dollars (\$8,000,000) are presently outstanding; and

WHEREAS, the Company has heretofore executed and delivered its Tenth Supplemental Indenture dated September 1, 1961 (hereinafter called the "Tenth Supplemental Indenture") to said Original Indenture providing

for the issuance thereunder of the Company's First Mortgage Bonds, 4¾% Series Due 1991, in the aggregate principal amount of Thirteen Million Dollars (\$13,000,000), of which Thirteen Million Dollars (\$13,000,000) are presently outstanding; and

WHEREAS, the Company has heretofore executed and delivered its Eleventh Supplemental Indenture dated April 1, 1969 (hereinafter called the "Eleventh Supplemental Indenture") to said Original Indenture providing for the issuance thereunder of the Company's First Mortgage Bonds, 7% Series Due 1999, in the aggregate principal amount of Nineteen Million Dollars (\$19,000,000), of which Nineteen Million Dollars (\$19,000,000) are presently outstanding; and

WHEREAS, the Company has heretofore executed and delivered its Twelfth Supplemental Indenture dated September 1, 1970 (hereinafter called the "Twelfth Supplemental Indenture") to said Original Indenture providing for the issuance thereunder of the Company's First Mortgage Bonds, 8¾% Series Due 2000, in the aggregate principal amount of Twenty Million Dollars (\$20,000,000), of which Twenty Million Dollars (\$20,000,000) are presently outstanding; and

WHEREAS, the Company has heretofore executed and delivered its Thirteenth Supplemental Indenture dated February 1, 1975 (hereinafter called the "Thirteenth Supplemental Indenture") to said Original Indenture providing for the issuance thereunder of the Company's First Mortgage Bonds, 8¾% Series Due 2005, in the aggregate principal amount of Thirty-Five Million Dollars (\$35,000,000), of which Thirty-Five Million Dollars (\$35,000,000) are presently outstanding; and

WHEREAS, the Company is entitled at this time to have authenticated and delivered additional bonds on the basis of net bondable value of property additions not subject to an unfunded prior lien, upon compliance with the provisions of Article III of the Original Indenture, as amended; and

WHEREAS, the Company desires by this Fourteenth Supplemental Indenture to supplement the Original Indenture and to provide for the creation of a new series of bonds under the Original Indenture to be designated "First Mortgage Bonds, 8¾% Series Due 2006" (hereinafter called "Bonds of the Twelfth Series"); and the Original Indenture provides

that certain terms and provisions, as determined by the Board of Directors of the Company, of the Bonds of any particular series may be expressed in and provided by the execution of an appropriate supplemental indenture; and

WHEREAS, the Company in the exercise of the powers and authority conferred upon and reserved to it under the provisions of the Original Indenture and indentures supplemental thereto, and pursuant to appropriate resolutions of its Board of Directors, has duly resolved and determined to make, execute and deliver to the Trustee a supplemental indenture in the form hereof for the purposes herein provided; and

WHEREAS, all conditions and requirements necessary to make this Fourteenth Supplemental Indenture a valid, binding and legal instrument have been done, performed and fulfilled, and the execution and delivery hereof have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That, in consideration of the premises and of the mutual covenants herein contained and of the sum of One Dollar duly paid by the Trustee to the Company at or before the time of the execution of these presents, and of other valuable considerations, the receipt whereof is hereby acknowledged, and in order further to secure the payment of the principal of and interest and premium, if any, on all Bonds at any time issued and outstanding under the Original Indenture, as amended by all indentures supplemental thereto (hereinafter sometimes collectively called the "Indenture") according to their tenor, purport and effect, and to declare certain terms and conditions upon and subject to which Bonds are to be issued and secured, the Company has executed and delivered this Supplemental Indenture, and by these presents grants, bargains, sells, warrants, aliens, releases, conveys, assigns, transfers, mortgages, pledges, sets over and ratifies and confirms unto Harris Trust and Savings Bank, as Trustee, and to its successors in trust under the Indenture forever, all and singular the following described properties (in addition to all other properties heretofore specifically subjected to the lien of the Indenture and not heretofore released from the lien thereof), that is to say:

FIRST.

All and singular the rents, real estate, chattels real, easements, servitudes, and leaseholds and other interests in real estate of the Company

hereinafter enumerated, or which, subject to the provisions of Article XII of the Original Indenture, the Company may hereafter acquire, including among other things, the following property located in the State of Kansas, together with all improvements of any type located thereon:

PARCELS OF REAL ESTATE

ATCHISON COUNTY

Kerford Jct. Substation Site: A tract of land in the North Half of the Southwest Quarter of the Northeast Quarter of the Southwest Quarter of Section Eighteen (18), Township Six (6) South, Range Twenty-one (21) East, Atchison County, Kansas, described as follows: Beginning at the Northwest corner of the North Half of the Southwest Quarter of the Northeast Quarter of the Southwest Quarter of said Section Eighteen (18), thence South along the west line of the said North Half of the Southwest Quarter of the Northeast Quarter of the Southwest Quarter of said Section Eighteen (18) a distance of 38 feet, thence East parallel with the North line of said North Half of the Southwest Quarter of the Northeast Quarter of the Southwest Quarter to the center of Highway K-7, thence Northwesterly along the center of said highway to the North line of the said North Half of the Southwest Quarter of the Northeast Quarter of the Southwest Quarter of said Section Eighteen (18), thence West along the North line of said North Half of the Southwest Quarter of the Northeast Quarter of the Southwest Quarter of said Section Eighteen (18) to the point of beginning.

POTTAWATOMIE COUNTY

The Northwest Fractional Quarter (NW $\frac{1}{4}$ frl) in Section Five (5), Township Nine (9) South, Range Twelve (12) East of the 6th P.M., approximately 159 acres.

The East Half (E $\frac{1}{2}$) of the Northwest Quarter (NW $\frac{1}{4}$) in Section Fifteen (15), Township Nine (9) South, Range Eleven (11) East of the 6th P.M.

The Northwest Quarter (NW $\frac{1}{4}$) in Section Twelve (12), Township Nine (9) South, Range Eleven (11) East of the 6th P.M.

The Southwest Quarter (SW $\frac{1}{4}$) in Section Twenty-Four (24), Township Nine (9) South, Range Eleven (11) East of the 6th P.M.

An undivided 72% interest in the Northwest fractional Quarter of Section 7, Township 9 South, Range 12 East of the 6th P.M.; the South fractional half of Section 6, Township 9 South, Range 12 East of the 6th P.M.; and the Northeast Quarter of Section 12, Township 9 South, Range 11 East of the 6th P.M.

An undivided 64% interest in the Northwest Quarter (NW $\frac{1}{4}$) in Section Twenty-Six (26) and the East Half of the Northeast Quarter (E $\frac{1}{2}$ of NE $\frac{1}{4}$) less the North fifteen (15) acres in Section Twenty-Seven (27); the South Half (S $\frac{1}{2}$) in Section Twelve (12); and the Northeast Quarter (NE $\frac{1}{4}$) and the North Half of the Southeast Quarter (N $\frac{1}{2}$ of SE $\frac{1}{4}$) in Section Fourteen (14), all in Township Nine (9) South of Range Eleven (11) East of the 6th P.M.

SHAWNEE COUNTY

Northland Substation Site: A tract of land in the West Half of the Northeast Quarter (W $\frac{1}{2}$ NE $\frac{1}{4}$) of Section 36, Township 10, Range 15, Shawnee County, Kansas, described as follows, to-wit: Beginning at a point 485 feet North of the Southwest corner of the Northeast $\frac{1}{4}$ of said Section 36, thence East parallel with the South line of said Northeast $\frac{1}{4}$ a distance of 230 feet, thence North parallel with the West line of said Northeast $\frac{1}{4}$ a distance of 250 feet, thence West parallel with the South line of said Northeast $\frac{1}{4}$ a distance of 230 feet, more or less, to the West line of said Northeast $\frac{1}{4}$, thence South along the West line of Said Northeast $\frac{1}{4}$ to the point of beginning.

SECOND.

Also all transmission and distribution systems used for the transmission and distribution of electricity, steam, water, gas and other agencies for light, heat, cold or power, or any other purpose whatever, whether underground or overhead or on the surface or otherwise of the Company enumerated

below or which, subject to the provisions of Article XII of the Original Indenture, the Company may hereafter acquire, including all poles, posts, wires, cables, conduits, mains, pipes, tubes, drains, furnaces, switchboards, transformers, insulators, meters, lamps, fuses, junction boxes, water pumping stations, regulator stations, town border metering stations and other electric, steam, water and gas fixtures and apparatus:

**ELECTRICAL TRANSMISSION LINES
LOCATED IN THE STATE OF
KANSAS AS FOLLOWS:**

LINE NO. 1—Auburn Road Substation to Jeffrey Energy Center: A 230,000 volt (Presently operating at 115,000 volts), wood pole, electric transmission line approximately twenty-nine and fifty-seven hundredths (29.57) miles in length beginning at the Auburn Road Substation located in Southwest Quarter (SW $\frac{1}{4}$), Section 24, Township 12 South, Range 14 East, Shawnee County, Kansas extending West through Sections 24, 23, 22, 21, and 20, Township 12 South, Range 14 East, Shawnee County, Kansas; thence continuing West and Northwesterly through Section 19, Township 12 South, Range 14 East, Shawnee County, Kansas; thence continuing North through Sections 18, 7, and 6, Township 12 South, Range 14 East, Shawnee County, Kansas; thence continuing North through Sections 31, 30, 19, 18, 7, and 6, Township 11 South, Range 14 East, Shawnee County, Kansas; thence continuing Northwesterly through Section 31, Township 10 South, Range 14 East, Shawnee County, Kansas; thence continuing Northwesterly through Sections 36, 25, 26, 27, 22, 21, 16, 17, 8, and 7, Township 10 South, Range 13 East, Shawnee County, Kansas; thence continuing Northwesterly through Sections 12 and 1, Township 10 South, Range 12 East, Shawnee County, Kansas; thence continuing Northwesterly through Section 2, Township 10 South, Range 12 East, Pottawatomie County, Kansas; thence continuing Northwesterly through Sections 35, 34, 27, 28, 21, 20, 17, and 18, Township 9 South, Range 12 East, Pottawatomie County, Kansas; thence continuing North through Sections 18 and 7, Township 9 South, Range 12 East, Pottawatomie County, Kansas; thence continuing Northwesterly in Section 7 to the Jeffrey Energy Center located in the Northeast Quarter (NE $\frac{1}{4}$), Section 7, all in Township 9 South, Range 12 East, Pottawatomie County, Kansas.

LINE NO. 1A—Stagg Hill Substation to Wildcat Substation: A 115,000 volt, wood pole, electric transmission line approximately two and sixty-four hundredths (2.64) miles in length beginning at the Stagg Hill Substation located in Southeast Quarter (SE $\frac{1}{4}$), Section 23, Township 10 South, Range 7 East, Riley County, Kansas extending South into Section 26, Township 10 South, Range 7 East, Riley County, Kansas; thence continuing West and North through Sections 26, 23, 14, and 15 to the Wildcat Substation located in Northeast Quarter (NE $\frac{1}{4}$), Section 15, all in Township 10 South, Range 7 East, Riley County, Kansas.

LINE NO. 2—Junction City Substation to Anzio Substation: A 115,000 volt, wood pole, electric transmission line approximately three and fifty-three hundredths (3.53) miles in length beginning at the Junction City Substation located in Northeast Quarter (NE $\frac{1}{4}$), Section 12, Township 12 South, Range 5 East, Geary County, Kansas extending East through Section 12, Township 12 South, Range 5 East, Geary County, Kansas; thence continuing East to a point in Special Section 10, Township 12 South, Range 5 East, Geary County, Kansas; thence continuing North through Special Sections 10 and 11, Township 12 South, Range 5 East, Geary County, Kansas; thence continuing Northeasterly through Special Section 3, Township 11 South, Range 5 East, Geary County, Kansas; thence continuing Northeasterly and Northwesterly through Special Section 4, Township 11 South, Range 6 East, Geary County, Kansas; thence continuing Northwesterly and Northerly through Special Sections 3 and 1, Township 11 South, Range 5 East, Geary County, Kansas; thence continuing Northerly in Special Section 2, Township 11 South, Range 6 East, Geary County, Kansas; thence continuing Northerly to Anzio Substation located on Fort Riley Military Reservation, Township 11 South, Range 6 East, Geary County, Kansas.

LINE NO. 3—Fairview Junction to Brown County Substation: A 115,000 volt, wood pole, electric transmission line approximately ten and eleven hundredths (10.11) miles in length beginning at Fairview Junction located in the Southeast corner, Section 4, Township 3 South, Range 15 East, Brown County, Kansas; thence continuing East through Sections 3, 2, and 1, Township 3 South, Range 15 East, Brown County, Kansas; thence continuing East through Sections 6, 5, 4, 3, 2, and 1, Township 3 South,

Range 16 East, Brown County, Kansas; thence continuing East through Section 6 to Brown County Substation located in Northeast Quarter (NE $\frac{1}{4}$), Section 6, all in Township 3 South, Range 17 East, Brown County, Kansas.

LINE NO. 4—General Battery Junction to General Battery Substation: A 115,000 volt, wood pole, electric transmission line approximately one and fourteen hundredths (1.14) miles in length beginning at General Battery Junction located in the Southwest corner of the Northeast Quarter (NE $\frac{1}{4}$), Section 12, Township 15 South, Range 3 West, Saline County, Kansas extending North through Section 12, Township 15 South, Range 3 West, Saline County, Kansas; thence continuing North and extending West through Section 1, Township 15 South, Range 3 West, Saline County, Kansas; thence extending to General Battery Substation located in Southwest Quarter (SW $\frac{1}{4}$), Section 1, all in Township 15 South, Range 3 West, Saline County, Kansas.

LINE NO. 5—3rd and Van Buren Substation to Cities Service Substation: A 69,000 volt, wood pole, electric transmission line approximately three and thirteen hundredths (3.13) miles in length beginning at 3rd and Van Buren Substation located Northeast Quarter (NE $\frac{1}{4}$), Section 14, Township 23 South, Range 6 West, Reno County, Kansas extending South and West through Section 14, Township 23 South, Range 6 West, Reno County, Kansas; thence continuing Southwesterly through Sections 14 and 15, Township 23 South, Range 6 West, Reno County, Kansas; thence continuing South and West through Section 22, Township 23 South, Range 6 West, Reno County, Kansas; to Cities Service Substation, located in Southwest Quarter (SW $\frac{1}{4}$), Section 22, all in Township 23 South, Range 6 West, Reno County, Kansas.

LINE NO. 6—Lake Forest Substation to Edwardsville Substation: A 34,500 volt, wood pole, electric transmission line approximately one and twenty-nine hundredths (1.29) miles in length beginning at Lake Forest Substation located in Southeast Quarter (SE $\frac{1}{4}$), Section 27, Township 11 South, Range 23 East, Wyandotte County, Kansas; thence continuing East and Southeasterly through Sections 26 and 25, Township 11 South, Range 23 East, Wyandotte County, Kansas; thence extending South to Edwardsville Substation located in Southwest Quarter (SW $\frac{1}{4}$), Section 25, all in Township 11 South, Range 23 East, Wyandotte County, Kansas.

LINE NO. 7—Knob Hill Substation to Country Club Substation: A 34,500 volt, wood pole, electric transmission line approximately three and forty-four hundredths (3.44) miles in length beginning at Knob Hill Substation located in Northeast Quarter (NE $\frac{1}{4}$), Section 4, Township 3 South, Range 7 East, Marshall County, Kansas extending East and North-easterly through Section 3, Township 3 South, Range 7 East, Marshall County, Kansas; thence continuing North through Section 3, Township 3 South, Range 7 East, Marshall County, Kansas; thence continuing North through Section 34, Township 2 South, Range 7 East, Marshall County, Kansas; thence continuing Northeast to Section 26, Township 2 South, Range 7 East, Marshall County, Kansas; thence extending North to Country Club Substation located in Northwest Quarter (NW $\frac{1}{4}$), Section 26, all in Township 2 South, Range 7 East, Marshall County, Kansas.

LINE NO. 8.—Everest Junction to Horton Substation: A 34,500 volt, wood pole, electric transmission line approximately one and sixty-four hundredths (1.64) miles in length beginning at Everest Junction located in Southeast corner, Section 27, Township 4 South, Range 17 East, Brown County, Kansas extending West through Sections 27 and 28, Township 4 South, Range 17 East, Brown County, Kansas; thence continuing South and West through Section 33, Township 4 South, Range 17 East, Brown County, Kansas; thence extending North to Horton Substation located in Southwest Quarter (SW $\frac{1}{4}$), Section 28, all in Township 4 South, Range 17 East, Brown County, Kansas.

LINE NO. 9—Sentry Junction to Sentry Underground Storage Substation: A 34,500 volt, wood pole, electric transmission line approximately eighty-nine hundredths (.89) miles in length beginning at Sentry Junction located in Northeast corner of Section 19, Township 19 South, Range 6 West, Rice County, Kansas extending North into Section 18, Township 19 South, Range 6 West, Rice County, Kansas; thence continuing Northeast and North through Section 17, Township 19 South, Range 6 West, to Sentry Underground Storage Substation located in Northeast Quarter (NE $\frac{1}{4}$), Section 18, all in Township 19 South, Range 6 West, Rice County, Kansas.

LINE NO. 10—Edwards Junction to Ninnescah REA Delivery Point: A 34,500 volt, wood pole, electric transmission line approximately one and twenty-eight hundredths (1.28) miles in length beginning at Edwards Junction located in Northwest corner of Section 29, Township 24 South, Range 16 West, Edwards County, Kansas; thence continuing South through

Sections 29 and 32, Township 24 South, Range 16 West, Edwards County, Kansas; thence continuing to Ninnescah REA Delivery Point located in Northwest Quarter (NW $\frac{1}{4}$), Section 32, all in Township 24 South, Range 16 West, Edwards County, Kansas.

LINE NO. 11—Tap Tower No. 59 to Ark Valley REA Substation: A 69,000 volt, wood pole, electric transmission line approximately four hundredths (.04) miles in length beginning Tap Tower No. 59 located in Southwest Quarter (SW $\frac{1}{4}$), Section 7, Township 22 South, Range 5 West, Reno County, Kansas extending Northwesterly to Ark Valley REA Substation located in Southwest Quarter (SW $\frac{1}{4}$), Section 7, all in Township 22 South, Range 5 West, Reno County, Kansas.

LINE NO. 12—43rd and Lorraine Junction to 43rd and Lorraine Substation: A 69,000 volt, wood pole, electric transmission line approximately four hundredths (.04) miles in length beginning at 43rd and Lorraine Junction located in Northwest Quarter (NW $\frac{1}{4}$), Section 32, Township 22 South, Range 5 West, Reno County, Kansas extending South to 43rd and Lorraine Substation located in Northwest Quarter (NW $\frac{1}{4}$), Section 32, all in Township 22 South, Range 5 West, Reno County, Kansas.

LINE NO. 13—20th and Metropolitan to Fort Leavenworth Switching Station: A 34,500 volt, wood pole, electric transmission line approximately seventy hundredths (.70) miles in length beginning at 20th and Metropolitan located in Southwest Quarter (SW $\frac{1}{4}$), of the Northwest Quarter (NW $\frac{1}{4}$), Township 8 South, Range 22 East, Leavenworth County, Kansas extending North and Northeasterly to the point of connection with Fort Leavenworth Military Reservation, all located in Township 8 South, Range 22 East, Leavenworth County, Kansas.

LINE NO. 14—15th and Hatcher to Didde-Glaser Plant Substation: A 34,500 volt, wood pole, electric transmission line approximately eleven hundredths (.11) miles in length beginning at 15th and Hatcher located in Northwest Quarter (NW $\frac{1}{4}$), Section 8, Township 19 South, Range 11 East, Lyon County, Kansas extending South to Didde-Glaser Plant Substation located in Northwest Quarter (NW $\frac{1}{4}$), Section 8, all in Township 19 South, Range 11 East, Lyon County, Kansas.

LINE NO. 15—Lebo Regulating Station to Lebo Junction: A 34,500 volt, wood pole, electric transmission line approximately twelve hundredths (.12) miles in length beginning at Lebo Regulating Station located in

Northeast Quarter (NE $\frac{1}{4}$), Section 16, Township 19 South, Range 14 East, Lyon County, Kansas extending North to Lebo Junction located in Southeast Quarter (SE $\frac{1}{4}$), Section 9, all in Township 19 South, Range 14 East, Lyon County, Kansas.

LINE NO. 16—Leonardville Junction Substation to Leonardville Rural Substation: A 34,500 volt, wood pole, electric transmission line approximately two and no hundredths (2.00) miles in length beginning at Leonardville Junction Substation located in Northwest Quarter (NW $\frac{1}{4}$), Section 17, Township 8 South, Range 6 East, Riley County, Kansas extending West through Sections 17 and 18, Township 8 South, Range 6 East, Riley County, Kansas; thence continuing West through Sections 13 and 12, Township 8 South, Range 5 East, Riley County, Kansas; thence continuing West to Leonardville Rural Substation located in Southwest Quarter (SW $\frac{1}{4}$), Section 12, all in Township 8 South, Range 5 East, Riley County, Kansas.

LINE NO. 17—Belvue Junction to Belvue Substation: A 34,500 volt, wood pole, electric transmission line approximately twelve hundredths (.12) miles in length beginning at Belvue Junction located in Southwest Quarter (SW $\frac{1}{4}$), Section 34, Township 9 South, Range 11 East, Pottawatomie County, Kansas extending South to Belvue Substation located in Southwest Quarter (SW $\frac{1}{4}$), Section 34, all in Township 9 South, Range 11 East, Pottawatomie County, Kansas.

LINE NO. 18—Brown County Substation to Hiawatha Junction: A 34,500 volt, wood pole, double circuit, electric transmission line approximately fifty-one hundredths (.51) miles in length beginning Brown County Substation located in Northeast Quarter (NE $\frac{1}{4}$), Section 6, Township 3 South, Range 17 East, Brown County, Kansas extending East through Sections 6 and 5, Township 3 South, Range 17 East, Brown County, Kansas; thence continuing North through Section 5, Township 3 South, Range 17 East, Brown County, Kansas; thence continuing North to Hiawatha Junction located in Southwest corner, Section 32, all in Township 2 South, Range 17 East, Brown County, Kansas.

LINE NO. 19—Brown County Substation to Hiawatha Junction: A 34,500 volt, wood pole, electric transmission line approximately fifty hundredths (.50) miles in length beginning at Brown County Substation located in Northeast Quarter (NE $\frac{1}{4}$), Section 6, Township 3 South, Range 17 East, Brown County, Kansas extending North through Section 6, Township 3

South, Range 17 East, Brown County, Kansas; thence continuing North to Hiawatha Junction located in Southeast corner, Section 31, all in Township 2 South, Range 17 East, Brown County, Kansas.

LINE NO. 20—Service Iron Foundry Junction to Service Iron Foundry: A 34,500 volt, wood pole, electric transmission line approximately fifty hundredths (.50) miles in length beginning at Service Iron Foundry Junction located in Southeast Quarter (SE $\frac{1}{4}$), Section 34, Township 19 South, Range 8 West, Rice County, Kansas extending Northeasterly and North to Service Iron Foundry located in Southeast Quarter (SE $\frac{1}{4}$), Section 34, all in Township 19 South, Range 8 West, Rice County, Kansas.

LINE NO. 21—Farmland Industry Junction to Farmland Industry Substation: A 34,500 volt, wood pole, electric transmission line approximately thirty-five hundredths (.35) miles in length beginning at Farmland Industry Junction located in Southeast Quarter (SE $\frac{1}{4}$), Section 24, Township 19 South, Range 5 West, McPherson County, Kansas extending West through Sections 24 and 23 to Farmland Industry Substation located in Southwest Quarter (SW $\frac{1}{4}$), Section 23, all in Township 19 South, Range 5 West, McPherson County, Kansas.

LINE NO. 22—Northern Gas Junction to Bushton Northern Gas Products Substation: A 34,500 volt, wood pole, electric transmission line approximately forty-seven hundredths (.47) miles in length, beginning at Northern Gas Junction located in Southeast Quarter (SE $\frac{1}{4}$), Section 31, Township 17 South, Range 9 West, Ellsworth County, Kansas extending South through Section 31, Township 17 South, Range 9 West, Ellsworth County, Kansas; thence continuing South and West through Section 6, Township 18 South, Range 9 West, Rice County, Kansas; thence continuing North through Section 6, Township 18 South, Range 9 West, Rice County, Kansas; thence continuing North to Bushton Northern Gas Products Substation located in Southeast Quarter (SE $\frac{1}{4}$), Section 31, all in Township 17 South, Range 9 West, Ellsworth County, Kansas.

THIRD.

Also all franchises and all permits, ordinances, easements, privileges, immunities and licenses, all rights to construct, maintain and operate overhead, surface and underground systems for the distribution and trans-

mission of electricity, gas, water or steam for the supply to itself or others of light, heat, cold or power or any other purpose whatsoever, all rights-of-way, all waters, water rights and flowage rights and all grants and consents, now owned by the Company or, subject to the provisions of Article XII of the Original Indenture, which it may hereafter acquire.

**GAS TRANSMISSION LINES LOCATED
IN THE STATE OF KANSAS
AS FOLLOWS:**

LINE 1—Manhattan 8" to Junction City Grant Avenue:

A certain Two (2) inch steel pipe gas transmission line approximately eight hundredths (.08) miles in length, commencing at a point of connection with the Company Line No. 0801 8" gas line in the Southeast Quarter (SE $\frac{1}{4}$) of the Northwest Quarter (NW $\frac{1}{4}$) of Section 31, Township 11 South, Range 6 East, Geary County; thence extending in a northwesterly direction four hundredths (.04) miles, thence extending in a northeasterly direction four hundredths (.04) miles to a point of connection with Company's town border station located along the southeast right-of-way of the Union Pacific Railroad Company in the Southeast Quarter (SE $\frac{1}{4}$) of the Northwest Quarter (NW $\frac{1}{4}$) of Section 31, Township 11 South, Range 6 East, Geary County, Kansas.

Also all inventions, patent rights and licenses of every kind now owned by the Company or, subject to the provisions of Article XII of the Original Indenture, which it may hereafter acquire.

FOURTH.

Also, subject to the provisions of Article XII of the Original Indenture, all other property, real, personal and mixed (except as therein or herein expressly excepted) of every nature and kind and wheresoever situated now or hereafter possessed by or belonging to the Company, or to which it is now, or may at any time hereafter be, in any manner entitled at law or in equity.

FIFTH.

Together with all and singular, the tenements, hereditaments and appurtenances belonging or in any wise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders, tolls, rents, revenues, issues, income, products and profits thereof, and all the estate, right, title, interest and claim whatsoever, at law and in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

EXPRESSLY EXCEPTING AND EXCLUDING, HOWEVER, all properties of the character excepted from the lien of the Original Indenture.

TO HAVE AND TO HOLD all said properties, real, personal and mixed, mortgaged, pledged and conveyed by the Company as aforesaid, or intended so to be, unto the Trustee and its successors and assigns forever;

SUBJECT, HOWEVER, to the exceptions and reservations hereinabove referred to, to existing leases other than leases which by their terms are subordinate to the lien of the Indenture, to existing liens upon rights-of-way for transmission or distribution line purposes, as defined in Article I of the Original Indenture, and any extensions thereof, and subject to existing easements for streets, alleys, highways, rights-of-way and railroad purposes over, upon and across certain of the property hereinbefore described and subject also to all the terms, conditions, agreements, covenants, exceptions and reservations expressed or provided in the deeds or other instruments respectively under and by virtue of which the Company acquired the properties hereinabove described and to undetermined liens and charges, if any, incidental to construction or other existing permitted liens as defined in Article I of the Original Indenture;

IN TRUST, NEVERTHELESS, upon the terms and trusts in the Original Indenture, and the indentures supplemental thereto, including this Fourteenth Supplemental Indenture, set forth, for the equal and proportionate benefit and security of all present and future holders of the Bonds and coupons issued and to be issued thereunder, or any of them, without preference of any of said Bonds and coupons of any particular series over the Bonds and coupons of any other series by reason of priority in the time of issue, sale or negotiation thereof, or by reason of the purpose of issue or otherwise howsoever, except as otherwise provided in Section 2 of Article IV of the Original Indenture.

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED, by and between the parties hereto for the benefit of those who shall hold the Bonds and coupons, or any of them, to be issued under the Indenture as follows:

ARTICLE I.

Description of Bonds of the Twelfth Series.

SECTION 1. The twelfth series of Bonds to be executed, authenticated and delivered under and secured by the Original Indenture shall be Bonds of the Twelfth Series. The Bonds of the Twelfth Series shall be designated as "First Mortgage Bonds, 8 $\frac{1}{8}$ % Series Due 2006" of the Company. The Bonds of the Twelfth Series shall be executed, authenticated and delivered in accordance with provisions of, and shall in all respects be subject to, all of the terms, conditions and covenants of the Original Indenture, as amended, and subject to all the terms, conditions and covenants of this Supplemental Indenture.

Bonds of the Twelfth Series shall mature May 1, 2006 and shall bear interest at the rate of eight and five-eighths percent (8 $\frac{1}{8}$ %) per annum payable semiannually on the first days of May and November in each year, commencing November 1, 1976. Every fully registered Bond of the Twelfth Series shall be dated the date of authentication, except that, notwithstanding the provisions of Section 6 of Article II of the Original Indenture, if any Bond of the Twelfth Series shall be authenticated at any time subsequent to the record date (as hereinafter in this Section defined) for any interest payment date for Bonds of the Twelfth Series but prior to the day following such interest payment date, it shall be dated as of the day following such interest payment date; *provided, however*, that if at the time of authentication of any Bond of the Twelfth Series interest shall be in default on any Bonds of the Twelfth Series, such Bond shall be dated as of the day following the interest payment date to which interest has previously been paid in full or made available for payment in full on outstanding Bonds of the Twelfth Series. Every Bond of the Twelfth Series shall bear interest from the May 1 or November 1 next preceding the date thereof.

The person in whose name any Bond of the Twelfth Series is registered at the close of business on any record date with regard to any interest

payment shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding the cancellation of such Bond upon the transfer or exchange thereof subsequent to such record date and prior to the day following such interest payment date, unless the Company shall default in the payment of the interest due on such interest payment date, in which case such defaulted interest shall be paid to the person in whose name such Bond is registered on the date of payment of such defaulted interest. The term "record date" as used in this Section with regard to any semi-annual interest payment date shall mean the close of business on the tenth day next preceding such interest payment date, or, if such tenth day is not a business day, the business day next preceding such tenth day. The Bonds of the Twelfth Series shall be payable as to principal and interest in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, at the agency of the Company in the City of Chicago, Illinois, or at the option of the holder thereof at the agency of the Company in the Borough of Manhattan, The City of New York, provided that at the option of the Company interest may be paid by check mailed to the holder at such holder's registered address.

SECTION 2. The Bonds of the Twelfth Series shall be registered bonds without coupons of the denominations of \$1,000, and of such multiples of \$1,000 as shall be authorized by written order of the Company, numbered consecutively from RM1 upwards in the case of Bonds of the Twelfth Series of \$1,000 denomination and consecutively from R1 upwards in the case of Bonds of the Twelfth Series in multiples of \$1,000, except for Bonds of the Twelfth Series in the denominations of \$5,000 or \$10,000 which shall be numbered consecutively from RV1 and RX1 upwards, respectively. Bonds of the Twelfth Series may be interchanged for each other in authorized denominations and in the same aggregate principal amounts, without charge, except for any tax or governmental charge imposed in connection with such interchange.

SECTION 3. The Bonds of the Twelfth Series, and the Trustee's Certificate with respect thereto, shall be substantially in the following forms, respectively:

[FORM OF FACE OF BOND OF THE TWELFTH SERIES]

THE KANSAS POWER AND LIGHT COMPANY
(Incorporated under the laws of the State of Kansas)

FIRST MORTGAGE BOND, 8½% SERIES DUE 2006
DUE MAY 1, 2006

No. R §

THE KANSAS POWER AND LIGHT COMPANY, a corporation organized and existing under the laws of the State of Kansas (hereinafter called the "Company", which term shall include any successor corporation as defined in the Indenture hereinafter referred to), for value received, hereby promises to pay to _____ or registered assigns, on the first day of May 2006, the sum of _____ Dollars in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, and to pay interest thereon in like coin or currency from the first day of May or November next preceding the date of this Bond at the rate of eight and five-eighths percent (8½%) per annum, payable semiannually, on the first days of May and November in each year until maturity, or, if this Bond shall be duly called for redemption, until the redemption date, or, if the Company shall default in the payment of the principal hereof, until the Company's obligation with respect to the payment of such principal shall be discharged as provided in the Indenture hereinafter mentioned. The interest payable on any May 1 or November 1 as aforesaid will be paid to the person in whose name this Bond is registered at the close of business on the tenth day next preceding such interest payment date, or, if such tenth day is not a business day, the business day next preceding such tenth day, unless the Company shall default in the payment of the interest due on such interest payment date, in which case such defaulted interest shall be paid to the person in whose name this Bond is registered on the date of payment of such defaulted interest. Both principal of, and interest on, this Bond are payable at the agency of the Company in the City of Chicago, Illinois, or, at the option of the holder hereof, at the agency of the Company in the Borough of Manhattan, The City of New York, provided that at the option of the Company interest may be paid by check mailed to the holder at such holder's registered address.

This Bond shall not be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose, until Harris Trust and Savings Bank, the Trustee under the Indenture, or a successor trustee thereto under the Indenture, shall have signed the form of certificate endorsed hereon.

The provisions of this Bond are continued on the reverse hereof, and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, THE KANSAS POWER AND LIGHT COMPANY has caused this Bond to be signed in its name by its Chairman of the Board or its President or a Vice President, manually or by facsimile, and its corporate seal (or a facsimile thereof) to be hereto affixed and attested by its Secretary or an Assistant Secretary, manually or by facsimile.

Dated:

THE KANSAS POWER AND LIGHT COMPANY

By
President.

Attest:

.....
Secretary.



[FORM OF REVERSE OF BOND OF THE TWELFTH SERIES]

THE KANSAS POWER AND LIGHT COMPANY

FIRST MORTGAGE BOND, 8%% SERIES DUE 2006

DUE MAY 1, 2006

(Continued)

This Bond is one of a duly authorized issue of Bonds of the Company (herein called the "Bonds"), in unlimited aggregate principal amount, of the series hereinafter specified, all issued and to be issued under and equally secured by a mortgage and deed of trust, dated July 1, 1939, executed by the Company to Harris Trust and Savings Bank (herein called the "Trustee"), as Trustee, as amended by the indentures supplemental thereto including the indenture supplemental thereto dated May 1, 1976 (herein called the "Supplemental Indenture"), between the Company and the Trustee (said mortgage and deed of trust, as so amended, being herein called the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the bearers or registered owners of the Bonds and of the Trustee in respect thereto, and the terms and conditions upon which the Bonds are, and are to be, secured. The Bonds may be issued in series, for various principal sums, may mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided. This Bond is one of a series designated as the "First Mortgage Bonds, 8%% Series Due 2006" (herein called "Bonds of the Twelfth Series") of the Company, issued under and secured by the Indenture executed by the Company to the Trustee.

To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the Bonds and coupons may be made with the consent of the Company by an affirmative vote of not less than 80% in principal amount of the Bonds entitled to vote then outstanding, at a meeting of Bondholders called and held as provided in the Indenture, and by an affirmative vote of not less than 80% in principal amount of the Bonds of any series entitled to

vote then outstanding and affected by such modification or alteration, in case one or more but less than all of the series of Bonds then outstanding under the Indenture are so affected. The Company has reserved the right to amend the Indenture without any consent or other action by holders of any series of Bonds created after June 1, 1975, including Bonds of the Twelfth Series, to provide that the Indenture may be modified or altered with the consent of the holders of 60% in aggregate principal amount of the Bonds; and if less than all series of Bonds are affected with the consent also of the holders of 60% in aggregate principal amount of the Bonds of each series so affected. No modification or alteration shall be made which will affect the terms of payment of the principal of, or interest or premium (if any) on, this Bond, which are unconditional. The Company has also reserved the right to make certain amendments to the Indenture, without any consent or other action by holders of the Bonds of this series, to the extent necessary from time to time to qualify the Indenture under the Trust Indenture Act of 1939, all as more fully provided in the Indenture.

The Bonds of the Twelfth Series are subject to redemption (otherwise than for the Improvement and Sinking Fund and the Maintenance Fund provided for in the Supplemental Indenture, or upon application of certain moneys included in the trust estate), at any time or from time to time prior to maturity at the option of the Company, subject to certain restrictions with respect to redemptions prior to May 1, 1981 as set forth in the aforesaid Supplemental Indenture, either as a whole or in part by lot, upon payment of the regular redemption prices applicable to the respective periods set forth below, together, in each case, with accrued interest to the redemption date, all subject to the conditions of, and as more fully set forth in, the Indenture.

The Bonds of the Twelfth Series are subject to redemption for said Improvement and Sinking Fund, or said Maintenance Fund, or upon application of certain moneys included in the trust estate, at any time or from time to time prior to maturity, upon payment of the special redemption prices applicable to the respective periods set forth below, together, in each case, with accrued interest to the redemption date, all subject to the conditions of, and as more fully set forth in, the Indenture.

If Redeemed During the 12 Months Period Beginning May 1	Regular Redemption Price Expressed as Percent- ages of the Principal Amount of the Bonds	Special Redemption Price
1976	107.825%	100%
1977	107.51	100
1978	107.20	100
1979	106.89	100
1980	106.57	100
1981	106.26	100
1982	105.95	100
1983	105.63	100
1984	105.32	100
1985	105.01	100
1986	104.70	100
1987	104.38	100
1988	104.07	100
1989	103.76	100
1990	103.44	100
1991	103.13	100
1992	102.82	100
1993	102.50	100
1994	102.19	100
1995	101.88	100
1996	101.57	100
1997	101.25	100
1998	100.94	100
1999	100.63	100
2000	100.31	100
2001	100.00	100
2002	100.00	100
2003	100.00	100
2004	100.00	100
2005	100.00	100

Such redemption in every case shall be effected upon notice given by first class mail, postage prepaid, at least thirty days and not more than sixty days prior to the redemption date, to the registered owners of such Bonds, at

their addresses as the same shall appear on the transfer register of the Company, all subject to the conditions of, and as more fully set forth in, the Indenture.

In case an event of default, as defined in the Indenture, shall occur, the principal of all of the Bonds at any such time outstanding under the Indenture may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be waived by the holders of a majority in principal amount of the Bonds outstanding.

This Bond is transferable by the registered owner hereof, in person or by duly authorized attorney, on the books of the Company to be kept for that purpose at the agency of the Company in the City of Chicago, Illinois, and at the agency of the Company in the Borough of Manhattan, The City of New York, upon surrender and cancellation of this Bond and on presentation of a duly executed written instrument of transfer, and thereupon a new registered Bond or Bonds of the same series, of the same aggregate principal amount and in authorized denominations will be issued to the transferee or transferees in exchange herefor; and this Bond, with or without others of like form and series, may in like manner be exchanged for one or more new registered Bonds of the same series of other authorized denominations but of the same aggregate principal amount; all upon payment of the charges and subject to the terms and conditions set forth in the Indenture.

No recourse shall be had for the payment of the principal of, or premium (if any), or the interest on, this Bond, or for any claim based hereon or on the Indenture or any indenture supplemental thereto, against any incorporator, or against any stockholder, director or officer, past, present or future, of the Company, or of any predecessor or successor corporation, as such, either directly or through the Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, of incorporators, stockholders, directors or officers being released by every owner hereof by the acceptance of this Bond and as part of the consideration for the issue hereof, and being likewise released by the terms of the Indenture.

[FORM OF TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds, of the series designated herein, described in the within-mentioned Mortgage and Deed of Trust of July 1, 1939 and Supplemental Indenture of May 1, 1976.

HARRIS TRUST AND SAVINGS BANK,
Trustee,

By
Authorized Officer.

SECTION 4. Until Bonds of the Twelfth Series in definitive form are ready for delivery, the Company may execute, and upon its request in writing the Trustee shall authenticate and deliver, in lieu thereof, Bonds of the Twelfth Series in temporary form, as provided in Section 9 of Article II of the Original Indenture. Such Bonds of the Twelfth Series in temporary form may, in lieu of the statement of the specific redemption prices required to be set forth in such Bonds in definitive form, include a reference to this Supplemental Indenture for a statement of such redemption prices.

ARTICLE II.

Issue of Bonds of the Twelfth Series.

SECTION 1. The total principal amount of Bonds of the Twelfth Series which may be authenticated and delivered hereunder is not limited except as the Original Indenture and this Supplemental Indenture limit the principal amount of bonds which may be issued thereunder.

SECTION 2. Bonds of the Twelfth Series for the aggregate principal amount of Forty-Five Million Dollars (\$45,000,000) may forthwith be executed by the Company and delivered to the Trustee and shall be authenticated by the Trustee and delivered (either before or after the filing or recording hereof) to or upon the order of the Company, upon receipt by the Trustee of the resolutions, certificates, instruments and opinions required by Article III and Article XVIII of the Original Indenture, as amended.

ARTICLE III.**Redemption.**

SECTION 1. (A) The Bonds of the Twelfth Series shall, subject to the provisions of Article V of the Original Indenture, be redeemable (otherwise than for the Improvement and Sinking Fund or the Maintenance Fund, provided in Article IV hereof, and otherwise than pursuant to Section 8 of Article VIII of the Original Indenture), at any time or from time to time prior to maturity, at the option of the Board of Directors of the Company, either as a whole or in part, upon payment of the applicable percentage of the principal amount thereof set forth under the heading "Regular Redemption Price" in the tabulation in the form of Bonds of the Twelfth Series set forth in Section 3 of Article I hereof, together, in each case, with accrued interest to the redemption date.

Notwithstanding the foregoing provisions of this Section, Bonds of the Twelfth Series shall not be redeemable at the option of the Company prior to May 1, 1981 (other than for the current Improvement and Sinking Fund and Maintenance Fund installments as provided in Article IV) if the moneys for such redemption are obtained by the Company directly or indirectly from or in anticipation of the borrowing by or for the account of the Company at an effective interest cost (calculated after adjustment, in accordance with generally accepted financial practice, for any premium received or discount granted in connection with such borrowing, but without any adjustment for commissions, underwriting discounts and expenses in connection with such borrowing) of 8.70% or less per annum or are obtained from an affiliate of the Company.

(B) The Bonds of the Twelfth Series shall, subject to the provisions of Article V of the Original Indenture, be redeemable through the operation of the Improvement and Sinking Fund or the Maintenance Fund, provided in Article IV hereof, or pursuant to Section 8 of Article VIII of the Original Indenture, at any time or from time to time prior to maturity upon payment of the applicable percentage of the principal amount thereof set forth under the heading "Special Redemption Price" in the aforesaid tabulation in said form of Bonds together, in each case, with accrued interest to the redemption date; provided, however, that in the case of redemption of Bonds of the Twelfth Series through the operation of said Improvement and Sinking

Fund, if the date fixed for such redemption shall be earlier than January 1 of the year in which the deposit of the moneys applied to such redemption shall become due, such redemption shall be at the applicable regular redemption price above referred to.

SECTION 2. Subject to the provisions of Article V of the Original Indenture, the Company shall cause notice of redemption to be given by first class mail, postage prepaid, at least thirty days and not more than sixty days prior to the date of redemption, to the registered owners of such Bonds at their addresses as the same shall appear on the transfer register of the Company.

ARTICLE IV.

Improvement and Sinking Fund and Maintenance Fund

Respecting Bonds of the Twelfth Series.

SECTION 1. The Company covenants and agrees that, so long as any Bonds of the Twelfth Series are outstanding, it will, as an Improvement and a Sinking Fund provision, on or before April 30 of each year beginning with the year 1977, deposit with the Trustee an amount in cash and/or a principal amount of theretofore issued and outstanding Bonds of the Twelfth Series, not theretofore made the basis for the authentication and delivery of Bonds or the withdrawal of cash or the reduction of the amount of cash required to be paid to the Trustee under any provision of the Original Indenture, the Second Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture or this Supplemental Indenture, equal in the aggregate to one percent (1%) of (a) the greatest aggregate principal amount of all issued Bonds of the Twelfth Series outstanding at any one time prior to January 1 of such year less (b) the aggregate principal amount of all issued Bonds of the Twelfth Series retired (other than through operation of the Improvement and Sinking Fund or the Maintenance Fund provided for herein) pursuant to Section 8 of Article VIII of the Original Indenture prior to the date of such deposit; provided, however, that there shall be credited against the amount

of cash and/or principal amount of Bonds of the Twelfth Series so required to be deposited with the Trustee an amount equal to sixty percent (60%) of the amount of net bondable value of property additions not subject to an unfunded prior lien which the Company then elects to make the basis of a credit under this Section.

On or before April 30 of each such year, the Company shall deliver to the Trustee:

(a) an officers' certificate which shall state:

(1) the greatest aggregate principal amount of Bonds of the Twelfth Series outstanding at any one time prior to January 1 of such year; and

(2) the aggregate principal amount of all issued Bonds of the Twelfth Series retired (other than through operation of the Improvement and Sinking Fund or the Maintenance Fund provided for herein) pursuant to Section 8 of Article VIII of the Original Indenture prior to the date of such officers' certificate;

and

(b) if the Company then elects to make the basis of a credit under this Section any amount of net bondable value of property additions not subject to an unfunded prior lien, the certificates, instruments, opinions, prior lien bonds and cash prescribed in Subdivisions (a) to (g), both inclusive, of Section 4 of Article III of the Original Indenture.

So long as any of the Bonds of the Twelfth Series are outstanding, property additions used as the basis of a credit under this Section shall not thereafter be made the basis for the authentication and delivery of Bonds or the withdrawal of cash or the reduction of the amount of cash required to be paid to the Trustee under any provision of the Original Indenture, the Second Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture or this Supplemental Indenture.

Notwithstanding any other provisions of the Original Indenture, the Second Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture or this Supplemental Indenture, the Company shall be permitted from time to time to anticipate in whole or in part the requirements of this Section becoming due on April 30 of the then current year or any subsequent year or years, by depositing cash and/or a principal amount of issued Bonds of the Twelfth Series with the Trustee in full satisfaction or in partial satisfaction of the requirements of this Section. Any redemption of Bonds of the Twelfth Series out of cash so deposited shall not be inconsistent with the provisions of Section 1(B) of Article III hereof.

The Trustee, upon receipt of cash pursuant to the provisions of this Section, shall forthwith proceed to apply the same toward the purchase of issued Bonds of the Twelfth Series, in an aggregate principal amount not exceeding the amount of cash deposited, on any securities exchange or in the open market or at private sale at the price or prices most favorable to the Company in the judgment of the Trustee; provided, however, that no Bonds of the Twelfth Series shall be purchased at such price (including accrued interest and brokerage) that the cost thereof to the Company would exceed the cost of redeeming such Bonds of the Twelfth Series on a date forty days after the date of such purchase (including in such cost the premium, if any, and accrued interest from the interest date next preceding the date of purchase to such redemption date).

Notwithstanding the foregoing provisions of this Section, the Company, at the time of paying to the Trustee any Improvement and Sinking Fund payment, or at any time or from time to time thereafter, may, by a request in writing signed in the name of the Company by its Chairman of the Board, its President, or any Vice President, and its Treasurer or any Assistant Treasurer, accompanied by a certified resolution of the Board of Directors authorizing or directing the Trustee to apply an amount therein specified to the redemption of Bonds of the Twelfth Series, direct the Trustee to apply such Improvement and Sinking Fund payment or any part thereof (not theretofore disbursed by the Trustee for the purchase of Bonds of the Twelfth Series or required for the purchase of Bonds of the Twelfth Series

under offers or proposals theretofore accepted by the Trustee) to the redemption of Bonds of the Twelfth Series, and in such event the amount so specified is hereby required to be applied promptly to the redemption of Bonds of the Twelfth Series. Upon receipt of such instrument in writing and certified resolution of the Board of Directors, the Trustee shall apply such funds to the redemption of the Bonds of the Twelfth Series or portions thereof in an aggregate principal amount sufficient to exhaust as nearly as may be the full amount so specified and within ten days after the receipt of such instrument in writing and certified resolution notify the Company of the particular Bonds of the Twelfth Series or portions thereof to be redeemed.

Notwithstanding any other provisions of this Section, if moneys in excess of the sum of Twenty-five Thousand Dollars (\$25,000) deposited with the Trustee pursuant to this Section (except moneys which have theretofore been set aside for the purchase of Bonds of the Twelfth Series or for the redemption of Bonds of the Twelfth Series called for redemption) shall have remained on deposit for a period of ninety days, such moneys so remaining on deposit shall promptly thereafter be applied by the Trustee to the redemption of Bonds of the Twelfth Series or portions thereof in an aggregate principal amount sufficient to exhaust as nearly as may be the full amount of cash remaining on deposit with the Trustee pursuant to this Section and the Trustee shall notify the Company of the particular Bonds of the Twelfth Series or portions thereof to be redeemed.

Any Bonds of the Twelfth Series delivered to, or purchased or redeemed by, the Trustee pursuant to the provisions of this Section shall forthwith be cancelled by the Trustee and delivered to the Company and shall not be reissued, and, so long as any Bonds of the Twelfth Series are outstanding, no Bonds of the Twelfth Series so delivered, purchased or redeemed and cancelled shall be made the basis for the authentication and delivery of Bonds, or the withdrawal of cash or the reduction of the amount of cash required to be paid to the Trustee under any provision of the Original Indenture, the Second Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture or this Supplemental Indenture.

SECTION 2. The Company covenants and agrees that so long as any of the Bonds of the Twelfth Series are outstanding: (A) the provisions of Sections 2, 3 and 4 of Article IV, as amended, of the Second Supplemental Indenture shall continue in full force and effect so long as any of the First Mortgage Bonds, 2¼% Series Due 1979 are outstanding; (B) the provisions of Sections 2, 3 and 4 of Article IV, as amended, of the Fourth Supplemental Indenture shall continue in full force and effect so long as any of the First Mortgage Bonds, 2¼% Series Due 1979 are outstanding; (C) the provisions of Sections 2, 3 and 4 of Article IV, as amended, of the Fifth Supplemental Indenture shall continue in full force and effect so long as any of the First Mortgage Bonds, 2¼% Series Due 1984, are outstanding; (D) the provisions of Sections 2, 3 and 4 of Article IV of the Seventh Supplemental Indenture shall continue in full force and effect so long as any of the First Mortgage Bonds, 3¼% Series Due 1981, are outstanding; (E) the provisions of Sections 2, 3 and 4 of Article IV of the Eighth Supplemental Indenture shall continue in full force and effect so long as any of the First Mortgage Bonds, 3¼% Series Due 1982, are outstanding; (F) the provisions of Sections 2, 3 and 4 of Article IV of the Ninth Supplemental Indenture shall continue in full force and effect so long as any of the First Mortgage Bonds, 3¼% Series Due 1984, are outstanding; (G) the provisions of Sections 2, 3 and 4 of Article IV of the Tenth Supplemental Indenture shall continue in full force and effect so long as any of the First Mortgage Bonds, 4¼% Series Due 1991, are outstanding; (H) the provisions of Sections 2, 3 and 4 of Article IV of the Eleventh Supplemental Indenture shall continue in full force and effect so long as any of the First Mortgage Bonds, 7¼% Series Due 1999, are outstanding; (I) the provisions of Sections 2, 3 and 4 of Article IV of the Twelfth Supplemental Indenture shall continue in full force and effect so long as any of the First Mortgage Bonds, 8¼% Series Due 2000, are outstanding; (J) the provisions of Sections 2, 3 and 4 of Article IV of the Thirteenth Supplemental Indenture shall continue in full force and effect so long as any of the First Mortgage Bonds, 8¼% Series Due 2005, are outstanding; and (K) after the retirement by redemption, payment at maturity or otherwise of all of the First Mortgage Bonds, 2¼% Series Due 1979, all of the First Mortgage Bonds, 2¼% Series Due 1984, all of the First Mortgage Bonds, 3¼% Series Due 1981, all of the First Mortgage Bonds, 3¼% Series Due 1982, all of the First Mortgage Bonds, 3¼% Series Due 1984, all of the First Mortgage Bonds, 4¼% Series Due 1991, all of the First Mortgage Bonds,

7½% Series Due 1999, all of the First Mortgage Bonds, 8¼% Series Due 2000, and all of the First Mortgage Bonds, 8¾% Series Due 2005, it will provide a Maintenance Fund (herein called the Maintenance Fund) as follows:

The total expenditures of the Company for (i) maintenance and repairs, (ii) replacements, and (iii) bondable property in excess of retirements theretofore certified to the Trustee pursuant to this Section, for the period from January 1, 1949 to December 31, inclusive, of the last year included in said period (determined as hereinafter set forth), together with the amount of cash theretofore deposited with the Trustee during said period pursuant to this Section will be at least equal to 15% of the amount of operating revenues of the Company during the same period; to the extent of any deficiency, the Company will on or before each April 30 thereafter, either (x) certify to the Trustee expenditures for bondable property charged to plant accounts on or after January 1, 1949 in excess of the cost of property retirements credited to plant accounts of the Company on or after January 1, 1949 which, except as otherwise permitted in this Section, have not previously been made the basis of the authentication and delivery of Bonds or the withdrawal of cash or the reduction of the amount of cash required to be paid to the Trustee under any provision of the Original Indenture, the Second Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture or this Supplemental Indenture, or (y) deposit cash or principal amount of Bonds of the Twelfth Series theretofore issued and outstanding, with the Trustee.

On or before April 30, 1977 and on or before each April 30 thereafter, the Company shall file with the Trustee:

(a) An officers' certificate stating as of the end of the calendar year preceding the date of the Certificate:

(i) the amount of the operating revenues of the Company, as defined in Section 4 of this Article IV, during the period beginning January 1, 1949;

(ii) 15% of such amount;

(iii) the expenditures for maintenance and repairs charged to operating expense accounts of the Company for the period beginning January 1, 1949;

(iv) the expenditures for replacements for the period beginning January 1, 1949, which shall be deemed to be the cost of bondable property charged to plant accounts on and after January 1, 1949, in an amount equal to the cost of property retirements credited to plant accounts on and after January 1, 1949;

(v) the expenditures for bondable property charged to plant accounts on and after January 1, 1949 in excess of the cost of property retirements credited to plant accounts on and after January 1, 1949 and theretofore included in certificates filed with the Trustee pursuant to this paragraph (a);

(vi) the amount of any cash theretofore deposited with the Trustee pursuant to this Section;

and if the total of the amounts set forth in Subdivisions (iii) to (vi), inclusive, of this paragraph (a) is less than the amount set forth in Subdivision (ii) hereof to the extent of any such deficiency, further stating:

(vii) the expenditures for bondable property charged to plant accounts of the Company on and after January 1, 1949 in excess of the cost of property retirements credited to plant accounts on and after January 1, 1949 and not theretofore made the basis of the authentication and delivery of Bonds or the withdrawal of cash, or the reduction of the amount of cash required to be paid to the Trustee under any provision of the Original Indenture, the Second Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture or this Supplemental Indenture for which the Company then elects to take credit under this Section; and

(viii) the amount of any cash or Bonds of the Twelfth Series theretofore issued and outstanding then to be deposited with the Trustee as a credit under this Section;

and

(b) If any of the bondable property referred to in Subdivision (vii) of Paragraph (a) of this Section 2 shall consist of property additions, the resolutions, certificates, instruments, opinion of counsel, prior lien Bonds and cash required by Section 1 of Article VIII of the Original Indenture, except that such documents shall refer to the reduction of cash rather than to a withdrawal of cash and the engineer's certificate shall state the cost of property additions retired during the applicable period and the excess of the cost of gross property additions purchased, constructed or otherwise acquired over the cost of property additions retired during such period and the period to be specified in such engineer's certificate during which the property additions were purchased, constructed or otherwise acquired and/or retired by the Company, shall commence on January 1, 1949,

provided that the certificates filed by the Company under and pursuant to the provisions of Section 2 of Article IV, as amended, of the Second Supplemental Indenture or Section 2 of Article IV, as amended, of the Fourth Supplemental Indenture or Section 2 of Article IV, as amended, of the Fifth Supplemental Indenture or Section 2 of Article IV of the Seventh Supplemental Indenture or Section 2 of Article IV of the Eighth Supplemental Indenture or Section 2 of Article IV of the Ninth Supplemental Indenture or Section 2 of Article IV of the Tenth Supplemental Indenture or Section 2 of Article IV of the Eleventh Supplemental Indenture or Section 2 of Article IV of the Twelfth Supplemental Indenture or Section 2 of Article IV of the Thirteenth Supplemental Indenture shall be in lieu of the officers' certificate above provided which need not be filed separately so long as similar certificates are filed under any of said supplemental indentures.

Any cash deposited with the Trustee under Subdivision (K) of this Section, in accordance with the request of the Company expressed by a certified resolution, shall be applied by the Trustee to the purchase or redemption of Bonds of the Twelfth Series or paid over to the Company upon delivery by the Company to the Trustee of an aggregate principal amount of issued Bonds of the Twelfth Series equal to the amount of cash so

to be paid over. Any such cash may also be withdrawn by the Company upon compliance with the provisions of Section 3 of Article VIII of the Indenture.

Any Bonds of the Twelfth Series delivered to, or purchased or redeemed by, the Trustee pursuant to provisions of this Section shall forthwith be cancelled by the Trustee and shall not be reissued. So long as any Bonds of the Twelfth Series are outstanding, no property additions included in the bondable property for which credit is claimed under Subdivision (vii) of paragraph (a) of this Section 2, and no Bonds purchased or redeemed pursuant to the provisions of this Section, shall thereafter be used as a basis for the authentication and delivery of Bonds, or the withdrawal of cash or the reduction of the amount of cash required to be paid to the Trustee under any provisions of the Original Indenture, the Second Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, or this Supplemental Indenture, unless the total of expenditures and credits previously certified to the Trustee under this Section, plus the total of cash deposited under this Section, is more than the Maintenance Fund requirement for the same period and then only to the extent of such excess.

SECTION 3. Upon the purchase or redemption by the Trustee of any Bonds of the Twelfth Series pursuant to the provisions of this Article:

(a) The Company shall pay to the Trustee all interest up to but not including the day of purchase or redemption, as the case may be, on all Bonds so purchased or redeemed, together with cash in the amount, if any, by which the aggregate purchase or redemption price (excluding interest) paid by the Trustee exceeds the aggregate principal amount of the Bonds purchased or redeemed. The cost of all advertising or publishing and all brokerage charges shall be paid by the Company, or, if paid by the Trustee, shall forthwith be paid to it by the Company upon demand.

(b) The Trustee shall pay to or upon the order of the Treasurer or an Assistant Treasurer of the Company, from any moneys deposited with the Trustee under Sections 1 and 2 of this Article IV, an amount

equal to the amount by which the aggregate principal amount of Bonds purchased exceeds the aggregate purchase price (less interest) paid by the Trustee for such Bonds.

SECTION 4. The term "operating revenues of the Company" as that term is used in this Article IV shall mean and include all revenues derived by the Company from the operation of its plant and properties, remaining after deducting therefrom an amount equal to the aggregate cost to the Company of electric energy or gas purchased for resale to others and rentals paid for the use of property owned by others and leased to or operated by the Company and the maintenance of which and depreciation or depletion on which are borne by the owners.

SECTION 5. No moneys received by the Trustee pursuant to any provision of the Original Indenture, the Second Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture or this Supplemental Indenture other than this Article IV, and no Bonds purchased or redeemed with such moneys pursuant to Section 8 of Article VIII of the Original Indenture, shall be credited at any time to or on account of the Improvement and Sinking Fund or Maintenance Fund provided for in this Article IV.

ARTICLE V.

Additional Covenants.

The Company hereby covenants, warrants and agrees:

SECTION 1. That the Company is lawfully seized and possessed of all of the mortgaged property described in the granting clauses of this Supplemental Indenture; that it has good right and lawful authority to mortgage the same as provided in this Supplemental Indenture; and that such mortgaged property is, at the actual date of the initial issue of the Bonds of the Twelfth Series, free and clear of any deed of trust, mortgage, lien, charge or

encumbrance thereon or affecting the title thereto prior to the Indenture, except as set forth in the granting clauses of the Original Indenture, the Second Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture or this Supplemental Indenture.

SECTION 2. So long as any Bonds of the Twelfth Series are outstanding, in the event that all or substantially all of the gas properties (either with or without including the gas property in the City of Atchison, Kansas) shall have been released as an entirety from the lien of the Original Indenture, the Company will, at any time or from time to time within six months after the date of such release, retire Bonds outstanding under the Original Indenture in an aggregate principal amount equal to the lesser of

(a) the fair value of the gas properties so released pursuant to Section 3 of Article VII of the Original Indenture, as stated in the engineer's certificate required by Section 3(b) of said Article VII, and the proceeds of the gas properties so released pursuant to Section 5 of said Article VII, less the amount of moneys, deposited with the Trustee pursuant to Sections 3(d), 4(d) and 5 of said Article VII on such release, withdrawn or reduced pursuant to Section 1 of Article VIII of the Original Indenture simultaneously with or within three months after such release; or

(b) the greater of

(i) Nine Million Dollars (\$9,000,000) plus One Hundred Seventy-Five Thousand Dollars (\$175,000) for each full year (disregarding any period less than a full year) beginning with July 1, 1949, and ending on the date of such release, less \$1,700,000, or

(ii) One-half of the fair value of the gas properties so released, as stated in the engineer's certificate required by Section 3(b) of Article VII of the Original Indenture, and one-half of the proceeds of the gas properties so released pursuant to Section 5 of said Article VII.

Such retirement of Bonds shall be effected in either one or both of the following methods:

(aa) By the withdrawal pursuant to Section 2 of Article VIII of the Original Indenture of any moneys deposited with the Trustee pursuant to Sections 3(d), 4(d) and 5 of Article VII of the Original Indenture upon such release; or

(bb) By causing the Trustee to purchase or redeem Bonds, pursuant to Section 8 of Article VIII of the Original Indenture, out of any moneys deposited with the Trustee pursuant to Sections 3(d), 4(d) and 5 of Article VII of the Original Indenture upon such release.

SECTION 3. So long as any Bonds of the Twelfth Series are outstanding, in the event all or substantially all of the electric properties shall have been released as an entirety from the lien of the Original Indenture, the Company will, at any time or from time to time within six months after the date of such release, retire Bonds outstanding under the Original Indenture in an aggregate principal amount equal to the fair value of the electric properties so released pursuant to Section 3 of Article VII of the Original Indenture, as stated in the engineer's certificate required by Section 3(b) of said Article VII, and the proceeds of the electric properties so released pursuant to Section 5 of said Article VII. Such retirement of Bonds shall be effected in either one or both of the following methods:

(a) By the withdrawal pursuant to Section 2 of Article VIII of the Original Indenture of any moneys deposited with the Trustee pursuant to Sections 3(d), 4(d) and 5 of Article VII of the Original Indenture upon such release; or

(b) By causing the Trustee to purchase or redeem Bonds, pursuant to Section 8 of Article VIII of the Original Indenture, out of any moneys deposited with the Trustee pursuant to Sections 3(d), 4(d) and 5 of Article VII of the Original Indenture upon such release.

The Bonds to be so retired shall include a principal amount of Bonds of each Series then outstanding in the same ratio to the aggregate principal amount of all Bonds so retired as the aggregate principal amount of all Bonds of each Series outstanding immediately prior to such release bears to the total principal amount of all Bonds then outstanding.

ARTICLE VI.**Amendments of Ratio of Bonds Issuable to Property Additions and of Certain Other Ratios. Amendment of Net Earnings Test. Use of Facsimile Signatures. Reservation of Right to Amend Article XV.**

SECTION 1. So long as any of the Bonds of the Twelfth Series shall remain outstanding:

(1) Notwithstanding the provisions of Section 4 of Article III of the Original Indenture, no Bonds shall be authenticated and delivered pursuant to the provisions of Article III of the Original Indenture and issued upon the basis of net bondable value of property additions for an aggregate principal amount in excess of sixty percent (60%) of the net bondable value of property additions not subject to an unfunded prior lien.

For the purposes of Subsections (e) and (f) of the definition of "net bondable value of property additions not subject to an unfunded prior lien", contained in Article I of the Original Indenture, and Subdivisions 8 and 9 of clause (a) of Section 4 of Article III of the Original Indenture, in all computations made with respect to a period subsequent to April 1, 1949, the deductions therein referred to shall in each case be ten-sixths ($10/6$ ths) of the respective amounts mentioned, in lieu of ten-sevenths ($10/7$ ths).

(2) Notwithstanding the provisions of Section 3(a) of Article VIII of the Original Indenture, no moneys received by the Trustee pursuant to Section 5(a) of Article III of the Original Indenture shall be paid over by the Trustee in an amount in excess of sixty percent (60%) of the net bondable value of property additions not subject to an unfunded prior lien, and for the purposes of Section 3 of Article VII of the Original Indenture, the amount of cash required to be deposited by the Company pursuant to Subsection (d) of said Section 3 of Article VII, shall not be reduced in an amount in excess of sixty percent (60%) of the net bondable value of property additions not subject to an unfunded prior lien.

(3) For the purposes of clauses (c) and (d) of the definition of "net bondable value of property additions subject to an unfunded prior lien", contained in Article I of the Original Indenture, and Subsection 7

of clause (a) of Section 4 of Article III of the Original Indenture, in all computations made with respect to a period subsequent to April 1, 1949, the deductions therein referred to shall in each case be ten-sixths ($10/6$ ths) of the respective amounts mentioned, in lieu of ten-sevenths ($10/7$ ths).

(4) Subsection (a) of Section 14, clauses (1) and (2) of Subsection (a) of Section 16 of Article IV and clause (1) of Subsection (b) of Section 1 of Article XII of the Original Indenture shall be deemed amended by substituting the words "sixty percent (60%)" for "seventy percent (70%)" where they appear in said provisions of the Original Indenture.

(5) The definition of the term "net earnings available for interest, depreciation and property retirement", as contained in Article I of the Original Indenture, shall be deemed to mean the net earnings of the Company ascertained as follows:

(a) The total operating revenues of the Company and the net non-operating revenues of the properties of the Company shall be ascertained.

(b) From the total, determined as provided in Subsection (a), there shall be deducted all operating expenses, including all salaries, rentals, insurance, license and franchise fees, expenditures for repairs and maintenance, taxes (other than income, excess profits and other taxes measured by or dependent on net taxable income), depreciation as shown on the books of the Company or an amount equal to the minimum provision for depreciation as hereinafter defined, whichever is greater, but excluding all property retirement appropriations, all interest and sinking fund charges, amortization of stock and debt discount and expense or premium and further excluding any charges to income or otherwise for the amortization of plant or property accounts or of amounts transferred therefrom.

(c) The balance remaining after the deduction of the total amount computed pursuant to Subsection (b) from the total amount computed pursuant to Subsection (a) shall constitute the "net earnings of the Company available for interest", provided that not more than fifteen percent (15%) of the net earnings of the

Company available for interest may consist of the aggregate of (i) net non-operating income, (ii) net earnings from mortgaged property other than property of the character of property additions, and (iii) net earnings from property not subject to the lien of this Indenture..

(d) No income received or accrued by the Company from securities and no profits or losses from the sale of capital assets shall be included in making the computations aforesaid.

(e) In case the Company shall have acquired any acquired plant or systems or shall have been consolidated or merged with any other corporation, within or after the particular period for which the calculation of net earnings of the Company available for interest, depreciation and property retirement is made, then, in computing the net earnings of the Company available for interest, depreciation and property retirement, there may be included, to the extent they may not have been otherwise included, the net earnings or net losses of such acquired plant or system or of such other corporation, as the case may be, for the whole of such period. The net earnings or net losses of such property additions, or of such other corporation, for the period preceding such acquisition or such consolidation or merger, shall be ascertained and computed as provided in the foregoing subsections of this definition as if such acquired plant or system had been owned by the Company during the whole of such period, or as if such other corporation had been consolidated or merged with the Company prior to the first day of such period.

(f) In case the Company shall have obtained the release of any property pursuant to Section 3 of Article VII of the Original Indenture, of a fair value in excess of Five hundred thousand dollars as shown by the engineer's certificate required by said Section 3, or shall have obtained the release of any property pursuant to Section 5 of Article VII of the Original Indenture, the proceeds of which shall have exceeded Five hundred thousand dollars, within or after the particular period for which the calculation of net earnings of the Company available for interest, depreciation and property retirement is made, then, in computing

the net earnings of the Company available for interest, depreciation and property retirement, the net earnings or net losses of such property for the whole of such period shall be excluded to the extent practicable on the basis of actual earnings and expenses of such property or on the basis of such estimates of the earnings and expenses of such property as the signers of an officers' certificate filed with the Trustee pursuant to Section 3(b) of Article III or Section 16 of Article IV of the Original Indenture shall deem proper.

The term "minimum charge for depreciation" as used herein shall mean an amount equal to (a) fifteen percent (15%) of the total operating revenues of the Company after deducting therefrom an amount equal to the aggregate cost to the Company of electric energy, gas and water purchased for resale to others and rentals paid for, or other payments made for the use of, property owned by others and leased to or operated by the Company, the maintenance of which and depreciation on which are borne by the owners, less (b) an amount equal to the expenditures for maintenance and repairs to the plants and property of the Company and included or reflected in its operating expense accounts.

The terms "net earnings of property available for interest, depreciation and property retirement" and "net earnings of another corporation available for interest, depreciation and property retirement" as contained in Article I of the Original Indenture, when used with respect to any property or with respect to another corporation, shall mean the net earnings of such property or the net earnings of such other corporation, as the case may be, computed in the manner provided in Subsections (a), (b), (c) and (d) hereof.

(6) Notwithstanding the provisions of clauses (1) and (2) of Subsection (b) of Section 3 of Article III and Subsection (b) of Section 14 of Article IV, and Subsection (b) of Section 16 of Article IV and clause (2) of Subsection (b) of Section 1 of Article XII of the Original Indenture, the computation of net earnings required therein shall be made as provided in Subsection (5) of this Section 1, and the net earnings tests required in said mentioned provisions of Articles III, IV

and XII of the Original Indenture shall be based on two times the annual interest charges described in such provisions, instead of two and one-half times such charges, but shall not otherwise affect such provisions or relieve from the requirements therein pertaining to ten percent (10%) of the principal amount of bonds therein described.

SECTION 2. All of the Bonds of the Twelfth Series and of any series initially issued after the initial issuance of Bonds of the Twelfth Series shall, from time to time, be executed on behalf of the Company by its Chairman of the Board or its President or one of its Vice Presidents whose signature, notwithstanding the provisions of Section 12 of Article II of the Original Indenture, may be by facsimile, and its corporate seal (which may be in facsimile) shall be thereunto affixed and attested by its Secretary or one of its Assistant Secretaries whose signature, notwithstanding the provisions of the aforesaid Section 12, may be by facsimile.

In case any of the officers who have signed or sealed any of the Bonds of the Twelfth Series or of any series initially issued after the initial issuance of Bonds of the Twelfth Series manually or by facsimile shall cease to be such officers of the Company before such Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the Company, such Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who so signed or sealed such Bonds had not ceased to be such officer or officers of the Company; and also any such Bonds may be signed or sealed by manual or facsimile signature on behalf of the Company by such persons as at the actual date of the execution of any of such Bonds shall be the proper officers of the Company, although at the nominal date of any such Bond any such person shall not have been such officer of the Company.

SECTION 3. The Company reserves the right, subject to appropriate corporate action, but without any consent or other action by holders of bonds of any series created after June 1, 1975, to make such amendments to the Original Indenture, as supplemented, as shall be necessary in order to amend Article XV thereof so as to substitute "sixty per cent (60%)" for "eighty per cent (80%)" wherever appearing in said Article XV.

SECTION 4. The Company reserves the right, subject to appropriate corporate action, but without any consent or other action by holders of bonds of any series created after June 1, 1975, to make such amendments to the Original Indenture, as supplemented, as shall be necessary in order to amend Article XV thereof by adding thereto a Section 9 to read as follows:

"SECTION 9. (A) Anything in this Article XV contained to the contrary notwithstanding, the Trustee shall receive the written consent (in any number of instruments of similar tenor executed by bondholders or by their attorneys appointed in writing) of the holders of sixty per centum (60%) or more in principal amount of the bonds outstanding hereunder, and, if the rights of one or more, but less than all, series of bonds then outstanding are to be affected by action taken pursuant to such consent, then also by consent of the holders of at least sixty per centum (60%) in principal amount of each series of bonds so to be affected and outstanding hereunder (at the time the last such needed consent is delivered to the Trustee) in lieu of the holding of a meeting pursuant to this Article XV and in lieu of all action at such a meeting and with the same force and effect as a resolution duly adopted in accordance with the provisions of Section 6 of this Article XV.

(B) Instruments of consent shall be witnessed or in the alternative may (a) have the signature guaranteed by a bank or trust company or a registered dealer in securities, (b) be acknowledged before a Notary Public or other officer authorized to take acknowledgments, or (c) have their genuineness otherwise established to the satisfaction of the Trustee.

The amount of bonds payable to bearer, and the series and serial numbers thereof, held by a person executing an instrument of consent (or whose attorney has executed an instrument of consent in his behalf), and the date of his holding the same, may be proved by exhibiting the bonds to and obtaining a certificate executed by (i) any bank or trust or insurance company, or (ii) any trustee, secretary, administrator or other proper officer of any pension, welfare, hospitalization or similar fund or funds, or (iii) the United States of America, any Territory thereof, the District of Columbia, any State of the United States, any municipality in any State of the United States or any public

instrumentality of the United States, or of any State or of any Territory, or (iv) any other person or corporation satisfactory to the Trustee. A bondholder in any of the foregoing categories may sign a certificate in his own behalf.

Each such certificate shall be dated and shall state, in effect, that, as of the date thereof, a coupon bond or bonds bearing a specified serial number or numbers was deposited with or exhibited to the signer of such certificate. The holding by the person named in any such certificate of any bond specified therein shall be presumed to continue unless (1) any certificate bearing a later date issued in respect of the same bond shall be produced, (2) the bond specified in such certificate (or any bond or bonds issued in exchange or substitution for such bond) shall be produced by another holder, or (3) the bond specified in such certificate shall be registered as to principal in the name of another holder or shall have been surrendered in exchange for a fully registered bond registered in the name of another holder. The Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. The ownership of registered bonds shall be proved by the registry books.

(C) Until such time as the Trustee shall receive the written consent of the necessary per centum in principal amount of the bonds required by the provisions of subsection (A) above for action contemplated by such consent, any holder of a bond, the serial number of which is shown by the evidence to be included in the bonds the holders of which have consented to such action, may, by filing written notice with the Trustee at its principal office and upon proof of holding as provided in subsection (B) above, revoke such consent so far as it concerns such bond. Except as aforesaid, any such action taken by the holder of any bond shall be conclusive and binding upon such holder and upon all future holders of such bond (and any bond issued in lieu thereof or exchanged therefor), irrespective of whether or not any notation of such consent is made upon such bond, and in any event any action taken by the holders of the percentage in aggregate principal amount of the bonds specified in subsection (A) above in connection with such action shall be conclusively binding upon the Company, the Trustee and the holders of all the bonds."

ARTICLE VII.**Miscellaneous Provisions.**

SECTION 1. The Trustee accepts the trusts herein declared, provided, created or supplemented and agrees to perform the same upon the terms and conditions herein and in the Original Indenture, as amended, set forth and upon the following terms and conditions.

SECTION 2. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general each and every term and condition contained in Article XIII of the Original Indenture, as amended by the Second Supplemental Indenture, shall apply to and form part of this Supplemental Indenture with the same force and effect as if the same were herein set forth in full with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this Supplemental Indenture.

SECTION 3. Whenever in this Supplemental Indenture either of the parties hereto is named or referred to, such reference shall, subject to the provisions of Articles XII and XIII of the Original Indenture, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustee, shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

SECTION 4. Nothing in this Supplemental Indenture, expressed or implied, is intended or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the Bonds and coupons outstanding under the Indenture, any right, remedy or claim under or by reason of this Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Supplemental Indenture contained by and on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the Bonds and of the coupons outstanding under the Indenture.

SECTION 5. This Supplemental Indenture shall be simultaneously executed in several counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

SECTION 6. The titles of the several Articles of this Supplemental Indenture shall not be deemed to be any part thereof.

IN WITNESS WHEREOF, THE KANSAS POWER AND LIGHT COMPANY, party hereto of the first part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its Chairman of the Board or its President or a Vice President, and its corporate seal to be attested by its Secretary or an Assistant Secretary for and in its behalf, and HARRIS TRUST AND SAVINGS BANK, party hereto of the second part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or a Vice President and its corporate seal to be attested by its Secretary or an Assistant Secretary, all as of the day and year first above written.

THE KANSAS POWER AND LIGHT COMPANY,

By William E. Wall
William E. Wall
President.

ATTEST Lillian M. Barker
Lillian M. Barker, Secretary.

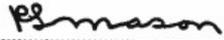
Executed, sealed and delivered by
THE KANSAS POWER AND LIGHT
COMPANY, in the presence of:

William E. Brown

HARRIS TRUST AND SAVINGS BANK,
As Trustee.

By 
R. S. STAM Vice-President.

ATTEST:


R. G. MASON Assistant Secretary.

Executed, sealed and delivered by
HARRIS TRUST AND SAVINGS BANK
in the presence of:

.....
.....



STATE OF KANSAS }
COUNTY OF SHAWNEE } ss.:

BE IT REMEMBERED, that on this _____ day of May, 1976, before me, the undersigned, a Notary Public within and for the County and State aforesaid, personally came WILLIAM E. WALL, President, and LILLIAN M. BARKER, Secretary, of The Kansas Power and Light Company, a corporation duly organized, incorporated and existing under the laws of the State of Kansas, who are personally known to me to be such officers, and who are personally known to me to be the same persons who executed as such officers the within instrument of writing, and such persons duly acknowledged the execution of the same to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.



Carol E. Deason

CAROL E. DEASON, Notary Public

My commission Expires: My Commission Expires Aug. 3, 1976

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

BE IT REMEMBERED, that on this _____ day of May, 1976, before me, the undersigned, a Notary Public within and for the County and State aforesaid, personally came R. S. STAN, Vice-President, and R. G. MASON, Assistant Secretary, of Harris Trust and Savings Bank, a corporation duly organized, incorporated and existing under the laws of the State of Illinois, who are personally known to me to be such officers, and who are personally known to me to be the same persons who executed as such officers the within instrument of writing, and such persons duly acknowledged the execution of the same to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.

J. M. McEnnich

J. M. MCENNICH, Notary Public

My commission Expires: September 2, 1979

STATE OF KANSAS }
 COUNTY OF SHAWNEE } ss.:

BE IT REMEMBERED, that on this 10 day of May, 1976, before me, the undersigned, a Notary Public within and for the County and State aforesaid, personally came WILLIAM E. WALL, President, and LILLIAN M. BARKER, Secretary, of The Kansas Power and Light Company, a corporation duly organized, incorporated and existing under the laws of the State of Kansas, who are personally known to me to be such officers, who, being by me respectively duly sworn, did each say that the said WILLIAM E. WALL is President and that the said LILLIAN M. BARKER is Secretary of said corporation, that the consideration of and for the foregoing instrument was actual and adequate, that the same was made and given in good faith, for the uses and purposes therein set forth and without any intent to hinder, delay, or defraud creditors or purchasers.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.



Carol E. Deason
 CAROL E. DEASON, Notary Public

My commission Expires: *My Commission Expires Aug. 3, 1976*

FOURTEENTH SUPPLEMENTAL INDENTURE RECORDING DATA



WESTERN RESOURCES, INC.
(formerly, The Kansas Power and Light Company)

TO

HARRIS TRUST AND SAVINGS BANK
as Trustee

TWENTY-EIGHTH SUPPLEMENTAL INDENTURE

Dated July 1, 1992



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TWENTY-EIGHTH SUPPLEMENTAL INDENTURE, dated the First day of July, Nineteen Hundred and Ninety-Two made by and between Western Resources, Inc., formerly The Kansas Power and Light Company, a corporation organized and existing under the laws of the State of Kansas (hereinafter called the "Company"), party of the first part, and Harris Trust and Savings Bank, a corporation organized and existing under the laws of the State of Illinois whose mailing address is 111 West Monroe Street, P.O. Box 755, Chicago, Illinois 60690 (hereinafter called the "Trustee"), as Trustee under the Mortgage and Deed of Trust dated July 1, 1939, hereinafter mentioned, party of the second part;

WHEREAS, the Company has heretofore executed and delivered to the Trustee its Mortgage and Deed of Trust, dated July 1, 1939 (hereinafter referred to as the "Original Indenture"), to provide for and to secure an issue of First Mortgage Bonds of the Company, issuable in series, and to declare the terms and conditions upon which the Bonds are to be issued thereunder; and

WHEREAS, the Company has heretofore executed and delivered to the Trustee twenty-seven Supplemental Indentures supplemental to said Original Indenture, of which twenty-five provided for the issuance thereunder of series of the Company's First Mortgage Bonds, and there is set forth below information with respect to such Supplemental Indentures as have provided for the issuance of Bonds, and the principal amount of Bonds which remain outstanding at July 1, 1992.

<u>Supplemental Indenture Hereinafter Called</u>	<u>Date</u>	<u>Series of First Mortgage Bonds Provided For</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Outstanding</u>
Supplemental Indenture	July 1, 1939	3-1/2% Series Due 1969	\$26,500,000	None
Second Supplemental Indenture	April 1, 1949	2-7/8% Series Due 1979	10,000,000	None
Fourth Supplemental Indenture	October 1, 1949	2-3/4% Series Due 1979	6,500,000	None
Fifth Supplemental Indenture	December 1, 1949	2-3/4% Series Due 1984	32,500,000	None
Seventh Supplemental Indenture	December 1, 1951	3-1/4% Series Due 1981	5,250,000	None
Eighth Supplemental Indenture	May 1, 1952	3-1/4% Series Due 1982	4,750,000	None
Ninth Supplemental Indenture	October 1, 1954	3-1/8% Series Due 1984	8,000,000	None
Tenth Supplemental Indenture	September 1, 1961	4-3/4% Series Due 1991	13,000,000	None
Eleventh Supplemental Indenture	April 1, 1969	7-5/8% Series Due 1999	19,000,000	\$19,000,000
Twelfth Supplemental Indenture	September 1, 1970	8-3/4% Series Due 2000	20,000,000	20,000,000
Thirteenth Supplemental Indenture	February 1, 1975	8-5/8% Series Due 2005	35,000,000	35,000,000
Fourteenth Supplemental Indenture	May 1, 1976	8-5/8% Series Due 2006	45,000,000	45,000,000
Fifteenth Supplemental Indenture	April 1, 1977	5.90% Pollution Control Series Due 2007	32,000,000	31,500,000
Sixteenth Supplemental Indenture	June 1, 1977	8-1/8% Series	30,000,000	30,000,000

Seventeenth Supplemental Indenture	February 1, 1978	Due 2007 8-3/4% Series	35,000,000	35,000,000
Eighteenth Supplemental Indenture	January 1, 1979	Due 2008 6-3/4% Pollution Control Series	45,000,000	45,000,000
Nineteenth Supplemental Indenture	May 1, 1980	Due 2009 8-1/4% Pollution Control Series	45,000,000	None
Twentieth Supplemental Indenture	November 1, 1981	Due 1983 16.95% Series	25,000,000	None
Twenty-First Supplemental Indenture	April 1, 1982	Due 1988 15% Series	60,000,000	None
Twenty-Second Supplemental Indenture	February 1, 1983	Due 1992 9-5/8% Pollution Control Series	58,500,000	58,500,000
Twenty-Third Supplemental Indenture	July 1, 1986	Due 2013 8-1/4% Series	60,000,000	60,000,000
Twenty-Fourth Supplemental Indenture	March 1, 1987	Due 1996 8-5/8% Series	50,000,000	50,000,000
Twenty-Fifth Supplemental Indenture	October 15, 1988	Due 2017 9.35% Series	75,000,000	75,000,000
Twenty-Sixth Supplemental Indenture	February 15, 1990	Due 1998 8-7/8% Series	75,000,000	75,000,000
Twenty-Seventh Supplemental Indenture	March 12, 1992	Due 2000 7.46% Demand Series	370,000,000	370,000,000

; and

WHEREAS, the Company is entitled at this time to have authenticated and delivered additional bonds in substitution for refundable Bonds, upon compliance with the provisions of Article III of the Original Indenture, as amended; and

WHEREAS, the Company desires by this Twenty-Eighth Supplemental Indenture to supplement the Original Indenture and to provide for the creation of two new series of bonds under the Original Indenture to be designated "First Mortgage Bonds, 7¼% Series Due 1999" and "First Mortgage Bonds, 8½% Series Due 2022" (hereinafter called "Bonds of the Twenty-Sixth Series" and "Bonds of the Twenty-Seventh Series," respectively); and the Original Indenture provides that certain terms and provisions, as determined by the Board of Directors of the Company, of the Bonds of any particular series may be expressed in and provided by the execution of an appropriate supplemental indenture; and

WHEREAS, the Company in the exercise of the powers and authority conferred upon and reserved to it under the provisions of the Original Indenture and indentures supplemental thereto, and pursuant to appropriate resolutions of its Board of Directors, has duly resolved and determined to make, execute and deliver to the Trustee a supplemental indenture in the form hereof for the purposes herein provided; and

WHEREAS, all conditions and requirements necessary to make this Twenty-Eighth Supplemental Indenture a valid, binding and legal instrument have been done, performed and fulfilled, and the execution and delivery hereof have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That, in consideration of the premises and of the mutual covenants herein contained and of the sum of One Dollar duly paid by the Trustee to the Company at or before the time of the execution of these presents, and of other valuable considerations, the receipt whereof is hereby acknowledged, and in order further to secure the payment of the principal of and interest and premium, if any, on all Bonds at any time issued and outstanding under the Original Indenture as amended by all indentures supplemental thereto (hereinafter sometimes collectively called the "Indenture") according to their tenor, purport and effect, and to declare certain terms and conditions upon and subject to which Bonds are to be issued and secured, the Company has executed and delivered this Supplemental Indenture, and by these presents grants, bargains, sells, warrants, aliens, releases, conveys, assigns, transfers, mortgages, pledges, sets over and ratifies and confirms unto Harris Trust and Savings Bank, as Trustee, and to its successors in trust under the Indenture forever, all and singular the following described properties (in addition to all other properties heretofore specifically subjected to the lien of the Indenture and not heretofore released from the lien thereof), that is to say:

FIRST.

All and singular the rents, real estate, chattels real, easements, servitudes, and leaseholds of the Company, or which, subject to the provisions of Article XII of the Original Indenture, the Company may hereafter acquire, including, among other things, the property described in Appendix A hereto under the caption "First," which description is hereby incorporated herein by reference and made a part hereof as if fully set forth herein, together with all improvements of any type located thereon.

SECOND.

Also all transmission and distribution systems used for the transmission and distribution of electricity, steam, water, gas and other agencies for light, heat, cold or power, or any other purpose whatever, whether underground or overhead or on the surface or otherwise of the Company, or which, subject to the provisions of Article XII of the Original Indenture, the Company may hereafter acquire, including all poles, posts, wires, cables, conduits, mains, pipes, tubes, drains, furnaces, switchboards, transformers, insulators, meters, lamps, fuses, junction boxes, water pumping stations, regulator stations, town border metering stations and other electric, steam, water and gas fixtures and apparatus.

THIRD.

Also all franchises and all permits, ordinances, easements, privileges and immunities and licenses, all rights to construct, maintain and operate overhead, surface and underground systems for the distribution and transmission of electricity, gas, water or steam for the supply to itself or others of light, heat, cold or power or any other purpose whatsoever, all rights-of-way, all waters, water rights and flowage rights and all grants and consents, now owned by the Company or, subject to the provisions of Article XII of the Original Indenture, which it may hereafter acquire.

Also all inventions, patent rights and licenses of every kind now owned by the Company or, subject to the provisions of Article XII of the Original Indenture, which it may hereafter acquire.

FOURTH.

Also, subject to the provisions of Article XII of the Original Indenture, all other property, real, personal and mixed (except as therein or herein expressly excepted) of every nature and kind and wheresoever situated now or hereafter possessed by or belonging to the Company, or to which it is now, or may at any time hereafter be, in any manner entitled at law or in equity.

FIFTH.

Also, subject to the provisions of Article XII of the Original Indenture, all property, real, personal or mixed (except as therein or herein expressly excepted or limited) of every nature and kind and wheresoever located now possessed by or belonging to the Company, or to which it is now in any matter entitled at law or in equity, owned by The Gas Service Company (hereinafter "GSC") on July 1, 1985 immediately prior to the merger of GSC with and into the Company, such property (the "GSC Properties") being (a) identified and referenced, and described, in Appendix B to the Twenty-Third Supplemental Indenture and in Appendix B hereto, if any, (b) deemed to include (i) all betterments, extensions, improvements, additions, repairs, renewals, replacements, substitutions and alterations to, upon, for and of the GSC Properties and all property (including rights, franchises, licenses, easements, leases and contracts) held or acquired for use or used upon or in connection with or appertaining to the GSC Properties or any part thereof; (ii) all property made the basis of the authentication of bonds, the withdrawal of cash or the release of property from the lien of the GSC Mortgage (as defined below), and all property acquired or constructed with the proceeds of any insurance on any part of the GSC Properties released from the lien of this Indenture or taken by exercise of the power of eminent domain; and (iii) all property acquired in pursuance of the covenants contained in the GSC Mortgage to maintain and preserve and keep the GSC Properties in good repair, working order and condition, or in pursuance of some other covenant or agreement therein contained in the GSC Mortgage or to be kept or performed by the Company heretofore or hereafter occurring, and (c) expressly subject to the prior lien and rights created and established by the September 1, 1949 Indenture of Mortgage and Deed of Trust between GSC and The Chase National Bank of the City of New York and Commerce Trust Company as Trustees and the thirteen Supplemental Indentures dated June 1, 1951, July 1, 1954, July 1, 1958, July 1, 1961, May 1, 1963, June 1, 1965, October 1, 1967, August 1, 1969, July 1, 1971, July 1, 1975, December 1, 1977, September 1, 1982 and July 1, 1985 supplemental thereto (collectively the "GSC Mortgage") all of which are, for the purpose of describing and identifying the GSC Properties, fully incorporated herein by reference thereto.

SIXTH.

Together with all and singular, the tenements, hereditaments and appurtenances belonging or in any wise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders, tolls, rents, revenues, issues, income, products and profits thereof, and all the estate, right, title, interest and claim whatsoever, at law and in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

EXPRESSLY EXCEPTING AND EXCLUDING, HOWEVER, all properties of the character excepted from the lien of the Original Indenture.

TO HAVE AND TO HOLD all said properties, real, personal and mixed, mortgaged, pledged and conveyed by the Company as aforesaid, or intended so to be, unto the Trustee and its successors and assigns forever;

SUBJECT, HOWEVER, to the exceptions and reservations hereinabove referred to, to existing leases other than leases which by their terms are subordinate to the lien of the Indenture, to existing liens upon rights-of-way for transmission or distribution line purposes, as defined in Article I of the Original Indenture; and any extensions thereof, and subject to existing easements for streets, alleys, highways, rights-of-way and railroad purposes over, upon and across certain of the property hereinbefore described and subject also to all the terms, conditions, agreements, covenants, exceptions and reservations expressed or provided in the deeds or other instruments respectively under and by virtue of which the Company acquired the properties hereinabove described and to undetermined liens and charges, if any, incidental to construction or other existing permitted liens as defined in Article I of the Original Indenture;

FURTHER SUBJECT, HOWEVER, insofar as the GSC Properties only are concerned, to the prior lien and rights created and established by the GSC Mortgage, any provision of the Indenture to the contrary notwithstanding.

IN TRUST, NEVERTHELESS, upon the terms and trusts in the Original Indenture, and the indentures supplemental thereto, including this Twenty-Eighth Supplemental Indenture, set forth, for the equal and proportionate benefit and security of all present and future holders of the Bonds and coupons issued and to be issued thereunder, or any of them, without preference of any of said Bonds and coupons of any particular series over the Bonds and coupons of any other series by reason of priority in the time of issue, sale or negotiation thereof, or by reason of the purpose of issue or otherwise howsoever, except as otherwise provided in Section 2 of Article IV of the Original Indenture.

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED, by and between the parties hereto for the benefit of those who shall hold the Bonds and coupons, or any of them, to be issued under the Indenture as follows:

ARTICLE I.

Description of Bonds of the Twenty-Sixth Series and Twenty-Seventh Series.

SECTION 1. The twenty-sixth and twenty-seventh series of Bonds to be executed, authenticated and delivered under and secured by the Original Indenture shall be Bonds of the Twenty-Sixth and Twenty-Seventh Series. The Bonds of the Twenty-Sixth and Twenty-Seventh Series shall be designated as "First Mortgage Bonds, 7¼% Series Due 1999" and "First Mortgage Bonds, 8½% Series Due 2022," respectively, of the Company. The Bonds of the Twenty-Sixth and Twenty-Seventh Series shall be executed, authenticated and delivered in accordance with provisions of, and shall in all respects be subject to, all of the terms, conditions and covenants of the Original Indenture, as amended, and subject to all the terms, conditions and covenants of this Supplemental Indenture.

Bonds of the Twenty-Sixth and Twenty-Seventh Series shall mature July 1, 1999 and July 1, 2022, respectively, and shall bear interest at the rate of seven and one-quarter percent (7¼%) per annum and eight and one-half percent (8½%) per annum, respectively, payable semiannually on the first days of January and July in each year, commencing January 1, 1993. Every Bond of the Twenty-Sixth or Twenty-Seventh Series shall be dated the date of authentication except that, notwithstanding the provisions of Section 6 of Article II of the Original Indenture, if any Bond of the Twenty-Sixth and Twenty-Seventh Series shall be authenticated at any time subsequent to the record date (as hereinafter in this Section defined) for any interest payment date but prior to the day following such interest payment date, it shall be dated as of the day following such interest payment date, *provided, however*, that if at the time of authentication of any Bond of the Twenty-Sixth and Twenty-Seventh Series interest shall be in default on any Bonds of the Twenty-Sixth and Twenty-Seventh Series, such Bond shall be dated as of the day following the interest payment date to which interest has previously been paid in full or made available for payment in full on outstanding Bonds of the Twenty-Sixth and Twenty-Seventh Series or, if no interest has been paid or made available for payment, as of the date of initial authentication and delivery of such Bond. Every Bond of the Twenty-Sixth and Twenty-Seventh Series shall bear interest from the January 1 or July 1 next preceding the date thereof, unless such Bond shall be dated prior to January 1, 1993, in which case it shall bear interest from July 14, 1992.

The person in whose name any Bond of the Twenty-Sixth and Twenty-Seventh Series is registered at the close of business on any record date with regard to any interest payment shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding the cancellation of such Bond upon the transfer or exchange thereof subsequent to such record date and prior to the day following such interest payment date, unless the Company shall default in the payment of the interest due on such interest payment date, in which case such defaulted interest shall be paid to the person in whose name such Bond is registered on the date of payment of such defaulted interest. The term "record date" as used in this Section with regard to any semiannual interest payment date shall mean the close of business on the tenth day next preceding such interest payment date, or, if such tenth day is not a business day, the business day next preceding such tenth day. The Bonds of the Twenty-Sixth and Twenty-Seventh Series shall be payable as to principal, premium, if any, and interest, in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, at the agency of the Company in the City of Chicago, Illinois, or at the option of the holder thereof at the agency of the Company in the Borough of Manhattan, The City of New

York, provided that at the option of the Company interest may be paid by check mailed to the holder at such holder's registered address.

SECTION 2. The Bonds of the Twenty-Sixth and Twenty-Seventh Series shall be registered bonds without coupons of the denominations of \$1,000 and of any multiples of \$1,000, numbered consecutively from R1 upwards. Bonds of the Twenty-Sixth and Twenty-Seventh Series may be interchanged for each other within a respective Series in authorized denominations and in the same aggregate principal amounts, without charge, except for any tax or governmental charge imposed in connection with such interchange.

SECTION 3. The Bonds of the Twenty-Sixth Series, and the Trustee's Certificate with respect thereto, shall be substantially in the following forms, respectively:

[FORM OF FACE OF BOND OF THE TWENTY-SIXTH SERIES]

WESTERN RESOURCES, INC.

(Incorporated under the laws of the State of Kansas)

FIRST MORTGAGE BOND, 7¼% SERIES DUE 1999

DUE JULY 1, 1999

No. _____

\$ _____

WESTERN RESOURCES, INC., a corporation organized and existing under the laws of the State of Kansas (hereinafter called "the Company," which term shall include any successor corporation as defined in the Indenture hereinafter referred to), for value received, hereby promises to pay to _____ or registered assigns, on the first day of July, 1999 the sum of _____ Dollars in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, and to pay interest thereon in like coin or currency from the first day of January or July next preceding the date of this Bond at the rate of seven and one-quarter percent (7¼%) per annum, payable semiannually, on the first days of January and July in each year, commencing January 1, 1993 (on which date interest from July 14, 1992 will be payable), until maturity, or, if the Company shall default in the payment of the principal hereof, until the Company's obligation with respect to the payment of such principal shall be discharged as provided in the Indenture hereinafter mentioned. The interest payable on any January 1 or July 1 as aforesaid will be paid to the person in whose name this Bond is registered at the close of business on the tenth day next preceding such interest payment date, or if such tenth day is not a business day, the business day next preceding such tenth day, unless the Company shall default in the payment of the interest due on such interest payment date, in which case such defaulted interest shall be paid to the person in whose name this Bond is registered on the date of payment of such defaulted interest. Principal of and

premium, if any, and interest on, this Bond are payable at the agency of the Company in the City of Chicago, Illinois, or, at the option of the holder hereof, at the agency of the Company in the Borough of Manhattan, The City of New York, provided that at the option of the Company interest may be paid by check mailed to the holder at such holder's registered address.

This Bond shall not be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose, until Harris Trust and Savings Bank, the Trustee under the Indenture, or a successor trustee thereto under the Indenture, shall have signed the form of certificate endorsed hereon.

The provisions of this Bond are continued on the reverse hereof, and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, WESTERN RESOURCES, INC. has caused this Bond to be signed in its name by its Chairman of the Board, President and Chief Executive Officer or a Vice President, manually or by facsimile, and its corporate seal (or a facsimile thereof) to be hereto affixed and attested by its Secretary or an Assistant Secretary, manually or by facsimile.

Dated:

WESTERN RESOURCES, INC.

By _____
Chairman of the Board,
President and Chief Executive Officer

Attest:

Secretary

[FORM OF TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds, of the series designated herein, described in the within-mentioned Mortgage and Deed of Trust of July 1, 1939 and Supplemental Indenture of July 1, 1992.

HARRIS TRUST AND SAVINGS BANK,
Trustee,

By _____
Authorized Officer

[FORM OF TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds, of the series designated herein, described in the within-mentioned Mortgage and Deed of Trust of July 1, 1939 and Supplemental Indenture of July 1, 1992.

HARRIS TRUST AND SAVINGS BANK,
Trustee,

By _____
Authorized Officer

[FORM OF REVERSE OF BOND OF THE TWENTY-SIXTH SERIES]

WESTERN RESOURCES, INC.

FIRST MORTGAGE BOND, 7¼% SERIES DUE 1999

DUE JULY 1, 1999

(CONTINUED)

This Bond is one of a duly authorized issue of Bonds of the Company (herein called the "Bonds"), in unlimited aggregate principal amount, of the series hereinafter specified, all issued and to be issued under and equally secured by a Mortgage and Deed of Trust, dated July 1, 1939, executed by the Company to Harris Trust and Savings Bank (herein called the "Trustee"), as Trustee, as amended by the indentures supplemental thereto including the indenture supplemental thereto dated July 1, 1992 (herein called the "Supplemental Indenture"), between the Company and the Trustee (said Mortgage and Deed of Trust, as so amended, being herein called the "Indenture") to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the bearers or registered owners of the Bonds and of the Trustee in respect thereto, and the terms and conditions upon which the Bonds are, and are to be secured. The Bonds may be issued in series, for various principal sums, may mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided. This Bond is one of a series designated as the "First Mortgage Bonds, 7¼% Series Due 1999" (herein called "Bonds of the Twenty-Sixth Series") of the Company, issued under and secured by the Indenture executed by the Company to the Trustee.

To the extent permitted by, and as provided in the Indenture, modifications or alterations of the Indenture or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the Bonds and coupons, may be made with the consent of the Company by an affirmative vote of not less than 80% in principal amount of the Bonds entitled to vote then outstanding, at a meeting of Bondholders called and held as provided in the Indenture, and by an affirmative vote of not less than 80% in principal amount of the Bonds of any series entitled to vote then outstanding and affected by such modification or alteration, in case one or more but less than all of the series of Bonds then outstanding under the Indenture are so affected. The Company has reserved the right to amend the Indenture without any consent or other action by holders of any series of Bonds created after June 1, 1975, including Bonds of the Twenty-Sixth Series, to provide that the Indenture may be modified or altered with the consent of the holders of 60% in aggregate principal amount of the Bonds and if less than all series of Bonds are affected with the consent also of the holders of 60% in aggregate principal amount of the Bonds of each series so affected. No modification or alteration shall be made which will affect the terms of payment of the principal or premium, if any, or interest on, this Bond, which are unconditional. The Company has also reserved the right to make certain amendments to the Indenture, without any consent or other action by

holders of the Bonds of this series, to the extent necessary from time to time to qualify the Indenture under the Trust Indenture Act of 1939, all as more fully provided in the Indenture.

The Bonds of the Twenty-Sixth Series are not redeemable prior to maturity.

In case an event of default, as defined in the Indenture, shall occur, the principal of all of the Bonds at any such time outstanding under the Indenture may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be waived by the holders of a majority in principal amount of the Bonds outstanding.

This Bond is transferable by the registered owner hereof, in person or by duly authorized attorney, on the books of the Company to be kept for that purpose at the agency of the Company in the City of Chicago, Illinois, and at the agency of the Company in the Borough of Manhattan, The City of New York, upon surrender and cancellation of this Bond and on presentation of a duly executed written instrument of transfer, and thereupon a new registered Bond or Bonds of the same series, of the same aggregate principal amount and in authorized denominations will be issued to the transferee or transferees in exchange hereof; and this Bond, with or without others of like form and series, may in like manner be exchanged for one or more new registered Bonds of the same series of other authorized denominations but of the same aggregate principal amount; all upon payment of the charges and subject to the terms and conditions set forth in the Indenture.

No recourse shall be had for the payment of the principal of or premium, if any, or interest on this Bond, or for any claim based hereon or on the Indenture or any indenture supplemental thereto, against any incorporator, or against any stockholder, director or officer, past, present or future, of the Company, or of any predecessor or successor corporation, as such, either directly or through the Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, of incorporators, stockholders, directors or officers being released by every owner hereof by the acceptance of this Bond and as part of the consideration for the issue hereof, and being likewise released by the terms of the Indenture.

SECTION 4. The Bonds of the Twenty-Seventh Series, and the Trustee's Certificate with respect thereto, shall be substantially in the following forms, respectively:

[FORM OF FACE OF BOND OF THE TWENTY-SEVENTH SERIES]

WESTERN RESOURCES, INC.

(Incorporated under the laws of the State of Kansas)

FIRST MORTGAGE BOND, 8½% SERIES DUE 2022

DUE JULY 1, 2022

No. _____

\$ _____

WESTERN RESOURCES, INC., a corporation organized and existing under the laws of the State of Kansas (hereinafter called the "Company," which term shall include any successor corporation as defined in the Indenture hereinafter referred to), for value received, hereby promises to pay to _____ or registered assigns, on the first day of July, 2022 the sum of _____ Dollars in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, and to pay interest thereon in like coin or currency from the first day of January or July next preceding the date of this Bond at the rate of eight and one-half percent (8½%) per annum, payable semiannually, on the first days of January and July in each year, commencing January 1, 1993 (on which date interest from July 14 1992 will be payable), until maturity, or, if this Bond shall be duly called for redemption, until the redemption date, or, if the Company shall default in the payment of the principal hereof, until the Company's obligation with respect to the payment of such principal shall be discharged as provided in the Indenture hereinafter mentioned. The interest payable on any January 1 or July 1 as aforesaid will be paid to the person in whose name this Bond is registered at the close of business on the tenth day next preceding such interest payment date, or if such tenth day is not a business day, the business day next preceding such tenth day, unless the Company shall default in the payment of the interest due on such interest payment date, in which case such defaulted interest shall be paid to the person in whose name this Bond is registered on the date of payment of such defaulted interest. Principal of and premium, if any, and interest on, this Bond are payable at the agency of the Company in the City of Chicago, Illinois, or, at the option of the holder hereof, at the agency of the Company in the Borough of Manhattan, The City of New York, provided that at the option of the Company interest may be paid by check mailed to the holder at such holder's registered address.

This Bond shall not be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose, until Harris Trust and Savings Bank, the Trustee under the Indenture, or a successor trustee thereto under the Indenture, shall have signed the form of certificate endorsed hereon.

The provisions of this Bond are continued on the reverse hereof, and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, WESTERN RESOURCES, INC. has caused this Bond to be signed in its name by its Chairman of the Board, President and Chief Executive Officer or a Vice President, manually or by facsimile, and its corporate seal (or a facsimile thereof) to be hereto affixed and attested by its Secretary or an Assistant Secretary, manually or by facsimile.

Dated:

WESTERN RESOURCES, INC.

By _____
Chairman of the Board,
President and Chief Executive Officer

Attest:

Secretary

[FORM OF TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds, of the series designated herein, described in the within-mentioned Mortgage and Deed of Trust of July 1, 1939 and Supplemental Indenture of July 1, 1992.

HARRIS TRUST AND SAVINGS BANK,
Trustee,

By _____
Authorized Officer

[FORM OF REVERSE OF BOND OF THE TWENTY-SEVENTH SERIES]

WESTERN RESOURCES, INC.

FIRST MORTGAGE BOND, 8½% SERIES DUE 2022

DUE JULY 1, 2022

(CONTINUED)

This Bond is one of a duly authorized issue of Bonds of the Company (herein called the "Bonds"), in unlimited aggregate principal amount, of the series hereinafter specified, all issued and to be issued under and equally secured by a Mortgage and Deed of Trust, dated July 1, 1939, executed by the Company to Harris Trust and Savings Bank (herein called the "Trustee"), as Trustee, as amended by the indentures supplemental thereto including the indenture supplemental thereto dated July 1, 1992 (herein called the "Supplemental Indenture"), between the Company and the Trustee (said Mortgage and Deed of Trust, as so amended, being herein called the "Indenture") to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the bearers or registered owners of the Bonds and of the Trustee in respect thereto, and the terms and conditions upon which the Bonds are, and are to be secured. The Bonds may be issued in series, for various principal sums, may mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided. This Bond is one of a series designated as the "First Mortgage Bonds, 8½% Series Due 2022" (herein called "Bonds of the Twenty-Seventh Series") of the Company, issued under and secured by the Indenture executed by the Company to the Trustee.

To the extent permitted by, and as provided in the Indenture, modifications or alterations of the Indenture or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the Bonds and coupons, may be made with the consent of the Company by an affirmative vote of not less than 80% in principal amount of the Bonds entitled to vote then outstanding, at a meeting of Bondholders called and held as provided in the Indenture, and by an affirmative vote of not less than 80% in principal amount of the Bonds of any series entitled to vote then outstanding and affected by such modification or alteration, in case one or more but less than all of the series of Bonds then outstanding under the Indenture are so affected. The Company has reserved the right to amend the Indenture without any consent or other action by holders of any series of Bonds created after June 1, 1975, including Bonds of the Twenty-Seventh Series, to provide that the Indenture may be modified or altered with the consent of the holders of 60% in aggregate principal amount of the Bonds and if less than all series of Bonds are affected with the consent also of the holders of 60% in aggregate principal amount of the Bonds of each series so affected. No modification or alteration shall be made which will affect the terms of payment of the principal of or premium, if any, or interest on, this Bond, which are unconditional. The Company has also reserved the right to make certain amendments to the Indenture, without any consent or other action by

holders of the Bonds of this series, to the extent necessary from time to time to qualify the Indenture under the Trust Indenture Act of 1939, all as more fully provided in the Indenture.

The Bonds of the Twenty-Seventh Series are subject to redemption at any time or from time to time on and after July 1, 2002 at the option of the Company, and upon application of certain moneys included in the trust estate, either as a whole or in part by lot, upon payment of the Redemption Prices applicable to the respective periods set forth below, together, in each case, with accrued interest to the redemption date, all subject to the conditions of, and as more fully set forth in, the Indenture.

<u>If Redeemed During the Twelve-Month Period Beginning July 1,</u>	<u>Redemption Price Expressed as a Percentage of the Principal Amount of the Bonds</u>	<u>If Redeemed During the Twelve-Month Period Beginning July 1,</u>	<u>Redemption Price Expressed as a Percentage of the Principal Amount of the Bonds</u>
2002	103.73%	2008	101.49%
2003	103.36	2009	101.12
2004	102.98	2010	100.75
2005	102.61	2011	100.37
2006	102.24	2012 and thereafter	100.00
2007	101.86		

Such redemption in every case shall be effected upon notice given by first class mail, postage prepaid, at least thirty days and not more than sixty days prior to the redemption date, to the registered owners of such Bonds, at their addresses as the same shall appear on the transfer register of the Company, all subject to the conditions of, and as more fully set forth in, the Indenture.

In case an event of default, as defined in the Indenture, shall occur, the principal of all of the Bonds at any such time outstanding under the Indenture may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be waived by the holders of a majority in principal amount of the Bonds outstanding.

This Bond is transferable by the registered owner hereof, in person or by duly authorized attorney, on the books of the Company to be kept for that purpose at the agency of the Company in the City of Chicago, Illinois, and at the agency of the Company in the Borough of Manhattan, The City of New York, upon surrender and cancellation of this Bond and on presentation of a duly executed written instrument of transfer, and thereupon a new registered Bond or Bonds of the same series, of the same aggregate principal amount and in authorized denominations will be issued to the transferee or transferees in exchange hereof; and this Bond, with or without others of like form and series, may in like manner be exchanged for one or more new registered Bonds of the same series of other authorized denominations but of the same aggregate principal amount; all upon payment of the charges and subject to the terms and conditions set forth in the Indenture.

No recourse shall be had for the payment of the principal of or premium, if any, or interest on this Bond, or for any claim based hereon or on the Indenture or any indenture supplemental thereto, against any incorporator, or against any stockholder, director or officer, past, present or future, of the Company, or of any predecessor or successor corporation, as such, either directly or through the Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, of incorporators, stockholders, directors or officers being released by every owner hereof by the acceptance of this Bond and as part of the consideration for the issue hereof, and being likewise released by the terms of the Indenture.

SECTION 5. Until Bonds of the Twenty-Sixth and Twenty-Seventh Series in definitive form are ready for delivery, the Company may execute, and upon its request in writing the Trustee shall authenticate and deliver, in lieu thereof, Bonds of the Twenty-Sixth and Twenty-Seventh Series in temporary form, as provided in Section 9 of Article II of the Original Indenture.

ARTICLE II.

Issue of Bonds of the Twenty-Sixth Series and Twenty-Seventh Series.

SECTION 1. The total principal amount of Bonds of the Twenty-Sixth and Twenty-Seventh Series which may be authenticated and delivered hereunder is not limited except as the Original Indenture and this Supplemental Indenture limit the principal amount of Bonds which may be issued thereunder.

SECTION 2. Bonds of the Twenty-Sixth and Twenty-Seventh Series for the aggregate principal amount of One hundred twenty-five million Dollars (\$125,000,000) and One hundred twenty-five million Dollars (\$125,000,000), respectively, may forthwith be executed by the Company and delivered to the Trustee and shall be authenticated by the Trustee and delivered (either before or after the filing or recording hereof) to or upon the order of the Company, upon receipt by the Trustee of the resolutions, certificates, instruments and opinions required by Article III and Article XVIII of the Original Indenture, as amended.

ARTICLE III.

Redemption.

SECTION 1. The Bonds of the Twenty-Sixth Series are not redeemable prior to maturity.

SECTION 2. The Bonds of the Twenty-Seventh Series shall, subject to the provisions of Article V of the Original Indenture, be redeemable at any time or from time to time on and after July 1, 2002, at the option of the Board of Directors of the Company and pursuant to Section 8 of Article VIII of the Original Indenture either as a whole or in part, upon payment of the applicable percentage of the principal amount thereof set forth under the heading "Redemption Price" in the tabulation in the form of Bonds of the Twenty-Seventh Series set forth in Section 4 of Article I hereof, together, in each case, with accrued interest to the redemption date.

SECTION 3. Subject to the provisions of Article V of the Original Indenture, the Company shall cause notice of redemption to be given by first class mail, postage prepaid, at least thirty days and not more than sixty days prior to the date of redemption, to the registered owners of such Bonds at their addresses as the same shall appear on the transfer register of the Company.

ARTICLE IV.

Additional Covenants.

The Company hereby covenants, warrants and agrees:

SECTION 1. That the Company is lawfully seized and possessed of all of the mortgaged property described in the granting clauses of this Supplemental Indenture; that it has good, right and lawful authority to mortgage the same as provided in this Supplemental Indenture; and that such mortgaged property is, at the actual date of the initial issue of the Bonds of the Twenty-Sixth and Twenty-Seventh Series, free and clear of any deed of trust, mortgage, lien, charge or encumbrance thereon or affecting the title thereto prior to the Indenture, except as set forth in the granting clauses of the Original Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture, the Twenty-Fifth Supplemental Indenture, the

Twenty-Sixth Supplemental Indenture, the Twenty-Seventh Supplemental Indenture or this Supplemental Indenture.

SECTION 2. So long as any Bonds of the Twenty-Sixth and Twenty-Seventh Series are outstanding, in the event that all or substantially all of the gas properties (either with or without including the gas property in the City of Atchison, Kansas) shall have been released as an entirety from the lien of the Original Indenture, the Company will, at any time or from time to time within six months after the date of such release, retire Bonds outstanding under the Original Indenture in an aggregate principal amount equal to the lesser of

(a) the fair value of the gas properties so released pursuant to Section 3 of Article VII of the Original Indenture, as stated in the engineer's certificate required by Section 3(b) of said Article VII, and the proceeds of the gas properties so released pursuant to Section 5 of said Article VII, less the amount of moneys, deposited with the Trustee pursuant to Section 3(d), 4(d) and 5 of said Article VII on such release, withdrawn or reduced pursuant to Section 1 of Article VIII of the Original Indenture simultaneously with or within three months after such release; or

(b) the greater of

(1) Nine Million Dollars (\$9,000,000) plus One Hundred Seventy-Five Thousand Dollars (\$175,000) for each full year (disregarding any period less than a full year) beginning with July 1, 1949, and ending on the date of such release, less One Million Seven Hundred Thousand Dollars (\$1,700,000), or

(2) One-half of the fair value of the gas properties so released, as stated in the engineer's certificate required by Section 3(b) of Article VII of the Original Indenture, and one-half of the proceeds of the gas properties so released pursuant to Section 5 of said Article VII.

Such retirement of Bonds shall be effected in either one or both of the following methods:

(aa) By the withdrawal pursuant to Section 2 of Article VIII of the Original Indenture of any moneys deposited with the Trustee pursuant to Sections 3(d), 4(d) and 5 of Article VII of the Original Indenture upon such release; or

(bb) By causing the Trustee to purchase or redeem bonds, pursuant to Section 8 of Article VIII of the Original Indenture, out of any moneys deposited with the Trustee pursuant to Sections 3(d), 4(d) and 5 of Article VII of the Original Indenture upon such release.

SECTION 3. So long as any Bonds of the Twenty-Sixth and Twenty-Seventh Series are outstanding, in the event all or substantially all of the electric properties shall have been released as an entirety from the lien of the Original Indenture, the Company will, at any time or from

time to time within six months after the date of such release, retire Bonds outstanding under the Original Indenture in an aggregate principal amount equal to the fair value of the electric properties so released pursuant to Section 3 of Article VII of the Original Indenture, as stated in the engineer's certificate required by Section 3(b) of said Article VII, and the proceeds of the electric properties so released pursuant to Section 5 of said Article VII. Such retirement of Bonds shall be effected in either one or both of the following methods:

(a) By the withdrawal pursuant to Section 2 of Article VIII of the Original Indenture of any moneys deposited with the Trustee pursuant to Sections 3(d), 4(d) and 5 of Article VII of the Original Indenture upon such release; or

(b) By causing the Trustee to purchase or redeem bonds, pursuant to Section 8 of Article VIII of the Original Indenture, out of any moneys deposited with the Trustee pursuant to Sections 3(d), 4(d) and 5 of Article VII of the Original Indenture upon such release.

The Bonds to be so retired shall include a principal amount of Bonds of each Series then outstanding in the same ratio to the aggregate principal amount of all Bonds so retired as the aggregate principal amount of all Bonds of each Series outstanding immediately prior to such release bears to the total principal amount of all Bonds then outstanding.

ARTICLE V.

**Amendments of Ratio of Bonds Issuable to Property Additions and of
Certain Other Ratios. Amendment of Net Earnings Test.
Use of Facsimile Signatures. Reservation of Right to Amend Article XV.**

SECTION 1. So long as any of the Bonds of the Twenty-Sixth or Twenty-Seventh Series shall remain outstanding:

(1) Notwithstanding the provisions of Section 4 of Article III of the Original Indenture, no Bonds shall be authenticated and delivered pursuant to the provisions of Article III of the Original Indenture and issued upon the basis of net bondable value of property additions for an aggregate principal amount in excess of sixty percent (60%) of the net bondable value of property additions not subject to an unfunded prior lien.

For the purposes of Subsections (e) and (f) of the definition of "net bondable value of property additions not subject to an unfunded prior lien," contained in Article I of the Original Indenture, and Subdivisions 8 and 9 of clause (a) of Section 4 of Article III of the Original Indenture, in all computations made with respect to a period subsequent to April 1, 1949, the deductions therein referred to shall in each case be ten-sixths (10/6ths) of the respective amounts mentioned, in lieu of ten-sevenths (10/7ths).

(2) Notwithstanding the provisions of Section 3(a) of Article VIII of the Original Indenture, no moneys received by the Trustee pursuant to Section 5(a) of Article III of the

Original Indenture shall be paid over by the Trustee in an amount in excess of sixty percent (60%) of the net bondable value of property additions not subject to an unfunded prior lien, and for the purposes of Section 3 of Article VII of the Original Indenture, the amount of cash required to be deposited by the Company pursuant to Subsection (d) of said Section 3 of Article VII, shall not be reduced in an amount in excess of sixty percent (60%) of the net bondable value of property additions not subject to an unfunded prior lien.

(3) For the purposes of clauses (c) and (d) of the definition of "net bondable value of property additions subject to an unfunded prior lien," contained in Article I of the Original Indenture, and Subsection 7 of clause (a) of Section 4 of Article III of the Original Indenture, in all computations made with respect to a period subsequent to April 1, 1949, the deductions therein referred to shall in each case be ten-sixths (10/6ths) of the respective amounts mentioned, in lieu of ten-sevenths (10/7ths).

(4) Subsection (a) of Section 14, clauses (1) and (2) of Subsection (a) of Section 16 of Article IV and clause (1) of Subsection (b) of Section 1 of Article XII of the Original Indenture shall be deemed amended by substituting the words "sixty percent (60%)" for "seventy percent (70%)" where they appear in said provisions of the Original Indenture.

(5) The definition of the term "net earnings available for interest, depreciation and property retirement", as contained in Article I of the Original Indenture, shall be deemed to mean the net earnings of the Company ascertained as follows:

(a) The total operating revenues of the Company and the net non-operating revenues of the properties of the Company shall be ascertained.

(b) From the total, determined as provided in Subsection (a), there shall be deducted all operating expenses, including all salaries, rentals, insurance, license and franchise fees, expenditures for repairs and maintenance, taxes (other than income, excess profits and other taxes measured by or dependent on net taxable income), depreciation as shown on the books of the Company or an amount equal to the minimum provision for depreciation as hereinafter defined, whichever is greater, but excluding all property retirement appropriations, all interest and sinking fund charges, amortization of stock and debt discount and expense or premium and further excluding any charges to income or otherwise for the amortization of plant or property accounts or of amounts transferred therefrom.

(c) The balance remaining after the deduction of the total amount computed pursuant to Subsection (b) from the total amount computed pursuant to Subsection (a) shall constitute the "net earnings of the Company available for interest", provided that not more than fifteen percent (15%) of the net earnings of the Company available for interest may consist of the aggregate of (i) net non-operating income, (ii) net earnings from mortgaged property other than property of the character of property additions, and (iii) net earnings from property not subject to the lien of this Indenture.

(d) No income received or accrued by the Company from securities and no profits or losses of capital assets shall be included in making the computations aforesaid.

(e) In case the Company shall have acquired any acquired plant or systems or shall have been consolidated or merged with any other corporation, within or after the particular period for which the calculation of net earnings of the Company available for interest, depreciation and property retirement is made, then, in computing the net earnings of the Company available for interest, depreciation and property retirement, there may be included, to the extent they may not have been otherwise included, the net earnings or net losses of such acquired plant or system or of such other corporation, as the case may be, for the whole of such period. The net earnings or net losses of such property additions, or of such other corporation for the period preceding such acquisition or such consolidation or merger, shall be ascertained and computed as provided in the foregoing subsections of this definition as if such acquired plant or system had been owned by the Company during the whole of such period, or as if such other corporation had been consolidated or merged with the Company prior to the first day of such period.

(f) In case the Company shall have obtained the release of any property pursuant to Section 3 of Article VII of the Original Indenture, of a fair value in excess of Five Hundred Thousand Dollars (\$500,000), as shown by the engineer's certificate required by said Section 3, or shall have obtained the release of any property pursuant to Section 5 of Article VII of the Original Indenture, the proceeds of which shall have exceeded Five Hundred Thousand Dollars (\$500,000), within or after the particular period for which the calculation of net earnings of the Company available for interest, depreciation and property retirement is made, then, in computing the net earnings of the Company available for interest, depreciation and property retirement, the net earnings or net losses of such property for the whole of such period shall be excluded to the extent practicable on the basis of actual earnings and expenses of such property or on the basis of such estimates of the earnings and expenses of such property as the signers of an officers' certificate filed with the Trustee pursuant to Section 3(b) of Article III or Section 16 of Article IV of the Original Indenture shall deem proper.

The term "minimum charge for depreciation" as used herein shall mean an amount equal to (a) fifteen percent (15%) of the total operating revenues of the Company after deducting therefrom an amount equal to the aggregate cost to the Company of electric energy, gas and water purchased for resale to others and rentals paid for, or other payments made for the use of, property owned by others and leased to or operated by the Company, the maintenance of which and depreciation on which are borne by the owners, less (b) an amount equal to the expenditures for maintenance and repairs to the plants and property of the Company and included or reflected in its operating expense accounts.

The terms "net earnings of property available for interest, depreciation and property retirement" and "net earnings of another corporation available for interest, depreciation and property retirement" as contained in Article I of the Original Indenture,

when used with respect to any property or with respect to another corporation, shall mean the net earnings of such property or the net earnings of such other corporation, as the case may be, computed in the manner provided in Subsections (a), (b), (c) and (d) hereof.

(6) Notwithstanding the provisions of clauses (1) and (2) of subsection (b) of Article III, and Subsection (b) of Section 14 of Article IV, and Subsection (b) of Section 16 of Article IV and clause (2) of Subsection (b) of Section 1 of Article XII of the Original Indenture, the computation of net earnings required therein shall be made as provided in Subsection (5) of this Section 1, and the net earnings tests required in said mentioned provisions of Articles III, IV and XII of the Original Indenture shall be based on two times the annual interest charges described in such provisions, instead of two and one-half times such charges, but shall not otherwise affect such provisions or relieve from the requirements therein pertaining to ten percent (10%) of the principal amount of bonds therein described.

SECTION 2. All of the Bonds of the Twenty-Sixth and Twenty-Seventh Series and of any series initially issued after the initial issuance of Bonds of the Twenty-Sixth and Twenty-Seventh Series shall, from time to time, be executed on behalf of the Company by its Chairman of the Board, President and Chief Executive Officer or one of its Vice Presidents whose signature, notwithstanding the provisions of Section 12 of Article II of the Original Indenture, may be by facsimile, and its corporate seal (which may be in facsimile) shall be thereunto affixed and attested by its Secretary or one of its Assistant Secretaries whose signature, notwithstanding the provisions of the aforesaid Section 12, may be by facsimile.

In case any of the officers who have signed or sealed any of the Bonds of the Twenty-Sixth and Twenty-Seventh Series or of any series initially issued after the initial issuance of Bonds of the Twenty-Sixth and Twenty-Seventh Series manually or by facsimile shall cease to be such officers of the Company before such Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the Company, such Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who so signed or sealed such Bonds had not ceased to be such officer or officers of the Company; and also any such Bonds may be signed or sealed by manual or facsimile signature on behalf of the Company by such persons as at the actual date of the execution of any of such Bonds shall be the proper officers of the Company, although at the nominal date of any such Bond any such person shall not have been such officer of the Company.

SECTION 3. The Company reserves the right, subject to appropriate corporate action, but without consent or other action by holders of bonds of any series created after June 1, 1975, to make such amendments to the Original Indenture, as supplemented, as shall be necessary in order to amend Article XV thereof so as to substitute "sixty percent (60%)" for "eighty percent (80%)" wherever appearing in said Article XV.

SECTION 4. The Company reserves the right, subject to appropriate corporate action, but without any consent or other action by holders of bonds of any series created after June 1,

1975, to make such amendments to the Original Indenture, as supplemented, as shall be necessary in order to amend Article XV thereof by adding thereto a Section 9 to read as follows:

"SECTION 9. (A) Anything in this Article XV contained to the contrary notwithstanding, the Trustee shall receive the written consent (in any number of instruments of similar tenor executed by bondholders or by their attorneys appointed in writing) of the holders of sixty per centum (60%) or more in principal amount of the bonds outstanding hereunder, and, if the rights of one or more, but less than all, series of bonds then outstanding are to be affected by action taken pursuant to such consent, then also by consent of the holders of at least sixty per centum (60%) in principal amount of each series of bonds so to be affected and outstanding hereunder (at the time the last such needed consent is delivered to the Trustee) in lieu of the holding of a meeting pursuant to this Article XV and in lieu of all action at such a meeting and with the same force and effect as a resolution duly adopted in accordance with the provisions of Section 6 of this Article XV.

(B) Instruments of consent shall be witnessed or in the alternative may (a) have the signature guaranteed by a bank or trust company or a registered dealer in securities, (b) be acknowledged before a Notary Public or other officer authorized to take acknowledgements, or (c) have their genuineness otherwise established to the satisfaction of the Trustee.

The amount of bonds payable to bearer, and the series and serial numbers thereof, held by a person executing an instrument of consent (or whose attorney has executed an instrument of consent in his behalf), and the date of his holding the same, may be proved by exhibiting the bonds to and obtaining a certificate executed by (i) any bank or trust or insurance company, or (ii) any trustee, secretary, administrator or other proper officer of any pension, welfare, hospitalization or similar fund or funds, or (iii) the United States of America, any Territory thereof, the District of Columbia, any State of the United States, any municipality in any State of the United States or any public instrumentality of the United States, or of any State or of any Territory, or (iv) any other person or corporation satisfactory to the Trustee. A bondholder in any of the foregoing categories may sign a certificate in his own behalf.

Each such certificate shall be dated and shall state, in effect, that, as of the date thereof, a coupon bond or bonds bearing a specified serial number or numbers was deposited with or exhibited to the signer of such certificate. The holding by the person named in any such certificate of any bond specified therein shall be presumed to continue unless (1) any certificate bearing a later date issued in respect of the same bond shall be produced, (2) the bond specified in such certificate (or any bond or bonds issued in exchange or substitution for such bond) shall be produced by another holder, or (3) the bond specified in such certificate shall be registered as to principal in the name of another holder or shall have been surrendered in exchange for a fully registered bond registered in the name of another holder. The Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. The ownership of registered bonds shall be proved by the registry books.

(C) Until such time as the Trustee shall receive the written consent of the necessary per centum in principal amount of the bonds required by the provisions of Subsection (A) above

for action contemplated by such consent, any holder of a bond, the serial number of which is shown by the evidence to be included in the bonds the holders of which have consented to such action, may, by filing written notice with the Trustee at its principal office and upon proof of holding as provided in Subsection (B) above, revoke such consent so far as it concerns such bond. Except as aforesaid, any such action taken by the holder of any bond shall be conclusive and binding upon such holder and upon all future holders of such bond (and any bond issued in lieu thereof or exchanged therefor), irrespective of whether or not any notation of such consent is made upon such bond, and in any event any action taken by the holders of the percentage in aggregate principal amount of the bonds specified in Subsection (A) above in connection with such action shall be conclusively binding upon the Company, the Trustee and the holders of all the bonds."

ARTICLE VI.

Miscellaneous Provisions.

SECTION 1. The Trustee accepts the trusts herein declared, provided, created or supplemented and agrees to perform the same upon the terms and conditions herein and in the Original Indenture, as amended, set forth and upon the following terms and conditions.

SECTION 2. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general each and every term and condition contained in Article XIII of the Original Indenture, as amended by the Second Supplemental Indenture, shall apply to and form part of this Supplemental Indenture with the same force and effect as if the same were herein set forth in full with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this Supplemental Indenture.

SECTION 3. Whenever in this Supplemental Indenture either of the parties hereto is named or referred to, such reference shall, subject to the provisions of Articles XII and XIII of the Original Indenture, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustee, shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

SECTION 4. Nothing in this Supplemental Indenture, expressed or implied, is intended or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the Bonds and coupons outstanding under the Indenture, any right, remedy or claim under or by reason of this Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Supplemental Indenture contained by and on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the Bonds and of the coupons outstanding under the Indenture.

SECTION 5. This Supplemental Indenture may be executed in several counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

SECTION 6. The Titles of the several Articles of this Supplemental Indenture shall not be deemed to be any part thereof.



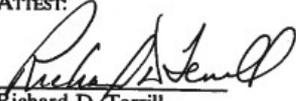
IN WITNESS WHEREOF, WESTERN RESOURCES, INC., party hereto of the first part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its Chairman of the Board, President and Chief Executive Officer or a Vice President, and its corporate seal to be attested by its Secretary or an Assistant Secretary for and in its behalf, and HARRIS TRUST AND SAVINGS BANK, party hereto of the second part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its Chairman of the Board, President and Chief Executive Officer or a Vice President and its corporate seal to be attested by its Secretary or an Assistant Secretary, all as of the day and year first above written.

(CORPORATE SEAL)

WESTERN RESOURCES, INC.

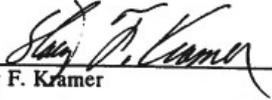
By: 

Steven L. Kitchen,
Executive Vice President and
Chief Financial Officer

ATTEST:


Richard D. Terrill,
Secretary

Executed, sealed and delivered by
WESTERN RESOURCES, INC.
in the presence of:



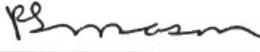
Stacy F. Kramer



Robert J. Knott

(CORPORATE SEAL)

HARRIS TRUST AND SAVINGS BANK,
As Trustee,

By: 
R.G. Mason
Vice President

ATTEST:


D.G. Donovan
Assistant Secretary

Executed, sealed and delivered by
HARRIS TRUST AND SAVINGS BANK
in the presence of:

 KEITH RICHARDSON

 M. E. ONISCHAK

STATE OF KANSAS)
) SS:
COUNTY OF SHAWNEE)

BE IT REMEMBERED, that on this 8th day of July, 1992, before me, the undersigned, a Notary Public within and for the County and State aforesaid, personally came Steven L. Kitchen and Richard D. Terrill, of Western Resources, Inc., a corporation duly organized, incorporated and existing under the laws of the State of Kansas, who are personally known to me to be such officers, and who are personally known to me to be the same persons who executed as such officers the within instrument of writing, and such persons duly acknowledged the execution of the same to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.



Regina I. DeGarmo
REGINA I. DEGARMO
Notary Public
My Commission Expires
August 4, 1993

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

BE IT REMEMBERED, that on this 6th day of July, 1992, before me, the undersigned, a Notary Public within and for the County and State aforesaid, personally came R.G. Mason and D.G. Donovan, of Harris Trust and Savings Bank, a corporation duly organized, incorporated and existing under the laws of the State of Illinois, who are personally known to me to be such officers, and who are personally known to me to be the same persons who executed as such officers the within instrument of writing, and such persons duly acknowledged the execution of the same to be the act and deed of said corporation.



T. Muzquiz
Notary Public T. MUZQUIZ
My Commission Expires

STATE OF KANSAS)
) SS:
COUNTY OF SHAWNEE)

BE IT REMEMBERED, that on this 30th day of July, 1992, before me, the undersigned, a Notary Public within and for the County and State aforesaid, personally came Steven L. Kitchen and Richard D. Terrill, of Western Resources, Inc., a corporation duly organized, incorporated and existing under the laws of the State of Kansas, who are personally known to me to be such officers, being by me respectively duly sworn, did each say that the said Steven L. Kitchen is Executive Vice President and Chief Financial Officer and that the said Richard D. Terrill is Secretary of said corporation, that the consideration of and for the foregoing instrument was actual and adequate, that the same was made and given in good faith, for the uses and purposes therein set forth and without any intent to hinder, delay, or defraud creditors or purchasers.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.



Regina I. DeGarmo
REGINA I. DEGARMO

Notary Public
My Commission Expires
August 4, 1993

A-1

APPENDIX A

to

TWENTY-EIGHTH SUPPLEMENTAL INDENTURE

Dated July 1, 1992

Western Resources, Inc.

to

Harris Trust and Savings Bank

**DESCRIPTION OF PROPERTIES
LOCATED IN THE STATE OF KANSAS**

FIRST

PARCELS OF REAL ESTATE

ATCHISON COUNTY

Electric Substation Site

One (1) acre in the Southeast corner of the following tract of real property consisting of seven and one-half (7½) acres, to wit: The Northwest Quarter (NW¼) of the South Thirty (S 30) acres of the Southwest Quarter of the Northeast Quarter (SW¼ NE¼) of Section Twelve (12), Township Six (6), Range Twenty (20) EXCEPT that part deeded to State of Kansas described as follows:

A tract of land in a one acre tract in the Southeast corner of the Northwest Quarter of the South 30 acres of the Southwest Quarter of the Northeast Quarter of Section 12, Township 6 South, Range 20 East of the 6th P.M., described as follows:

BEGINNING at the Southeast corner of said One Acre tract; thence North 89 degrees 18 minutes West along the South line to the West line of said tract; thence North 01 degree 47 minutes West, 50.0 feet along said West line; thence South 89 degrees 18 minutes East 25.3 feet; thence North 30 degrees 48 minutes East, to a point on the North Line 84.6 feet West of the Northeast corner of said tract; thence South 89 degrees 18 minutes East 84.6 feet along said North line to the East line of said tract; thence South 01 degree 47 minutes East, along the East line of said tract to the place of

beginning. The above contains 25,439 square feet, more or less, exclusive of the existing highway, and the Northwest Quarter of the South Thirty (S 30) acres of the Southwest Quarter (SW¼) of the Northeast Quarter (NE¼) of Section Twelve (12), Township Six (6), Range Twenty (20), consisting of seven and one-half acres, except one acre in the Southeast corner thereof, ALSO EXCEPT that part deeded to State of Kansas described as follows:

A tract of land in the Northwest Quarter of the South 30 acres of the Southwest Quarter of the Northeast Quarter of Section 12, Township 6 South, Range 20 East of the 6th P.M., described as follows:

BEGINNING at the Southwest corner of said tract; thence North 00 degrees 42 minutes East, 50.0 feet along the West line of said Quarter Section; thence South 89 degrees 18 minutes East, to a point on the West line of the One Acre tract in the Southeast corner of said Northwest Quarter of the South 30 Acres of the Southwest Quarter of the Northeast Quarter Section; thence South 01 degree 47 minutes East, 50.0 feet along said West line to the South line, to said Northwest Quarter of the South 30 Acres; thence North 89 degrees 18 minutes West along said South line to the place of beginning. The above contains 20,930 square feet, more or less.

ALSO EXCEPT

A tract of land in the Northwest Quarter of the South 30 Acres of the Southwest Quarter of the Northeast Quarter of Section 12, Township 6 South, Range 20 East of the 6th P.M., described as follows:

BEGINNING at the Northeast corner thereof; thence North 89 degrees 30 minutes West, 17.6 feet along the North line of said tract; thence South 03 degrees 34 minutes East, 164.6 feet; thence South 30 degrees 48 minutes West, to a point on the North line of the One Acre tract in the Southeast corner of said Northwest Quarter of the South 30 acres of the Southwest Quarter of the Northeast Quarter section; thence South 89 degrees 18 minutes East, 84.6 feet along said North line to the East line of said Northwest Quarter of said South 30 acres; thence North 01 degree 47 minutes West along said East line to the place of beginning. The above contains 8,081 square feet, more or less.

RILEY COUNTY

Electric Substation Site

Lots 2, 3, 4, 5 and 6, Block 11 of the City of Ogden, Riley County, Kansas LESS the southerly 5 feet of said lots.

Grant Date: March 1, 2016

APPENDIX A

January 1, 2016 - June 4, 2018, Performance Criteria*

Objectives	Weighting (Percent)	Threshold (50%)	Target (100%)	Stretch (150%)	Superior (200%)
Total Shareholder Return (TSR) versus EEI Index ¹ (Interpolation applicable)	100%	30 th Percentile	50 th Percentile	70 th Percentile	90 th Percentile

*Time-based vesting applies for the remainder of the Award Period (i.e., Grantee must remain employed by the Company through the date Performance Shares are paid in order to receive any Performance Shares earned based on the TSR percentile rank achieved between January 1, 2016, and June 4, 2018 (the "Measurement Period").

¹ TSR is compared to an industry peer group of the Edison Electric Institute (EEI) index of electric companies during the applicable measurement period (i.e., the Great Plains Energy Measurement Period or the Evergy Measurement Period). At the end of and with respect to each measurement period, the Committee will assess total shareholder return compared to the EEI index for the applicable measurement period. Depending on Great Plains Energy's or Evergy's percentile rank, as applicable, the Grantee will receive a percentage of the Performance Share Award. Interpolation will be used to determine payouts if percentile rank of relative total shareholder return falls between the percentile ranks shown.

Grant Date: March 1, 2017

APPENDIX A

January 1, 2017 - June 4, 2018, Performance Criteria (relating to Great Plains Energy Incorporated) for 47.49% of Performance Shares*

Objectives	Weighting (Percent)	Threshold (50%)	Target (100%)	Stretch (150%)	Superior (200%)
Total Shareholder Return (TSR) versus EEI Index ¹ (Interpolation applicable)	100%	30 th Percentile	50 th Percentile	70 th Percentile	90 th Percentile

*Time-based vesting applies for the remainder of the Award Period (i.e., Grantee must remain employed by the Company through the date the Performance Shares are paid in order to receive any Performance Shares earned based on the TSR percentile rank achieved between January 1, 2017, and June 4, 2018 (the "Great Plains Energy Measurement Period").

June 5, 2018 - December 31, 2019, Performance Criteria (relating to Evergy, Inc.) for 52.51% of Performance Shares**

Objectives	Weighting (Percent)	Threshold (50%)	Target (100%)	Stretch (150%)	Superior (200%)
Total Shareholder Return (TSR) versus EEI Index ¹ (Interpolation applicable)	100%	30 th Percentile	50 th Percentile	70 th Percentile	90 th Percentile

**Performance Shares will be earned based on TSR of Evergy, Inc. between June 5, 2018, and December 31, 2019 (the "Evergy Measurement Period"). The Grantee must remain employed by the Company through the date the Performance Shares are paid in order to receive any Performance Shares earned based on the TSR percentile rank achieved during the Evergy Measurement Period.

¹ TSR is compared to an industry peer group of the Edison Electric Institute (EEI) index of electric companies during the applicable measurement period (i.e., the Great Plains Energy Measurement Period or the Evergy Measurement Period). At the end of and with respect to each measurement period, the Committee will assess total shareholder return compared to the EEI index for the applicable measurement period. Depending on Great Plains Energy's or Evergy's percentile rank, as applicable, the Grantee will receive a percentage of the Performance Share Award. Interpolation will be used to determine payouts if percentile rank of relative total shareholder return falls between the percentile ranks shown.

Grant Date: March 1, 2018

APPENDIX A

January 1, 2018 - June 4, 2018, Performance Criteria (relating to Great Plains Energy Incorporated) for 14.14% of Performance Shares*

Objectives	Weighting (Percent)	Threshold (50%)	Target (100%)	Stretch (150%)	Superior (200%)
Total Shareholder Return (TSR) versus EEI Index ¹ (Interpolation applicable)	100%	30 th Percentile	50 th Percentile	70 th Percentile	90 th Percentile

*Time-based vesting applies for the remainder of the Award Period (i.e., Grantee must remain employed by the Company through the date the Performance Shares are paid in order to receive any Performance Shares earned based on the TSR percentile rank achieved between January 1, 2018, and June 4, 2018 (the "Great Plains Energy Measurement Period").

June 5, 2018 - December 31, 2020, Performance Criteria (relating to Evergy, Inc.) for 85.86% of Performance Shares**

Objectives	Weighting (Percent)	Threshold (50%)	Target (100%)	Stretch (150%)	Superior (200%)
Total Shareholder Return (TSR) versus EEI Index ¹ (Interpolation applicable)	100%	30 th Percentile	50 th Percentile	70 th Percentile	90 th Percentile

**Performance Shares will be earned based on TSR of Evergy, Inc. between June 5, 2018, and December 31, 2020 (the "Evergy Measurement Period"). The Grantee must remain employed by the Company through the date the Performance Shares are paid in order to receive any Performance Shares earned based on the TSR percentile rank achieved during the Evergy Measurement Period.

¹ TSR is compared to an industry peer group of the Edison Electric Institute (EEI) index of electric companies during the applicable measurement period (i.e., the Great Plains Energy Measurement Period or the Evergy Measurement Period). At the end of and with respect to each measurement period, the Committee will assess total shareholder return compared to the EEI index for the applicable measurement period. Depending on Great Plains Energy's or Evergy's percentile rank, as applicable, the Grantee will receive a percentage of the Performance Share Award. Interpolation will be used to determine payouts if percentile rank of relative total shareholder return falls between the percentile ranks shown.

Cap on Negative TSR: If actual TSR performance is negative, payout would be capped at Target (100%).

**FIRST AMENDMENT
TO THE
WESTAR ENERGY, INC. RETIREMENT BENEFIT RESTORATION PLAN**

WHEREAS, the Westar Energy, Inc. Retirement Benefit Restoration Plan, effective as of April 2, 2010 (“Plan”), provides in Article 6.1 that the Plan may be amended from time to time by action of the Company’s Board of Directors;

WHEREAS, following the effective date of the merger transaction between Westar Energy, Inc. (“Company”) and Great Plains Energy, Incorporated, (the “Merger”), the Company’s parent Evergy, Inc. (“Evergy”) has determined that, pursuant to Section 7.9, the Plan shall be continued after the Merger;

WHEREAS, the Evergy Board of Directors has delegated its authority to administer Evergy nonqualified plans, including this Plan, to the Compensation and Leadership Development Committee of the Board of Directors of Evergy, Inc. (“Committee”) following the Merger;

WHEREAS, effective January 1, 2019, the Committee wishes to amend the Plan to take into account as Earnings under the Plan those amounts deferred by a participant from base salary to a nonqualified deferred compensation plan maintained by Evergy.

NOW, THEREFORE, the Plan is hereby amended effective January 1, 2019.

1. Section 1.1 is hereby deleted and the following Section 1.1 is substituted in lieu thereof:

“1.1 “Board” means the Board of Directors of the Company’s parent Evergy, Inc. (“Evergy”). “Committee” means the Compensation and Leadership Development Committee of the Board of Directors of Evergy, Inc. References in the Plan to the Board and the Board’s authority to administer, amend or terminate the Plan shall be replaced with the Committee.”

2. Section 1.7 is hereby deleted and the following Section 1.7 is substituted in lieu thereof:

“1.7 “Qualified Plan” means the Westar Energy, Inc. and Wolf Creek Nuclear Operating Corporation Retirement Plan effective December 13, 2018. The benefit formula provisions and related definitions of the Qualified Plan are hereby incorporated by reference, including but not limited to the definition of “Earnings” under the Qualified Plan. Notwithstanding the foregoing, effective January 1, 2019, as provided in Section 3.1(a) and Section 4.1(a), Earnings will take into account amounts deferred by the Participant from base salary to a nonqualified deferred compensation plan sponsored by the Company’s parent Evergy, Inc. for purposes of calculating the Restoration Retirement Benefit and Restoration Surviving Spouse Benefit.”

3. Section 3.1(a) is hereby deleted and the following Section 3.1(a) is substituted in lieu thereof:

“(a) the monthly amount of the Qualified Plan Retirement Benefit to which the Participant would have been entitled under the Qualified Plan if such Benefit were computed without giving effect to any limitations on benefits imposed by any provisions of the Code and, effective January 1, 2019, taking into account as Earnings amounts deferred by the Participant from base salary to a nonqualified deferred compensation plan sponsored by the Company’s parent Evergy, Inc.”

4. Section 4.1(a) is hereby deleted and the following Section 4.1(a) is substituted in lieu thereof:

“(a) the monthly amount of the Qualified Plan Survivor Spouse Benefit to which the Surviving Spouse would have been entitled under the Qualified Plan if such Benefit were computed without giving effect to any limitations on benefits imposed by any provisions of the Code and, effective January 1, 2019, taking into account as Earnings amounts deferred by the Participant from base salary to a nonqualified deferred compensation plan sponsored by the Company’s parent Evergy, Inc.”

IN WITNESS WHEREOF, Evergy, Inc. has adopted this First Amendment this 12th day of December, 2018.

EVERGY, INC.

By: /s/ Jerl L. Banning_____

Name: Jerl L. Banning

Title: Senior Vice President and Chief People Officer

EVERGY, INC.
NONQUALIFIED DEFERRED COMPENSATION PLAN

(As Amended and Restated Effective June 4, 2018)

EVERGY, INC.

NONQUALIFIED DEFERRED COMPENSATION PLAN

(As amended and restated June 4, 2018)

Background and Purpose

Kansas City Power & Light Company ("KCPL") adopted the Kansas City Power & Light Supplemental Executive Retirement and Deferred Compensation Plan effective November 2, 1993, (the "Original Plan"), to provide opportunities for selected employees and members of KCPL's Board of Directors to defer the receipt of compensation. As part of a corporate restructuring and effective as of October 1, 2001, the Original Plan was divided into two separate plans, the "Great Plains Energy Incorporated Nonqualified Deferred Compensation Plan" (the "Frozen NQDC Plan") and the Great Plains Energy Incorporated Supplemental Executive Retirement Plan (the "Frozen SERP").

As a result of the enactment of the American Jobs Creation Act of 2004, which, in part, created a new section of the Internal Revenue Code ("Code Section 409A") governing and requiring changes to nonqualified deferred compensation plans, Great Plains Energy Incorporated (i) froze the Frozen NQDC Plan as of December 31, 2004, such that no new participants entered the Frozen NQDC Plan and no new amounts (other than Earnings) accrued under the Frozen NQDC Plan after December 31, 2004, and (ii) adopted the Great Plains Energy Incorporated Nonqualified Deferred Compensation Plan (As Amended and Restated for I.R.C. § 409A) which plan, except for those changes required by Code Section 409A, generally mirrored the terms of the Frozen NQDC Plan.

As a result of and effective upon the consummation of Great Plains Energy Incorporated's merger into Evergy, Inc., the Great Plains Energy Incorporated Nonqualified Deferred Compensation Plan (As Amended and Restated for I.R.C. § 409A) was restated as the Evergy, Inc. Nonqualified Deferred Compensation Plan (the "Plan").

Effective June 4, 2018, Evergy, Inc. amends and restates the Plan to allow employees of the Company's subsidiary, Westar Energy, Inc. to participate in the Plan and make certain other changes. This Plan continues to govern the payment of, and all administrative aspects related to, amounts that (1) were not accrued and vested as of December 31, 2004, under the Frozen NQDC Plan, and (2) have been or are contributed to this Plan on or after January 1, 2005. All existing elections under this Plan shall continue in effect without change and apply as elections under the Plan.

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ARTICLE I

DEFINITIONS

1.1 Definitions. For purposes of this Plan, the following terms have the following meanings:

"Applicable 401(k) Plan" means the applicable 401(k) defined contribution plan sponsored by the Company or one of its wholly-owned subsidiaries (e.g., the Evergy Savings Plan or the Westar Energy, Inc. Employees' 401(k) Savings Plan), that the Participant is eligible to participate in as of January 1 of the plan year and in which the Participant's elective deferrals or Company matching contributions are made.

"Applicable 401(k) Matching Compensation" means for each Participant, the applicable definition of "compensation" under the Applicable 401(k) Plan for purposes of determining the 401(k) employer matching contribution amount under the Applicable 401(k) Matching Formula for any plan year. A Participant's Applicable 401(k) Matching Compensation for any year will not be limited by the provisions of Code Sections 401(a)(17), 401(k)(3)(A)(ii), 401(m)(2), 402(g)(1), 415, or similar provisions restricting the amount of compensation that may be considered, deferred, or matched under plans qualified pursuant to Code Section 401(a).

"Applicable 401(k) Matching Formula" means for each Participant, the employer matching contribution formula under the Applicable 401(k) Plan for the Participant as applied to the Participant's elective deferrals under this Plan (e.g., if the Applicable 401(k) Plan limits matching contributions to deferrals of base salary not exceeding 6% of the Participant's Applicable 401(k) Matching Compensation, such formula is the Participant's Applicable 401(k) Matching Formula under this Plan).

"Base Salary" means the annual salary, excluding Incentive Awards, paid by the Company to the Participant.

"Board" means the Board of Directors of the Company.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the Compensation and Leadership Development Committee (or successor to such Committee) of the Board.

"Company" means Evergy, Inc. (a successor to Great Plains Energy Incorporated due to Great Plains Energy Incorporated's merger into Evergy, Inc.), Great Plains Energy Services Incorporated, Great Plains Power Incorporated, Kansas City Power & Light Company, Westar Energy, Inc. or their successors. However, with respect to the term "Board," "Committee," and in Section 2.4 and Section 3.4, "Company" refers solely to Evergy, Inc., its predecessor or its successor.

"Director" means a member of the Board.

"Director Fees" means a Director's remuneration for services as a Director and includes annual retainer fees and meeting fees.

"Energy Savings Plan" means the Evergy, Inc. 401(k) Savings Plan, as it may be amended from time to time.

"Incentive Award" means any compensation paid under any annual incentive plan sponsored or maintained by the Company. The term "Incentive Award" does not include any awards or payments of awards under the Company's Long-Term Incentive Plan.

"Participant" means (i) a Director or (ii) any employee selected for participation by the Committee or the Chief Executive Officer of Evergy, Inc. or its predecessor, Great Plains Energy Incorporated. Individuals will become Participants in the Plan as of the date they are so

designated. Directors are not eligible to the benefits provided under Section 2.5 of the Plan (e.g., Company contributions). Individuals who were Participants in the Plan on June 3, 2018, will continue to be Participants in this Plan.

"**Plan**" means this Evergy, Inc. Nonqualified Deferred Compensation Plan. This Plan document is operative as of June 4, 2018, and is a continuation in all respects of the Great Plains Energy Incorporated Nonqualified Deferred Compensation Plan (as Amended and Restated for I.R.C. § 409A).

"**Separation from Service**" or "**Separates from Service**" means a Participant's death, retirement, or other termination of employment or service with the Company under Code Section 409A(a)(2)(A)(i) and the applicable Treasury Regulations and guidance issued thereunder.

"**Specified Employee**" means a Participant that is a "specified employee" as defined in Code Section 409A(a)(2)(B)(i) and Department of Treasury regulations and other interpretive guidance issued thereunder. For purposes of this definition, the "specified employee effective date" and the "specified employee identification date" are established and memorialized in the Company's "I.R.C. § 409A Specified Employee Policy" as the same may be modified from time to time in accordance with the rules and regulations of Code Section 409A.

1.2 General Interpretive Principles. (a) Words in the singular include the plural and vice versa, and words of one gender include the other gender, in each case, as the context requires; (b) references to Sections are references to the Sections of this Plan unless otherwise specified; and (c) any reference to any U.S. federal, state, or local statute or law will be deemed to also refer to all amendments or successor provisions thereto, as well as all rules and regulations promulgated under such statute or law, unless the context otherwise requires.

ARTICLE II

DEFERRED COMPENSATION

2.1 Deferral Elections. Before the beginning of any calendar year, a Participant may elect to defer the receipt of:

- (a) a specified dollar amount or percentage of the Participant's anticipated Base Salary (or Director Fees) as in effect on January 1 of the year in which such salary or fees are to be deferred; and/or
- (b) a specified dollar amount or percentage of any anticipated Incentive Awards to be paid to the Participant for performance in the upcoming plan year.

If the Participant desires to make such an election, the election must be in writing on a form provided by the Company, and may indicate an election to defer a fixed percentage of up to 50 percent of Base Salary, and/or 100 percent of any Incentive Awards or Director Fees. Alternatively, the Participant may elect to defer a fixed dollar amount of Base Salary or Director Fees and/or any Incentive Awards in increments of \$1,000, with a minimum deferral of \$2,000 and a maximum deferral of an amount equal to 50% of Base Salary and 100% of Director Fees or any Incentive Awards. An individual who first becomes a Participant in this Plan (and is not otherwise eligible nor has been eligible to participate in any other similar type of deferred compensation plan that would be aggregated with the Plan under Code Section 409A) during a year may make a deferral election for the balance of the year in which the employee becomes a Participant, provided the election is made within 30 days after the day on which he or she becomes a Participant.

An election to defer compensation under this Article II applies only to compensation earned subsequent to the date the election is made. An election to defer compensation will be effective only for the year, or portion of the year, for which the election was made, and may not be terminated or changed during such year or portion of such year. If the Participant desires to continue the same

election from year to year, he or she must nevertheless make an affirmative election each year to defer compensation.

2.2 Contents of Deferral Election. A Participant's deferral election must indicate, with respect to amounts deferred pursuant to the election, a distribution event in accordance with Section 2.6 and the form of payment alternative in accordance with Section 2.7.

2.3 Separate Accounts. A separate account will be established for each Participant who defers compensation under this Article II. The Company will credit deferred compensation to the Participant's account as soon as administratively practicable following the date the amount is deferred, which deferral occurs at the time(s) the Participant would have otherwise been paid the compensation. Neither the Participant nor his or her designated beneficiary or beneficiaries has any property interest whatsoever in any specific Company assets as a result of this Plan.

2.4 Earnings Credits. The earnings rate each year upon which gains or losses on a Participant's account are credited (hereinafter "Earnings") will be a reasonable rate of interest based on the Company's weighted average cost of capital. The Earnings will be credited or debited to a Participant's account on a monthly basis, or at such other time or times as the Committee may determine. Earnings will continue to be credited to the balance of a Participant's account during the payout period elected pursuant to this Article II. The Earnings attributable to compensation deferred pursuant to a particular deferral election will be payable according to the same terms, conditions, limitations, and restrictions applicable to the compensation deferred pursuant to the deferral election. Any remaining payments will be re-computed annually to reflect the additional Earnings.

2.5 Company Contributions.

(a) Matching Contributions. A Participant (other than a Director) will be eligible to receive a matching contribution under this Section 2.5(a) only if the Participant defers the maximum amount allowed under Code Section 402(g) (ignoring any opportunity the Participant may have had to make catch-up contributions described in Section 414(v) of the Code) for such year under the Applicable 401(k) Plan. A Participant's matching contribution under this Plan will be:

(i) the amount determined by applying the Participant's Applicable 401(k) Matching Formula to the Participant's deferral amount under Section 2.1, ignoring all contribution limitations due to the provisions of Code Sections 401(a)(17), 401(k)(3)(A)(ii), 401(m)(2), 402(g)(1), 415, or similar provisions restricting the amount of compensation that may be considered, deferred, or matched under plans qualified pursuant to Code Section 401(a), minus

(ii) the amount of the matching contributions made for the plan year to the Participant's account under the Applicable 401(k) Plan.

For the avoidance of doubt, the matching contribution on any deferred Incentive Award shall be made effective on the date such Incentive Award would have been paid to Participant in the absence of a deferral election.

- (b) Additional Discretionary Company Contributions. From time to time, as determined appropriate by the Committee, the Company may elect to make additional contributions (either discretionary, matching or both) to the Plan and may direct that such contributions be allocated among the accounts of those Participants that it may select. The Committee may impose vesting conditions and/or allocation conditions with respect to such additional contributions. No Participant shall have a right to compel the Company to make a contribution under this Section 2.5(b) and no Participant shall have the right to share in the allocation of any such contribution for any year unless selected by the Committee, in its sole discretion. At the time any such additional contribution is made, the Committee may provide that the additional amounts are to be paid at the same time as other amounts deferred under this Plan are paid to the Participant or a different time (in all cases compliant with Code Section 409A) as established by the Committee.
- (c) Vesting. All Company matching contributions under Section 2.5(a) and Company additional discretionary contributions under Section 2.5(b) are 100% vested.

2.6 Permissible Distribution Events. A Participant may elect to defer receipt of amounts deferred pursuant to a deferral election until one of the

following:

- (a) Subject to Section 3.12, the Participant's Separation from Service other than on account of death;
- (b) a specified age or date;
- (c) the Participant's death;

- (d) the earlier of (a) or (b) (e.g., the earlier of Separation from Service or attainment of age 65); or
- (e) the later of (a) or (b) (e.g., the later of Separation from Service or attainment of age 65) .

In all cases if no distribution event has occurred on the date of the Participant's death, the Participant's death will be the distribution event. If a Participant fails to designate a distribution event and the Participant is not a Specified Employee at the time of the Participant's Separation from Service, payment of amounts deferred pursuant to the Participant's deferral election will be made (in the case of a lump sum) or commence (in the case of installments) on the 90th day after the Participant's Separation from Service. If a Participant fails to designate a distribution event, the Participant is a Specified Employee at the time of the Participant's Separation from Service and the Separation from Service is not on account of the Participant's death, payment of amounts deferred pursuant to the Participant's deferral election will commence on the first day of the 7th month after the month in which the Participant Separates from Service.

2.7 Permissible Forms of Payment. A Participant's deferral election must indicate the manner in which the amounts deferred pursuant to the election are to be paid upon a distribution event other than on account of a Participant's death. Upon a Participant's death, the form of payment is governed by Section 2.8(b), (c) and (d). Subject to this Section 2.7, the Participant may choose to have such amounts paid:

- (a) in a single lump-sum payment; or
- (b) in annual installments (of principal plus Earnings) over a period of 5 years, 10 years, or 15 years. Each annual installment will be equal to a fraction of the total remaining balance in the Participant's account, the numerator of

which is 1 and the denominator is the total number of remaining installments, including the annual installment for which the amount is being calculated.

Notwithstanding a Participant's deferral election, single lump-sum payments will always be made to Participants (I) whose annual installments (regardless of whether such installments are being paid over 5, 10 or 15 years) will be less than \$5,000 per year or (II) who Separate from Service with the Company before attaining age 50. If a Participant fails to make an election concerning the form of payment within the appropriate period of time, the payment will be made in a single lump sum.

Subject to Section 3.12, payments under this Article on account of deferral will be paid in full if the lump-sum option is chosen, or will begin to be paid in annual installments if an installment payment option is chosen, on the 30th day following the day the event occurred giving rise to the distribution, as elected by the Participant. If, on such 30th day, it is not administratively practicable to make or commence the payment(s), the payment(s) shall be made or commence as soon as administratively practicable.

Following the close of each year, or as soon thereafter as practicable, the Participant or the Participant's designated beneficiary or beneficiaries shall receive a statement of the Participant's deferred compensation account as of the end of such year.

2.8 Payment to Designated Beneficiaries.

- (a) *Designated Beneficiary.* At the time a Participant elects to defer compensation under this Plan, the Participant may designate a death beneficiary or beneficiaries, and may amend or revoke such designation at any time.

- (b) *Participant's Death Before Distribution Event.* If the Participant dies before any deferred amounts have been paid under this Plan, all amounts credited to the Participant's account will be paid to the Participant's designated beneficiary or beneficiaries, in a single lump-sum payment, on the 30th day following the date of the Participant's death.
- (c) *Participant's Death After Distribution Event.* If a Participant dies after payment of any deferred amounts has commenced, the balance of the amounts credited to the Participant's account will continue to be paid to the Participant's beneficiary or beneficiaries at the same times and in the same form as the amounts were being paid to the Participant.
- (d) *Deceased Designated Beneficiary.* If a Participant is not survived by a designated beneficiary, the balance of the amounts due the Participant under the deferral election for which no surviving beneficiary exists will be paid in a single lump-sum payment to the Participant's estate on the 30th day following the date of the Participant's death. If, with respect to a particular deferral election, a Participant's last surviving designated beneficiary dies after the Participant, but before the balance of the amounts due the beneficiary under the deferral election have been paid, the balance will be paid in a single lump-sum payment to the estate of the last surviving designated beneficiary as soon as practicable after the beneficiary's death.

2.9 Subsequent Elections. The Committee, in its sole discretion, may permit a Participant, with respect to a distribution event, to later change the Participant's election as to when payment of benefits under this Plan with respect to such event would be made or commence and

change the selected form of payment; provided, however, that: (a) the subsequent election is not effective until, at the earliest twelve months before it is to take effect; (b) other than with respect to payment on account of a Participant's death, the change results in a deferral of payment of at least five years from the earliest date the benefits, absent such a subsequent election, otherwise would have been paid or commenced on account of such event; and (c) where the Participant has elected payment after a specific number of years, the subsequent deferral election is made at least twelve months before the initial payment was scheduled.

ARTICLE III

MISCELLANEOUS

3.1 **Plan Amendment and Termination.** The Committee may, in its sole discretion, terminate, suspend, or amend this Plan at any time or from time-to-time, in whole or in part. However, no amendment or suspension of the Plan may affect a Participant's right or the right of a beneficiary to vested benefits accrued up to the date of any amendment or termination. In the event the Plan is terminated, the Committee will continue to administer the Plan until all amounts accrued and vested have been paid. In no event may the termination of the Plan result in distributions of benefits under the Plan unless such distribution on account of Plan termination would otherwise be permissible under Code Section 409A.

3.2 **No Right to Employment.** Nothing in this Plan gives any Participant the right to be retained in the service of the Company, nor will it interfere with the right of the Company to discharge or otherwise deal with Participants without regard to the existence of this Plan.

3.3 **No Administrator Liability.** Neither the Committee nor any member of the Board nor any officer or employee of the Company may be liable to any person for any action taken or omitted in connection with the administration of the Plan unless attributable to his or her own fraud

or willful misconduct; nor may the Company be liable to any person for any such action unless attributable to fraud or willful misconduct on the part of a director, officer or employee of the Company.

3.4 Unfunded Plan. This Plan is unfunded, and constitutes a mere promise by the Company to make benefit payments in the future. The right of any Participant, spouse, or beneficiary to receive a distribution under this Plan will be an unsecured claim against the general assets of the Company. The Company may choose to establish a separate trust (the "Trust"), and to contribute to the Trust from time to time assets to be held therein, subject to the claims of the Company's creditors in the event of the Company's insolvency, until paid to Plan Participants and beneficiaries in the manner and at the times as specified in the Plan. It is the intention of the Company that the Trust, if established, constitutes an unfunded arrangement, and will not affect the status of the Plan as an unfunded Plan maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended. The Trustee of the Trust will invest the Trust assets, unless the Committee, in its sole discretion, chooses either to instruct the Trustee as to the investment of Trust assets or to appoint one or more investment managers to do so. The Committee may consult with Participants concerning the investment of Trust assets, but will reserve the right to invest and reinvest such assets in the manner it deems best.

3.5 Nontransferability. To the maximum extent permitted by law, no benefit under the Plan may be assignable or subject in any manner to alienation, sale, transfer, claims of creditors, pledge, attachment, or encumbrances of any kind.

3.6 Participant's Incapacity. Any amounts payable under the Plan to any person under legal disability or who, in the judgment of the Committee, is unable properly to manage his or her financial affairs, may be paid to the legal representative of that person or may be applied for the benefit of that person in any manner which the Committee may select.

3.7 Withholding. Any amounts paid to the Participant will be subject to income tax withholding or other deductions as may from time to time be required by federal, state, or local law.

3.8 Plan Administrator. The Plan shall be administered by the Committee or its designee, which may adopt rules and regulations to assist it in the administration of the Plan.

3.9 Claims Procedures. A request for a Plan benefit shall be filed with the Chairperson of the Committee or his or her designee, on a form prescribed by the Committee. Such a request, hereinafter referred to as a "claim," will be deemed filed when the executed claim form is received by the Chairperson of the Committee or his or her designee.

The Chairperson of the Committee or his or her designee shall decide such a claim within a reasonable time after it is received. If a claim is wholly or partially denied, the claimant will be furnished a written notice setting forth, in a manner calculated to be understood by the claimant:

- (a) The specific reason or reasons for the denial;
- (b) A specific reference to pertinent Plan provisions on which the denial is based;
- (c) A description of any additional material or information necessary for the claimant to perfect the claim, along with an explanation of why such material or information is necessary; and

- (d) Appropriate information as to the steps to be taken if the claimant wishes to appeal his or her claim, including the period in which the appeal must be filed and the period in which it will be decided.

The notice will be furnished to the claimant within 90 days after receipt of the claim by the Chairperson of the Committee or his or her designee, unless special circumstances require an extension of time for processing the claim. No extension will be for more than 90 days after the end of the initial 90-day period. If an extension of time for processing is required, written notice of the extension will be furnished to the claimant before the end of the initial 90-day period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which a final decision will be rendered.

If a claim is denied, in whole or in part, the claimant may appeal the denial to the full Committee, upon written notice to the Chairperson thereof. The claimant may review documents pertinent to the appeal and may submit issues and comments in writing to the Committee. No appeal will be considered unless it is received by the Committee within 90 days after receipt by the claimant of written notification of denial of the claim. The Committee shall decide the appeal within 60 days after it is received. However, if special circumstances require an extension of time for processing, a decision will be rendered as soon as possible, but not later than 120 days after the appeal is received. If such an extension of time for deciding the appeal is required, written notice of the extension shall be furnished to the claimant before the commencement of the extension. The Committee's decision will be in writing and will include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions upon which the decision is based.

3.10 Deliverables. Each Participant will receive a copy of the Plan and, if a Trust is established pursuant to Section 3.4, the Trust, and the Company will make available for inspection by any Participant a copy of any rules and regulations used in administering the Plan.

3.11 Binding Effect. This Plan is binding on the Company and will bind with equal force any successor of the Company, whether by way of purchase, merger, consolidation or otherwise.

3.12 Delay for Specified Employees. Notwithstanding any other provision of this Plan to the contrary:

- (a) with respect to any payment to be made under Section 2.6 and 2.7 if (1) the Participant has elected his or her Separation from Service as the applicable Distribution Event, and (2) the Participant is a Specified Employee, then payment of any amounts will be made or commence no earlier than the first business day of the 7th month following the month in which the Participant Separates from Service; and
- (b) with respect to any payment to be made under Section 3.2, no payment may be made to a Participant who is a Specified Employee any earlier than the first business day of the 7th month following the month in which the Participant Separates from Service.

3.13 Severability. If a court of competent jurisdiction holds any provision of this Plan to be invalid or unenforceable, the remaining provisions of the Plan shall continue to be fully effective.

3.14 I.R.C. § 409A. This Plan is intended to meet the requirements of Section 409A of the Code and may be administered in a manner that is intended to meet those requirements and will be construed and interpreted in accordance with such intent. All payments hereunder are subject

to Section 409A of the Code and will be paid in a manner that will meet the requirements of Section 409A of the Code, including regulations or other guidance issued with respect thereto, such that the payment will not be subject to the excise tax applicable under Section 409A of the Code. Any provision of this Plan that would cause the payment to fail to satisfy Section 409A of the Code will be amended (in a manner that as closely as practicable achieves the original intent of this Plan) to comply with Section 409A of the Code on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Section 409A of the Code.

3.15 Governing Law. To the extent not superseded by the laws of the United States, this Plan shall be construed according to the laws of the State of Missouri.

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is entered into as of November 30, 2018 (the "Effective Date"), by and among EVERGY, INC., a Missouri corporation, KANSAS CITY POWER & LIGHT COMPANY, a Missouri corporation, KCP&L GREATER MISSOURI OPERATIONS COMPANY, a Delaware corporation, and WESTAR ENERGY, INC., a Kansas corporation (each, a "Borrower" and, collectively, the "Borrowers"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as administrative agent for the Lenders (the "Administrative Agent").

The Borrowers, the Lenders and the Administrative Agent are parties to a Credit Agreement dated as of September 18, 2018 (the "Credit Agreement"), pursuant to which the Lenders have made available to the Borrowers a revolving credit facility in a maximum principal amount of \$2,500,000,000.

The Borrowers and the Administrative Agent desire to cure an omission of language in the provision set forth in Section 7.1(b) of the Credit Agreement and hereby desire to effectuate such amendment to the Credit Agreement pursuant to Section 11.2 of the Credit Agreement which provides that the Administrative Agent and the Borrowers may amend any provision of the Loan Documents (and such amendment shall become effective without any further action or consent of any other party to any Loan Document) if the Administrative Agent and the Borrowers shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature in any such provision.

Accordingly, for and in consideration of the premises and the mutual covenants contained herein, the receipt and sufficiency of which consideration are hereby mutually acknowledged, the Borrowers and the Administrative Agent hereby agree as follows:

1. Capitalized Terms. Capitalized terms used in this Amendment which are not otherwise defined herein shall have the meanings assigned thereto in the Credit Agreement, as amended by this Amendment.

2. Amendment. The Borrowers and the Administrative Agent agree that, effective as of the Effective Date, Section 7.1(b) of the Credit Agreement is hereby amended in its entirety to read as follows:

"Quarterly Financial Statements. As soon as practicable and in any event within sixty (60) days after the end of each of the first three fiscal quarters of each Fiscal Year (commencing with the fiscal quarter ended September 30, 2018), an unaudited Consolidated balance sheet of such Borrower and its Subsidiaries as of the close of such fiscal quarter and unaudited Consolidated statements of income, stockholders' equity and cash flows and a report for each such Borrower (other than for GMO) containing management's discussion and analysis of such financial statements for the fiscal quarter then ended and that portion of the Fiscal Year then ended, including the notes thereto, all in reasonable detail setting forth in comparative form the corresponding figures as of the end of and for the corresponding period in the preceding Fiscal Year and prepared by such Borrower in accordance with GAAP, and certified by the chief financial officer, treasurer

or other financial officer of such Borrower to present fairly in all material respects the financial condition of such Borrower and its Subsidiaries on a Consolidated basis as of their respective dates and the results of operations of such Borrower and its Subsidiaries for the respective periods then ended, subject to normal year-end adjustments and the absence of footnotes.”

3. Effectiveness. Upon receipt by the Administrative Agent of counterparts of this Amendment duly executed by the Borrowers and the Administrative Agent, the amendment set forth in Section 2 shall become effective as of September 18, 2018 (the “Effective Date”).

4. No Other Amendments; No Novation. Except as expressly amended hereby, the terms of the Credit Agreement shall remain in full force and effect in all respects. Nothing contained in this Amendment shall be construed to constitute a novation with respect to the indebtedness described in the Credit Agreement.

5. References. All references in the Credit Agreement to “this Agreement,” “herein,” “hereunder” or other words of similar import, and all references to the “Credit Agreement” or similar words in the other Loan Documents, or any other document or instrument that refers to the Credit Agreement, shall be deemed to be references to the Credit Agreement as amended by this Amendment.

6. Applicable Law. This Amendment shall be construed in accordance with and governed by the laws of the State of New York, without reference to conflicts of law principles.

7. Counterparts; Electronic Delivery. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same instrument. Delivery by any party to this Amendment of its signatures hereon through facsimile or other electronic image file (including .pdf) may be relied upon as if this Amendment were physically delivered with an original hand-written signature of such party and shall be binding on such party for all purposes.

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the Borrowers and the Administrative Agent have caused this Amendment to be duly executed and delivered as of the date first set forth above.

BORROWERS:

EVERGY, INC.

By: /s/ James P. Gilligan
Name: James P. Gilligan
Title: Assistant Treasurer

KANSAS CITY POWER & LIGHT COMPANY

By: /s/ James P. Gilligan
Name: James P. Gilligan
Title: Assistant Treasurer

KCP&L GREATER MISSOURI OPERATIONS COMPANY

By: /s/ James P. Gilligan
Name: James P. Gilligan
Title: Assistant Treasurer

WESTAR ENERGY, INC.

By: /s/ James P. Gilligan
Name: James P. Gilligan
Title: Assistant Treasurer

ADMINISTRATIVE AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: /s/ Jesse Tannuzzo

Name: Jesse Tannuzzo

Title: Vice President

Subsidiaries of Evergy, Inc. ⁽¹⁾

Name of Company	State of Incorporation
Kansas City Power & Light Company	Missouri
KCP&L Greater Missouri Operations Company	Delaware

⁽¹⁾ Certain subsidiaries of Evergy, Inc. have been omitted pursuant to Item 601(b)(21)(ii) of Regulation S-K.

Subsidiaries of Westar Energy, Inc. ⁽¹⁾

Name of Company	State of Incorporation
Kansas Gas and Electric Company ^(a)	Kansas

⁽¹⁾ Certain subsidiaries of Westar Energy, Inc. have been omitted pursuant to Item 601(b)(21)(ii) of Regulation S-K.

^(a) Kansas Gas and Electric Company does business as Westar Energy.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-227214 and 333-228179 on Form S-3 and Registration Statement No. 333-225673 on Form S-8 of our reports dated February 21, 2019, relating to the consolidated financial statements and financial statement schedules of Evergy, Inc. and subsidiaries, and the effectiveness of Evergy, Inc. and subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of Evergy, Inc. for the year ended December 31, 2018.

/s/ Deloitte & Touche LLP

Kansas City, Missouri
February 21, 2019

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-228179-01 on Form S-3 of our report dated February 21, 2019, relating to the consolidated financial statements and financial statement schedule of Kansas City Power & Light Company and subsidiaries, appearing in this Annual Report on Form 10-K of Kansas City Power & Light Company for the year ended December 31, 2018.

/s/ Deloitte & Touche LLP

Kansas City, Missouri
February 21, 2019

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-228179-02 on Form S-3 of our report dated February 21, 2019, relating to the consolidated financial statements and financial statement schedule of Westar Energy, Inc. and subsidiaries, appearing in this Annual Report on Form 10-K of Westar Energy, Inc. for the year ended December 31, 2018.

/s/ Deloitte & Touche LLP

Kansas City, Missouri
February 21, 2019

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Evergy, Inc., a Missouri corporation, does hereby constitute and appoint Anthony D. Somma or Heather A. Humphrey, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Terry Bassham

Terry Bassham

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Evergy, Inc., a Missouri corporation, does hereby constitute and appoint Terry D. Bassham, Anthony D. Somma or Heather A. Humphrey, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Mark A. Ruelle

Mark A. Ruelle

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Mollie H. Carter
Mollie H. Carter

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Charles Q. Chandler, IV

Charles Q. Chandler, IV

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Gary D. Forsee

Gary D. Forsee

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Scott D. Grimes
Scott D. Grimes

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Richard L. Hawley

Richard L. Hawley

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Thomas D. Hyde

Thomas D. Hyde

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ B. Anthony Isaac

B. Anthony Isaac

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Sandra A.J. Lawrence

Sandra A.J. Lawrence

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Ann D. Murtlow

Ann D. Murtlow

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Sandra J. Price

Sandra J. Price

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ John J. Sherman

John J. Sherman

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ S. Carl Soderstrom, Jr.

S. Carl Soderstrom, Jr.

POWER OF ATTORNEY**KNOW ALL MEN BY THESE PRESENTS:**

That the undersigned, a Director of Westar Energy, Inc., a Kansas corporation, does hereby constitute and appoint Anthony D. Somma or Heather A. Humphrey, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Terry Bassham

Terry Bassham

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Mark A. Ruelle

Mark A. Ruelle

POWER OF ATTORNEY

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/s/ Mollie H. Carter

Mollie H. Carter

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Charles Q. Chandler, IV

Charles Q. Chandler, IV

POWER OF ATTORNEY

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/s/ Gary D. Forsee

Gary D. Forsee

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/s/ Scott D. Grimes
Scott D. Grimes

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Richard L. Hawley

Richard L. Hawley

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Thomas D. Hyde

Thomas D. Hyde

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ B. Anthony Isaac

B. Anthony Isaac

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Westar Energy, Inc., a Kansas corporation, does hereby constitute and appoint Terry D. Bassham, Anthony D. Somma or Heather A. Humphrey, her true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Sandra A.J. Lawrence

Sandra A.J. Lawrence

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Ann D. Murtlow

Ann D. Murtlow

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Sandra J. Price

Sandra J. Price

POWER OF ATTORNEY

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/s/ John J. Sherman

John J. Sherman

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ S. Carl Soderstrom, Jr.

S. Carl Soderstrom, Jr.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Anthony D. Somma or Heather A. Humphrey, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Terry Bassham
Terry Bassham

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Terry D. Bassham, Anthony D. Somma or Heather A. Humphrey, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Mark A. Ruelle

Mark A. Ruelle

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Terry D. Bassham, Anthony D. Somma or Heather A. Humphrey, her true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Mollie H. Carter

Mollie H. Carter

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Terry D. Bassham, Anthony D. Somma or Heather A. Humphrey, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Charles Q. Chandler, IV

Charles Q. Chandler, IV

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Terry D. Bassham, Anthony D. Somma or Heather A. Humphrey, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Gary D. Forsee

Gary D. Forsee

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Terry D. Bassham, Anthony D. Somma or Heather A. Humphrey, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Scott D. Grimes

Scott D. Grimes

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Terry D. Bassham, Anthony D. Somma or Heather A. Humphrey, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Richard L. Hawley

Richard L. Hawley

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Terry D. Bassham, Anthony D. Somma or Heather A. Humphrey, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Thomas D. Hyde

Thomas D. Hyde

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Terry D. Bassham, Anthony D. Somma or Heather A. Humphrey, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ B. Anthony Isaac

B. Anthony Isaac

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Terry D. Bassham, Anthony D. Somma or Heather A. Humphrey, her true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Sandra A.J. Lawrence

Sandra A.J. Lawrence

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Terry D. Bassham, Anthony D. Somma or Heather A. Humphrey, her true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Ann D. Murtlow

Ann D. Murtlow

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Terry D. Bassham, Anthony D. Somma or Heather A. Humphrey, her true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ Sandra J. Price

Sandra J. Price

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Terry D. Bassham, Anthony D. Somma or Heather A. Humphrey, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ John J. Sherman

John J. Sherman

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Terry D. Bassham, Anthony D. Somma or Heather A. Humphrey, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February 2019.

/s/ S. Carl Soderstrom, Jr.

S. Carl Soderstrom, Jr.

CERTIFICATIONS

I, Terry Bassham, certify that:

1. I have reviewed this annual report on Form 10-K of Evergy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2019

/s/ Terry Bassham

Terry Bassham
President and Chief Executive Officer

CERTIFICATIONS

I, Anthony D. Somma, certify that:

1. I have reviewed this annual report on Form 10-K of Evergy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2019

/s/Anthony D. Somma

Anthony D. Somma
Executive Vice President and Chief Financial Officer

CERTIFICATIONS

I, Terry Bassham, certify that:

1. I have reviewed this annual report on Form 10-K of Kansas City Power & Light Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2019

/s/ Terry Bassham

Terry Bassham
President and Chief Executive Officer

CERTIFICATIONS

I, Anthony D. Somma, certify that:

1. I have reviewed this annual report on Form 10-K of Kansas City Power & Light Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2019

/s/ Anthony D. Somma

Anthony D. Somma
Executive Vice President and Chief Financial Officer

CERTIFICATIONS

I, Terry Bassham, certify that:

1. I have reviewed this annual report on Form 10-K of Westar Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2019

/s/ Terry Bassham

Terry Bassham
President and Chief Executive Officer

CERTIFICATIONS

I, Anthony D. Somma, certify that:

1. I have reviewed this annual report on Form 10-K of Westar Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2019

/s/ Anthony D. Somma

Anthony D. Somma
Executive Vice President and Chief Financial Officer

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

In connection with the Annual Report on Form 10-K of Evergy, Inc. (the "Company") for the annual period ended December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Terry Bassham, as President and Chief Executive Officer of the Company, and Anthony D. Somma, as Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Terry Bassham

Name: Terry Bassham
Title: President and Chief Executive Officer
Date: February 21, 2019

/s/Anthony D. Somma

Name: Anthony D. Somma
Title: Executive Vice President and Chief Financial Officer
Date: February 21, 2019

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

In connection with the Annual Report on Form 10-K of Kansas City Power & Light Company (the "Company") for the annual period ended December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Terry Bassham, as President and Chief Executive Officer of the Company, and Anthony D. Somma, as Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Terry Bassham

Name: Terry Bassham
Title: President and Chief Executive Officer
Date: February 21, 2019

/s/ Anthony D. Somma

Name: Anthony D. Somma
Title: Executive Vice President and Chief Financial Officer
Date: February 21, 2019

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

In connection with the Annual Report on Form 10-K of Westar Energy, Inc. (the "Company") for the annual period ended December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Terry Bassham, as President and Chief Executive Officer of the Company, and Anthony D. Somma, as Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Terry Bassham

Name: Terry Bassham
Title: President and Chief Executive Officer
Date: February 21, 2019

/s/ Anthony D. Somma

Name: Anthony D. Somma
Title: Executive Vice President and Chief Financial Officer
Date: February 21, 2019