# **UNITED STATES** SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

# **FORM 8-K** CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 26, 2014

# WESTAR ENERGY, INC.

(Exact name of registrant as specified in its charter)

**KANSAS** 

(State or other jurisdiction of incorporation or organization)

1-3523 (Commission File Number)

(IRS Employer Identification No.)

818 South Kansas Avenue, Topeka, Kansas

(Address of principal executive offices)

Registrant's telephone number, including area code \_(785) 575-6300

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

□ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

□ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

□ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

□ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

48-0290150

66,612

(Zip Code)

#### WESTAR ENERGY, INC.

#### Item 2.02. Results of Operations and Financial Condition

On February 26, 2014, we issued a press release announcing our earnings for the period ended December 31, 2013. A copy of our February 26, 2014 press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. We are also including our 2013 Fourth Quarter and Year-End Earnings Package, which is attached hereto as Exhibit 99.2 and is incorporated herein by reference. The information furnished pursuant to this Item 2.02, including Exhibits 99.1 and 99.2, will not be incorporated by reference into any registration statement filed by us under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated by reference.

#### Item 9.01. Financial Statements and Exhibits.

- Exhibit 99.1 Press Release dated February 26, 2014
- Exhibit 99.2 2013 Fourth Quarter and Year-End Earnings Package

#### SIGNATURE

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

#### WESTAR ENERGY, INC.

Date: February 26, 2014

By: Name:

Title:

/s/ Larry D. Irick Larry D. Irick Vice President, General Counsel and Corporate Secretary

Exhibit Number	Description of Exhibit
Exhibit 99.1	Press Release dated February 28, 2013
Exhibit 99.2	2012 Fourth Quarter and Year-End Earnings Package



# WESTAR ENERGY ANNOUNCES 2013 RESULTS

TOPEKA, Kan., Feb. 26, 2014 - Westar Energy, Inc. (NYSE:WR) today announced earnings of \$293 million, or \$2.29 per share, for 2013 compared with earnings of \$274 million, or \$2.15 per share, for 2012. Fourth quarter 2013 earnings were \$41 million, or \$0.32 per share, compared with earnings of \$46 million, or \$0.36 per share, for the fourth quarter 2012.

Higher net income for 2013 was driven primarily by higher prices, partially offset by a 2 percent decline in retail electric sales due to mild summer weather, reduced demand by industrial customers, and higher O&M costs for the company's distribution system and generating plants.

Lower net income for the fourth quarter 2013 was driven primarily by higher O&M expenses due in large part to the timing of expenses at the company's generating plants, distribution system and for general and administrative costs. These higher expenses were partially offset by higher prices and electric sales as a result of cooler weather and increased demand from industrial customers.

## Earnings Guidance

The company affirmed 2014 earnings guidance of \$2.25 to \$2.40 per share and posted to its website a summary of factors it considers to be principal drivers and adjustments used in arriving at earnings guidance. The summary is located under Supplemental Materials within the Investors section of the company website at <u>www.WestarEnergy.com</u>.

## **Dividend Declaration**

The Board of Directors today declared a quarterly dividend of 35 cents per share payable Apr. 1, 2014 on the company's common stock payable to shareholders of record as of Mar. 10, 2014. The new dividend reflects a 3 percent increase over the company's previous quarterly dividend of 34 cents per share, and results in an indicated annual dividend of \$1.40 per share.

## **Conference Call and Additional Company Information**

Westar Energy management will host a conference call Thursday, Feb. 27, 2014 with the investment community at 10 a.m. ET (9 a.m. CT). Investors, media and the public may listen to the conference call by dialing 800.706.7749, participant code 37719407. A webcast of the live conference call will be available at <u>www.WestarEnergy.com</u>.

WESTAR ENERGY NEWS RELEASE Page 1 of 3

#### Westar Energy announces 2013 results

Members of the media are invited to listen to the conference call and then contact Gina Penzig with any follow-up questions.

This earnings announcement, a package of detailed fourth quarter and year-end 2013 financial information, the company's annual report on Form 10-K for the period ended Dec. 31, 2013 and other filings the company has made with the Securities and Exchange Commission are available on the company's website at <a href="https://www.WestarEnergy.com">www.WestarEnergy.com</a>.

- 30 -

Westar Energy, Inc. (NYSE: WR) is Kansas' largest electric utility. For more than a century, we have provided Kansans the safe, reliable electricity needed to power their businesses and homes. Every day our team of professionals takes on projects to generate and deliver electricity, protect the environment and provide excellent service to our nearly 700,000 customers. Westar has 7,200 MW of electric generation capacity fueled by coal, uranium, natural gas, wind and landfill gas. We are also a leader in electric transmission in Kansas. Our innovative customer service programs include mobile-enabled customer care, a smart meter pilot project and paving the way for electric vehicle adoption. Our employees live, volunteer and work in the communities we serve.

For more information about Westar Energy, visit us on the Internet at http://www.WestarEnergy.com.

Forward-looking statements: Certain matters discussed in this news release are "forward-looking statements." The Private Securities Litigation Reform Act of 1995 has established that these statements qualify for safe harbors from liability. Forward-looking statements may include words like "believe," "anticipate," "target," "expect," "pro forma," "estimate," "intend," "guidance" or words of similar meaning. Forward-looking statements describe future plans, objectives, expectations or goals. Although Westar Energy believes that its expectations are based on reasonable assumptions, all forward-looking statements involve risk and uncertainty. The factors that could cause actual results to differ materially from these forward-looking statements include those discussed herein as well as (1) those discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2013 (a) under the heading, "Forward-Looking Statements," (b) in ITEM 1. Business, (c) in ITEM 1A. Risk Factors, (d) in ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and (e) in ITEM 8. Financial Statement speaks only as of the date such statement was made, and the company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement was made.

Media Contact: Gina Penzig Director, corporate communications Phone: 785.575.8089 <u>Gina.Penzig@westarenergy.com</u> Media line: 888.613.0003

Investor Contact: Bruce Burns Director, investor relations Phone: 785.575.8227 Bruce.Burns@westarenergy.com

WESTAR ENERGY NEWS RELEASE Page 2 of 3

## Westar Energy, Inc. Consolidated Statements of Income (Unaudited)

			Th	iree Months E	Ende	ed Dec. 31,				Twe	elve Months I	Ende	d Dec. 31,	
		2013		2012		Change	% Change		2013		2012		Change	% Change
						(In Tho	ousands, Exc	ept P	er Share Amou	unts)				
REVENUES:														
Residential	\$	160,190	\$	148,494	\$	11,696	7.9	\$	728,852	\$	714,562	\$	14,290	2.0
Commercial		154,057		146,839		7,218	4.9		667,106		640,654		26,452	4.1
Industrial		92,670		90,873		1,797	2.0		374,825		368,909		5,916	1.6
Other retail Total Retail		6,034		(6,970)		13,004	186.6		8,939		(5,845)		14,784	252.9
Revenues		412,951		379,236		33,715	8.9		1,779,722	2	L,718,280		61,442	3.6
Wholesale		85,491		87,387		(1,896)	(2.2)		348,239		316,353		31,886	10.1
Transmission		53,556		49,317		4,239	8.6		210,281		193,797		16,484	8.5
Other		7,880		7,832		48	0.6		32,412		33,040		(628)	(1.9)
Total Revenues		559,878		523,772		36,106	6.9		2,370,654	2	2,261,470		109,184	4.8
OPERATING EXPENSES:														
Fuel and purchased power		151,783		137,150		14,633	10.7		634,797		589,990		44,807	7.6
SPP network transmission costs		44,894		42,405		2,489	5.9		178,604		166,547		12,057	7.2
Operating and														
maintenance Depreciation and		93,528		83,828		9,700	11.6		359,060		342,055		17,005	5.0
amortization		69,289		65,823		3,466	5.3		272,593		270,464		2,129	0.8
Selling, general and administrative		66,464		61,668		4,796	7.8		224,133		226,012		(1,879)	(0.8)
Taxes other than income tax		30,392		25,123		5,269	21.0		122,282		104,269		18,013	17.3
Total Operating			_					_				_		
Expenses		456,350		415,997		40,353	9.7		1,791,469		L,699,337		92,132	5.4
INCOME FROM OPERATIONS		103,528		107,775		(4,247)	(3.9)		579,185		562,133		17,052	3.0
OTHER INCOME (EXPENSE):														
Investment earnings		1,444		955		489	51.2		10,056		7,411		2,645	35.7
Other income		5,861		8,136		(2,275)	(28.0)		35,609		35,378		231	0.7
Other expense		(4,188)		(5,740)		1,552	27.0		(18,099)		(19,987)		1,888	9.4
Total Other Income														
(Expense)		3,117		3,351		(234)	(7.0)		27,566		22,802		4,764	20.9
Interest expense		46,377		44,451		1,926	4.3		182,167		176,337		5,830	3.3
INCOME BEFORE INCOME TAXES		60,268		66,675		(6,407)	(9.6)		424,584		408,598		15,986	3.9
Income tax expense		17,207		18,980		(1,773)	(9.3)		123,721		126,136		(2,415)	(1.9)
NET INCOME		43,061		47,695		(4,634)	(9.7)		300,863		282,462		18,401	6.5
Less: Net income attributable to														
noncontrolling interests		1,999		2,088		(89)	(4.3)		8,343		7,316		1,027	14.0
NET INCOME		_,		_,		()	()		-,		.,	_	_,	
ATTRIBUTABLE TO WESTAR ENERGY,		41.000		45 007			(10.0)		202 520		075 1 40		17 074	6.2
INC.		41,062		45,607		(4,545)	(10.0)		292,520		275,146		17,374	6.3
Preferred dividends NET INCOME		_		_		_	_	_	_		1,616	_	(1,616)	(100.0)
ATTRIBUTABLE TO COMMON STOCK	\$	41,062	\$	45,607	\$	(4,545)	(10.0)	\$	292,520	\$	273,530	\$	18,990	6.9
Earnings per common share, basic	\$	0.32	\$	0.36	\$	(0.04)	(11.1)	\$	2.29	\$	2.15	\$	0.14	6.5
Average equivalent	-	1.02	-	2.00	-	(0.0.)	(±±.±)	-		-		-		0.0
common shares outstanding		127,892		126,929		963	0.8		127,463		126,712		751	0.6
DIVIDENDS DECLARED PER COMMON														
SHARE	\$	0.34	\$	0.33	\$	0.01	3.0	\$	1.36	\$	1.32	\$	0.04	3.0
Effective income tax rate		28.55%		28.47%					29.14%		30.87%			

WESTAR ENERGY NEWS RELEASE Page 3 of 3

# Westar Energy, Inc.

# Fourth Quarter and Year-end 2013 Earnings

# Released February 26, 2014

Contents	<u>Page</u>
Consolidated Statements of Income	<u>2</u>
Consolidated Balance Sheets	<u>4</u>
Consolidated Statements of Cash Flows	<u>5</u>
Earnings Variances	<u>6</u>
Supplemental Data	<u>8</u>
Capitalization & Long-Term Debt Table	<u>10</u>
GAAP to Non-GAAP Reconciliation	<u>11</u>
Supplemental Slides	
2014 Earnings Guidance	<u>12</u>
2014 - 2018 Capital Forecast	<u>13</u>
Dividend	<u>14</u>

Bruce Burns Director Investor Relations 785-575-8227 bruce.burns@WestarEnergy.com

#### NOTE:

The Notes to the Consolidated Financial Statements in the company's Annual Report on Form 10-K for the period ended December 31, 2013 should be read in conjunction with this financial information. The enclosed statements have been prepared for the purpose of providing information concerning the Company and not in connection with any sale, offer for sale, or solicitation to buy any securities.

#### Westar Energy, Inc. Consolidated Statements of Income (Unaudited)

2013     2012     Change     % Change       In Thousands, Except Per Share Amounts)     In Thousands, Except Per Share Amounts     Revenues       Residential     \$ 160,190     \$ 148,494     \$ 11,696     7.9       Commercial     154,057     146,839     7.218     4.9       Industrial     92,670     90,873     1.797     2.0       Other retail     6,034     (6,970)     13,004     186.6       Total Retail Revenues     412,951     379,236     33,715     8.9       Wholesale     85,491     87,387     (1,986)     (2.2       Transmission     53,556     49,317     4,239     86.6       Other     7,880     7,832     48     0.6       Total Revenues     559,878     523,772     36,106     6.9       OPERATING EXPENSES:     Fuel and purchased power     151,783     137,150     14,633     10.7       SPP network transmission costs     44,894     42,405     2,489     5.9     9.9       Operating and maintenance     93,528     83,828     9,7
REVENUES:     Residential     \$ 160,190     \$ 148,494     \$ 11,696     7.9       Commercial     154,057     146,839     7,218     4.9       Industrial     92,670     90,873     1,797     2.0       Other retail     6,034     (6,970)     13,004     186.6       Total Retail Revenues     412,951     379,236     33,715     8.9       Wholesale     85,491     87,387     (1,896)     (2.2       Transmission     53,556     49,317     4,239     8.6       Other     7,880     7,832     48     0.6       Total Revenues     559,878     523,772     36,106     6.9       OPERATING EXPENSES:            Fuel and purchased power     151,783     137,150     14,633     10.7       SPP network transmission costs     44,894     42,405     2,489     5.9       Operating and maintenance     93,528     83,828     9,700     11.6       Depreciation and amortization     66,464     61,668     4
Residential     \$     160,190     \$     148,494     \$     11,696     7.93       Commercial     154,057     146,839     7,218     4.9       Industrial     92,670     90,873     1,797     2.0       Other retail     6,034     (6,970)     13,004     186.6       Total Retail Revenues     412,951     379,236     33,715     8.9       Wholesale     85,491     87,387     (1,896)     (2.2       Transmission     53,556     49,317     4,239     8.6       Other     7,880     7,832     48     0.6       Total Revenues     559,878     523,772     36,106     6.9       OPERATING EXPENSES:         59       Fuel and purchased power     151,783     137,150     14,633     10.7       SPP network transmission costs     44,894     42,405     2,489     5.9       Operating and maintenance     93,528     83,828     9,700     11.6       Depreciation and administrative     66,464
Commercial     154,057     146,839     7,218     4.9       Industrial     92,670     90,873     1,797     2.0       Other retail     6,034     (6,970)     13,004     186.6       Total Retail Revenues     412,951     379,236     33,715     8.9       Wholesale     85,491     87,387     (1,896)     (2.2       Transmission     53,556     49,317     4,239     8.6       Other     7,880     7,832     48     0.6       Total Revenues     559,878     523,772     36,106     6.9       OPERATING EXPENSES:            Fuel and purchased power     151,783     137,150     14,633     10.7       SPP network transmission costs     44,894     42,405     2,489     5.9       Operating and maintenance     93,528     83,828     9,700     11.6       Depreciation and administrative     66,464     61,668     4,796     7.8       Taxes other than income     30,392     25,123     5,269
Industrial     92,670     90,873     1,797     2.0       Other retail     6,034     (6,970)     13,004     186.6       Total Retail Revenues     412,951     379,236     33,715     8.9       Wholesale     85,491     87,387     (1,896)     (2.2       Transmission     53,556     49,317     4,239     8.6       Other     7,880     7,832     48     0.6       Total Revenues     559,878     523,772     36,106     6.9       OPERATING EXPENSES:
Other retail     6,034     (6,970)     13,004     186.6       Total Retail Revenues     412,951     379,236     33,715     8.9       Wholesale     85,491     87,387     (1,896)     (2.2       Transmission     53,556     49,317     4,239     8.6       Other     7,880     7,832     48     0.6       Total Revenues     559,878     523,772     36,106     6.9       OPERATING EXPENSES:      7     7     7     7       Fuel and purchased power     151,783     137,150     14,633     10.7       SPP network transmission costs     44,894     42,405     2,489     5.9       Operating and maintenance     93,528     83,828     9,700     11.6       Depreciation and amortization     69,289     65,823     3,466     5.3       Selling, general and administrative     66,464     61,668     4,796     7.8       Taxes other than income     30,392     25,123     5,269     21.0       Total Operating Expenses     456,350     415,99
Total Retail Revenues     412,951     379,236     33,715     8.9       Wholesale     85,491     87,387     (1,896)     (2.2       Transmission     53,556     49,317     4,239     8.6       Other     7,880     7,832     48     0.6       Total Revenues     559,878     523,772     36,106     6.9       OPERATING EXPENSES:       7
Wholesale     85,491     87,387     (1,896)     (2.2       Transmission     53,556     49,317     4,239     8.6       Other     7,880     7,832     48     0.6       Total Revenues     559,878     523,772     36,106     6.9       OPERATING EXPENSES:        6       Fuel and purchased power     151,783     137,150     14,633     10.7       SPP network transmission costs     44,894     42,405     2,489     5.9       Operating and maintenance     93,528     83,828     9,700     11.6       Depreciation and amortization     69,289     65,823     3,466     5.3       Selling, general and administrative     66,464     61,668     4,796     7.8       Taxes other than income     30,392     25,123     5,269     21.0       Total Operating Expenses     456,350     415,997     40,353     9.7       INCOME FROM OPERATIONS     103,528     107,775     (4,247)     (3.9       OTHER INCOME (EXPENSE):       1,
Transmission   53,556   49,317   4,239   8.6     Other   7,880   7,832   48   0.6     Total Revenues   559,878   523,772   36,106   6.9     OPERATING EXPENSES:   59,878   523,772   36,106   6.9     Operating and purchased power   151,783   137,150   14,633   10.7     SPP network transmission costs   44,894   42,405   2,489   5.9     Operating and maintenance   93,528   83,828   9,700   11.6     Depreciation and amortization   69,289   65,823   3,466   5.3     Selling, general and administrative   66,464   61,668   4,796   7.8     Taxes other than income   30,392   25,123   5,269   21.0     Total Operating Expenses   456,350   415,997   40,353   9.7     INCOME FROM OPERATIONS   103,528   107,775   (4,247)   (3.9     OTHER INCOME (EXPENSE):   1   1   1.552   27.0     Investment earnings   1,444   955   489   51.2     Other income   5,861
Other     7,880     7,832     48     0.6       Total Revenues     559,878     523,772     36,106     6.9       OPERATING EXPENSES:            Fuel and purchased power     151,783     137,150     14,633     10.7       SPP network transmission costs     44,894     42,405     2,489     5.9       Operating and maintenance     93,528     83,828     9,700     11.6       Depreciation and amortization     69,289     65,823     3,466     5.3       Selling, general and administrative     66,464     61,668     4,796     7.8       Taxes other than income     30,392     25,123     5,269     21.0       Total Operating Expenses     456,350     415,997     40,353     9.7       INCOME FROM OPERATIONS     103,528     107,775     (4,247)     (3.9       OTHER INCOME (EXPENSE):         5,861     8,136     (2,275)     (28.0       Other income     5,861     8,136     (2,275)     (28.0
Total Revenues     559,878     523,772     36,106     6.9       OPERATING EXPENSES:
OPERATING EXPENSES:     Image: constraint of the system of the s
Fuel and purchased power   151,783   137,150   14,633   10.7     SPP network transmission costs   44,894   42,405   2,489   5.9     Operating and maintenance   93,528   83,828   9,700   11.6     Depreciation and amortization   69,289   65,823   3,466   5.3     Selling, general and administrative   66,464   61,668   4,796   7.8     Taxes other than income   30,392   25,123   5,269   21.0     Total Operating Expenses   456,350   415,997   40,353   9.7     INCOME FROM OPERATIONS   103,528   107,775   (4,247)   (3.9)     OTHER INCOME (EXPENSE):   1,444   955   489   51.2     Investment earnings   1,444   955   489   51.2     Other income   5,861   8,136   (2,275)   (28.0)     Other expense   (4,188)   (5,740)   1,552   27.0     Total Other Income   3,117   3,351   (234)   (7.0)
SPP network transmission costs     44,894     42,405     2,489     5.9       Operating and maintenance     93,528     83,828     9,700     11.6       Depreciation and amortization     69,289     65,823     3,466     5.3       Selling, general and administrative     66,464     61,668     4,796     7.8       Taxes other than income     30,392     25,123     5,269     21.0       Total Operating Expenses     456,350     415,997     40,353     9.7       INCOME FROM OPERATIONS     103,528     107,775     (4,247)     (3.9       OTHER INCOME (EXPENSE):     Investment earnings     1,444     955     489     51.2       Other income     5,861     8,136     (2,275)     (28.0       Other expense     (4,188)     (5,740)     1,552     27.0       Total Other Income     3,117     3,351     (234)     (7.0
Operating and maintenance     93,528     83,828     9,700     11.6       Depreciation and amortization     69,289     65,823     3,466     5.3       Selling, general and administrative     66,464     61,668     4,796     7.8       Taxes other than income     30,392     25,123     5,269     21.0       Total Operating Expenses     456,350     415,997     40,353     9.7       INCOME FROM OPERATIONS     103,528     107,775     (4,247)     (3.9       OTHER INCOME (EXPENSE):     1     1     1     955     489     51.2       Other income     5,861     8,136     (2,275)     (28.0     1     1       Other expense     (4,188)     (5,740)     1,552     27.0     1     1       Total Other Income     3,117     3,351     (234)     (7.0     1
Depreciation and amortization     69,289     65,823     3,466     5.3       Selling, general and administrative     66,464     61,668     4,796     7.8       Taxes other than income     30,392     25,123     5,269     21.0       Total Operating Expenses     456,350     415,997     40,353     9.7       INCOME FROM OPERATIONS     103,528     107,775     (4,247)     (3.9       OTHER INCOME (EXPENSE):           Investment earnings     1,444     955     489     51.2       Other income     5,861     8,136     (2,275)     (28.0       Other expense     (4,188)     (5,740)     1,552     27.0       Total Other Income     3,117     3,351     (234)     (7.0
Selling, general and administrative   66,464   61,668   4,796   7.8     Taxes other than income   30,392   25,123   5,269   21.0     Total Operating Expenses   456,350   415,997   40,353   9.7     INCOME FROM OPERATIONS   103,528   107,775   (4,247)   (3.9     OTHER INCOME (EXPENSE):   1
Taxes other than income     30,392     25,123     5,269     21.0       Total Operating Expenses     456,350     415,997     40,353     9.7       INCOME FROM OPERATIONS     103,528     107,775     (4,247)     (3.9       OTHER INCOME (EXPENSE):     1,444     955     489     51.2       Investment earnings     1,444     955     489     51.2       Other income     5,861     8,136     (2,275)     (28.0       Other expense     (4,188)     (5,740)     1,552     27.0       Total Other Income     3,117     3,351     (234)     (7.0
Total Operating Expenses     456,350     415,997     40,353     9.7       INCOME FROM OPERATIONS     103,528     107,775     (4,247)     (3.9       OTHER INCOME (EXPENSE):     Investment earnings     1,444     955     489     51.2       Other income     5,861     8,136     (2,275)     (28.0       Other expense     (4,188)     (5,740)     1,552     27.0       Total Other Income     3,117     3,351     (234)     (7.0
INCOME FROM OPERATIONS     103,528     107,775     (4,247)     (3.9       OTHER INCOME (EXPENSE):     Investment earnings     1,444     955     489     51.2       Other income     5,861     8,136     (2,275)     (28.0       Other expense     (4,188)     (5,740)     1,552     27.0       Total Other Income     3,117     3,351     (234)     (7.0
OTHER INCOME (EXPENSE):       Investment earnings     1,444     955     489     51.2       Other income     5,861     8,136     (2,275)     (28.0       Other expense     (4,188)     (5,740)     1,552     27.0       Total Other Income     3,117     3,351     (234)     (7.0
Investment earnings     1,444     955     489     51.2       Other income     5,861     8,136     (2,275)     (28.0       Other expense     (4,188)     (5,740)     1,552     27.0       Total Other Income     3,117     3,351     (234)     (7.0
Other income     5,861     8,136     (2,275)     (28.0       Other expense     (4,188)     (5,740)     1,552     27.0       Total Other Income     3,117     3,351     (234)     (7.0
Other expense     (4,188)     (5,740)     1,552     27.0       Total Other Income     3,117     3,351     (234)     (7.0
Total Other Income     3,117     3,351     (234)     (7.0
Interest expense 46,377 44,451 1,926 4.3
INCOME BEFORE INCOME TAXES 60,268 66,675 (6,407) (9.6
Income tax expense 17,207 18,980 (1,773) (9.3
NET INCOME 43,061 47,695 (4,634) (9.7
Less: Net income attributable to noncontrolling interests 1,999 2,088 (89) (4.3
NET INCOME ATTRIBUTABLE TO COMMON STOCK     \$ 41,062     \$ 45,607     \$ (4,545)     (10.0)
Earnings per common share, basic \$ 0.32 \$ 0.36 \$ (0.04) (11.1
Diluted earnings per common share     \$     0.32     \$     0.36     \$     (0.04)     (11.1)
Average equivalent common shares outstanding127,892126,9299630.8
DIVIDENDS DECLARED PER COMMON SHARE     \$     0.34     \$     0.33     \$     0.01     3.0
Effective income tax rate 28.55% 28.47%

#### Westar Energy, Inc. Consolidated Statements of Income (Unaudited)

Commercial     667.105     640,654     26,452     4.1       Industrial     374,825     368,909     5,916     1.6       Other retal     8.939     (5,845)     14,784     252.9       Total Retal Revenues     1,779,722     1,718,280     61,442     3.6       Wholesale     348,239     316,333     31,886     10.1       Transmission     210,281     193,797     16,484     8.5       Other     32,412     33,040     (628)     (1.9       Total Revenues     2,370,654     2,814,70     109,184     4.8       OPERATING EXPENSES:     Fuel and purchased power     634,797     589,990     44,807     7.6       SPP network transmission costs     178,604     166,547     12,057     7.2       Operating and maintreance     359,060     342,055     17.005     5.0       Depreciation and amonizative     224,133     226.012     (1.879)     (0.8       Selling, general and administrative     224,133     226.12     (1.479)     (0.8       Selling, general and adminis		Twelve Months Ended December 31,						
REVENUES:     Residential     \$     728,852     \$     714,562     \$     14,290     2.0       Commercial     667,106     640,654     2.64,52     4.1       Industrial     374,825     368,909     5,916     1.6       Other retal     8,939     (5.845)     14,784     252.9       Total Retail Revenues     1,779,722     1,716,280     61,442     3.6       Wholesale     346,229     316,353     31,886     10.1       Transmission     22,021     3,040     (629)     (1.9)       Total Revenues     2,370,654     2,261,470     109,184     4.8       OPERATING EXPENSES:       7.2     Operating and maintenance     359,060     342,055     17,005     5.0       Depreciation and amonization     272,593     270,464     2,129     0.8     9.8     1.67,31     7.2       Operating and maintenance     1,791,469     1.69,337     92,132     5.4     1.0     3.0     7.1     7.26     3.2     0.7     3.0     7.41			2013		2012		Change	% Change
Residential     \$     728.852     \$     714.562     \$     14.290     2.0       Commercial     667.106     640.654     26.452     4.1       Industrial     374.825     368.909     5.916     1.6       Other retail     8.939     (5.845)     14.784     25.9       Total Retail Revenues     1.779.722     1.718.80     61.442     3.6       Wholesale     3.82,339     316.353     31.886     10.1       Transmission     2.10.281     193.797     16.484     8.5       Other     2.200.564     2.21470     109.184     4.8       OPERATING EXPENSES:     712.057     7.2     0.019.184     4.8       OPErating Expenses     178.604     166.547     12.057     7.2       Operating and maintenance     390.600     342.055     17.005     5.0       Depreciation and amotization     272.593     270.464     2.129     0.8       Selling, general and administrative     224.133     226.012     (1.879)     0.88       INCOME FROM OPERATIONS			(In Thousa	nds,	Except Per Sha	are A	mounts)	
Commercial     667.105     640,654     26,452     4.1       Industrial     374,825     368,909     5,916     1.6       Other retal     8.939     (5,845)     14,784     252.9       Total Retal Revenues     1,779,722     1,718,280     61,442     3.6       Wholesale     348,239     316,333     31,886     10.1       Transmission     210,281     193,797     16,484     8.5       Other     32,412     33,040     (628)     (1.9       Total Revenues     2,370,654     2,814,70     109,184     4.8       OPERATING EXPENSES:     Fuel and purchased power     634,797     589,990     44,807     7.6       SPP network transmission costs     178,604     166,547     12,057     7.2       Operating and maintreance     359,060     342,055     17.005     5.0       Depreciation and amonizative     224,133     226.012     (1.879)     (0.8       Selling, general and administrative     224,133     226.12     (1.479)     (0.8       Selling, general and adminis	REVENUES:							
Industrial     374,825     368,909     5,916     1.6       Other retail     8,939     (5,845)     14,784     252.9       Total Retail Revenues     1,779,722     1,718,280     61,442     3.6       Wholesale     382,299     316,353     318,886     10.1       Transmission     210,281     193,797     16,484     85.5       Other     22,370,654     2,261,470     109,184     4.8       OPERATING EXPENSES:	Residential	\$	728,852	\$	714,562	\$	14,290	2.0
Other retail     8,939     (5,845)     14,784     252.9       Total Retail Revenues     1,779,722     1,718,280     61,442     3.6       Wholesale     348,239     316,533     31,866     10.1       Transmission     20,0281     193,797     16,484     8.5       Other     32,412     33,040     (628)     (1.9       Total Revenues     2,370,654     2,261,470     109,184     4.8       OPERATING EXPENSES:     76     5PP network transmission costs     17,8604     166,547     12,057     7.2       Operating and maintenance     359,060     342,055     17,005     5.0       Depreciation and anorization     272,593     270,464     2,129     0.8       Selling, general and administrative     224,133     226,012     (1,879)     (0.8       Taxes other than income     122,282     104,269     18,013     17.3       Total Operating Expenses     1,791,469     1,693,337     92,132     5.4       INCOME FROM OPERATIONS     55,613     17,052     3.0     0.7	Commercial		667,106		640,654		26,452	4.1
Total Retail Revenues     1,779,722     1,718,280     61,442     3.6       Wholesale     348,239     316,353     31,886     10.1       Transmission     210,281     193,797     16,484     8.5       Other     32,412     33,040     (628)     (1.9)       Total Revenues     2,370,654     2,261,470     109,184     4.8       OPERATING EXPENSES:     Fuel and purchased power     634,797     589,990     44,807     7.6       SPP network transmission costs     178,604     166,547     12,057     7.2       Operating and maintenance     359,060     342,055     17,005     5.0       Depreciation and amontization     272,593     270,464     2,129     0.8       Selling, general and administrative     224,133     226,012     (1,879)     (0.8       Selling, General and administrative     224,133     226,012     (1,879)     (0.8       Selling, General and administrative     224,133     17,052     3.0     0       OTHER INCOME (EXPENSE):     1     1,04,269     3.8,013     1.7,31	Industrial		374,825		368,909		5,916	1.6
Wholesale     348,239     316,353     31,886     10.1       Transmission     210,281     193,797     16,484     8.5       Other     32,412     33,040     (628)     (1.9       Total Revenues     2,370,654     2,261,470     109,184     4.8       OPERATING EXPENSES:	Other retail		8,939		(5,845)		14,784	252.9
Transmission   210.281   193.797   16.484   8.5     Other   32.412   33.040   (628)   (1.9     Total Revenues   2.370.654   2.261.470   109.184   4.8     OPERATING EXPENSES:     193.999   44.807   7.6     SPP network transmission costs   178.604   166.547   12.057   7.2     Operating and maintenance   359.060   342.055   17.005   50.0     Depreciation and amorization   272.593   270.464   2.129   0.8     Selling, general and administrative   224.133   226.012   (1.879)   (0.8     Taxes other than income   122.282   104.269   18.013   17.3     Total Operating Expenses   1,791.469   1.699.337   92.132   5.4     INCOME FROM OPERATIONS   579.185   562.133   17.052   3.0     Other income   35.609   35.378   231   0.7     Other income   27.566   22.802   4.764   20.9     Interest expense   182.167   17.6337   5.830   3.3   3.3	Total Retail Revenues		1,779,722		1,718,280		61,442	3.6
Other     32,412     33,040     (628)     (1.9)       Total Revenues     2,370,654     2,261,470     109,184     4.8       OPERATING EXPENSES:     Fuel and purchased power     634,797     589,990     44,807     7.6       SPP network transmission costs     178,604     166,547     12,057     7.2       Operating and maintenance     359,060     342,055     17,005     5.0       Depreciation and amortization     272,593     270,464     2,129     0.8       Selling, general and administrative     224,133     226,012     (1,879)     (0.8       Total Operating Expenses     1,791,469     1,699,337     92,132     5.4       INCOME FROM OPERATIONS     579,185     562,133     17,052     3.0       Other income     35,609     35,378     2.31     0.7       Other income     27,566     22,802     4,764     20.9       Interest expense     182,167     176,337     5,830     3.3     3.3       INCOME BEFORE INCOME TAXES     424,584     408,598     15,986     3.9	Wholesale		348,239		316,353		31,886	10.1
Total Revenues     2,370,654     2,261,470     109,184     4.8       OPERATING EXPENSES:     Fuel and purchased power     634,797     589,990     44,807     7.6       SPP network transmission costs     178,604     166,547     12,057     7.2       Operating and maintenance     359,060     342,055     17,005     5.0       Depreciation and amoritzation     272,593     270,464     2,129     0.8       Selling, general and administrative     224,133     226,012     (1,679)     (0.8       Total Operating Expenses     1,791,469     1.699,337     92,132     5.4       INCOME FROM OPERATIONS     579,185     562,133     17,052     3.0       Other income     35,609     35,378     2.31     0.7       Other income     35,609     35,378     2.31     0.7       Other income     27,566     22,802     4,764     20.9       Interest expense     182,167     176,337     5.830     3.3       INCOME EFORE INCOME TAXES     424,584     406,598     15.986     3.9	Transmission		210,281		193,797		16,484	8.5
OPERATING EXPENSES:     Image: constraint of the system of the s	Other		32,412		33,040		(628)	(1.9)
Fuel and purchased power     634,797     589,990     44,807     7.6       SPP network transmission costs     178,604     166,547     12,057     7.2       Operating and maintenance     359,060     342,055     17,005     5.0       Depreciation and amortization     272,593     270,464     2,129     0.8       Selling, general and administrative     224,133     226,012     (1,879)     (0.8       Taxes other than income     122,282     104,269     18,013     17.3       Total Operating Expenses     1,791,469     1.699,337     92,132     5.4       INCOME FROM OPERATIONS     579,185     552(133)     17,052     35.7       Other INCOME (EXPENSE):     Investment earnings     10,056     7,411     2,645     35.7       Investment earnings     10,056     7,411     2,645     35.7     0.5     0.9       Intrest expense     118,099     (19,987)     1,888     9.4     0.7     0.16     0.9     0.9     0.9     0.9     0.9     0.9     0.9     0.9     0.9     0.9	Total Revenues		2,370,654		2,261,470		109,184	4.8
SPP network transmission costs     178,604     166,547     12,057     7.2       Operating and maintenance     359,060     342,055     17,005     5.0       Depreciation and amortization     272,593     270,464     2,129     0.8       Selling, general and administrative     224,133     226,012     (1,879)     (0.8)       Taxes other than income     122,282     104,269     18,013     17.3       Total Operating Expenses     1,791,469     1,699,337     92,132     5.4       INCOME FROM OPERATIONS     579,185     562,133     17,052     3.0       OTHER INCOME (EXPENSE):     Investment earnings     10,056     7,411     2,645     35.7       Other income     35,609     35,378     231     0.7       Other Income     27,566     22,802     4,764     20.9       Interest expense     182,167     176,337     5,830     3.3       INCOME BEFORE INCOME TAXES     424,584     408,598     15,986     3.9       Income tax expense     123,721     126,136     1,027     14.0	OPERATING EXPENSES:							
Operating and maintenance     359,060     342,055     17,005     5.0       Depreciation and amortization     272,593     270,464     2,129     0.8       Selling, general and administrative     224,133     226,012     (1,879)     (0.8       Taxes other than income     122,282     104,269     18,013     17.3       Total Operating Expenses     1,791,469     1,699,337     92,132     5.4       INCOME FROM OPERATIONS     579,185     562,133     17,052     3.0       OTHER INCOME (EXPENSE):     Investment earnings     10,056     7,411     2,645     35.7       Other income     35,609     35,378     231     0.7       Other income     27,566     22,802     4,764     20.9       Interest expense     182,167     176,337     5,830     3.3       INCOME BEFORE INCOME TAXES     424,584     408,598     15,986     3.9       Income tax expense     123,721     126,136     (2,415)     (1.9       NET INCOME     TRIBUTABLE TO WESTAR ENERGY, INC.     292,520     275,146     17,374	Fuel and purchased power		634,797		589,990		44,807	7.6
Depreciation and amortization     272,593     270,464     2,129     0.8       Selling, general and administrative     224,133     226,012     (1,879)     (0.8       Taxes other than income     122,282     104,269     18,013     17.3       Total Operating Expenses     1,791,469     1,699,337     92,132     5.4       INCOME FROM OPERATIONS     579,185     562,133     17,052     3.0       OTHER INCOME (EXPENSE):     Investment earnings     10,056     7,411     2,645     35.7       Other income     35,609     35,378     231     0.7       Other income     27,566     22,802     4,764     20.9       Interest expense     182,167     176,337     5,830     3.3       INCOME BEFORE INCOME TAXES     424,584     408,598     15,986     3.9       Income tax expense     123,721     126,136     (2,415)     (1.9       NET INCOME     300,863     282,462     18,401     6.5       Less: Net income attributable to noncontrolling interests     8,343     7,316     1,027     14.0	SPP network transmission costs		178,604		166,547		12,057	7.2
Selling, general and administrative   224,133   226,012   (1,879)   (0.8     Taxes other than income   122,282   104,269   18,013   17.3     Total Operating Expenses   1,791,469   1,699,337   92,132   5.4     INCOME FROM OPERATIONS   579,185   562,133   17.052   3.0     OTHER INCOME (EXPENSE):   1   10,056   7,411   2,645   35.7     Other income   35,609   35,378   231   0.7     Other income   180,99   (19,987)   1.888   9.4     Total Other Income   27,566   22,802   4,764   20.9     Interest expense   182,167   176,337   5,830   3.3     INCOME BEFORE INCOME TAXES   424,584   408,598   15,986   3.9     Income tax expense   123,721   126,136   (2,415)   (1.9     NET INCOME   300,863   282,462   18,401   6.5     Less: Net income attributable to noncontrolling interests   8,343   7,316   1,027   14.00     NET INCOME ATTRIBUTABLE TO VESTAR ENERGY, INC.   292,520   \$ 273,530   \$ 18,990 <td>Operating and maintenance</td> <td></td> <td>359,060</td> <td></td> <td>342,055</td> <td></td> <td>17,005</td> <td>5.0</td>	Operating and maintenance		359,060		342,055		17,005	5.0
Taxes other than income     122,282     104,269     18,013     17.3       Total Operating Expenses     1,791,469     1,699,337     92,132     5.4       INCOME FROM OPERATIONS     579,185     562,133     17,052     3.0       OTHER INCOME (EXPENSE):     10,056     7,411     2,645     35.7       Other income     35,609     35.378     231     0.7       Other expense     (18,099)     (19,987)     1,888     9.4       Total Other Income     27,566     22,802     4,764     20.9       Interest expense     182,167     176,337     5,830     3.3       INCOME BEFORE INCOME TAXES     424,584     408,598     15,986     3.9       Income tax expense     123,721     126,136     (2,415)     (1.9       NET INCOME     300,863     282,462     18,401     6.5       Less: Net income attributable to noncontrolling interests     8,343     7,316     1,027     14.00       NET INCOME ATTRIBUTABLE TO VESTAR ENERGY, INC.     292,520     \$275,146     17,374     6.3       Pref	Depreciation and amortization		272,593		270,464		2,129	0.8
Total Operating Expenses     1,791,469     1,699,337     92,132     5.4       INCOME FROM OPERATIONS     579,185     562,133     17,052     3.0       OTHER INCOME (EXPENSE):            Investment earnings     10,056     7,411     2,645     35.7       Other income     35,609     35,378     231     0.7       Other expense     (18,099)     (19,987)     1,888     9.4       Total Other Income     27,566     22,802     4,764     20.9       Interest expense     182,167     176,337     5,830     3.3       INCOME BEFORE INCOME TAXES     424,584     408,598     15,986     3.9       Income tax expense     123,721     126,136     (2,415)     (1.9)       NET INCOME     300,863     282,462     18,401     6.5       Less: Net income attributable to noncontrolling interests     8,343     7,316     1,027     14.0       NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.     292,520     \$ 275,146     17,374     6.3       Preferred div	Selling, general and administrative		224,133		226,012		(1,879)	(0.8)
INCOME FROM OPERATIONS     579,185     562,133     17,052     3.0       OTHER INCOME (EXPENSE):     10,056     7,411     2,645     35.7       Other income     35,609     35,378     231     0.7       Other expense     (18,099)     (19,987)     1,888     9.4       Total Other Income     27,566     22,802     4,764     20.9       Interest expense     182,167     176,337     5,830     3.3       INCOME BEFORE INCOME TAXES     424,584     408,598     15,986     3.9       Income tax expense     123,721     126,136     (2,415)     (1.9)       NET INCOME     300,863     282,462     18,401     6.5       Less: Net income attributable to noncontrolling interests     8,343     7,316     1,027     14.0       NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.     292,520     275,146     17,374     6.3       Preferred dividends     —     1,616     (1,616)     (100.00       NET INCOME ATTRIBUTABLE TO COMMON STOCK     \$ 292,520     \$ 273,530     \$ 18,990     6.9	Taxes other than income		122,282		104,269		18,013	17.3
OTHER INCOME (EXPENSE):     Investment earnings     10,056     7,411     2,645     35,77       Other income     35,609     35,378     231     0.7       Other expense     (18,099)     (19,987)     1,888     9.4       Total Other Income     27,566     22,802     4,764     20.9       Interest expense     182,167     176,337     5,830     3.3       INCOME BEFORE INCOME TAXES     424,584     408,598     15,986     3.9       Income tax expense     123,721     126,136     (2,415)     (1.9       NET INCOME     300,863     282,462     18,401     6.5       Less: Net income attributable to noncontrolling interests     8,343     7,316     1,027     14.0       NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.     292,520     275,146     17,374     6.3       Preferred dividends	Total Operating Expenses		1,791,469		1,699,337		92,132	5.4
Investment earnings   10,056   7,411   2,645   35,77     Other income   35,609   35,378   231   0,7     Other expense   (18,099)   (19,987)   1,888   9,4     Total Other Income   27,566   22,802   4,764   20,9     Interest expense   182,167   176,337   5,830   3,3     INCOME BEFORE INCOME TAXES   424,584   408,598   15,986   3,9     Income tax expense   123,721   126,136   (2,415)   (1,9)     NET INCOME   300,863   282,462   18,401   6,5     Less: Net income attributable to noncontrolling interests   8,343   7,316   1,027   14,00     NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.   292,520   275,146   17,374   6,33     Preferred dividends   —   1,616   (1,616)   (100,00)     NET INCOME ATTRIBUTABLE TO COMMON STOCK   \$ 292,520   \$ 273,530   \$ 18,990   6,9     Earnings per common share, basic   \$ 2,27   \$ 2,15   0,14   6,5     Diluted earnings per common share   \$ 2,27   \$ 2,15   \$ 0,12   <	INCOME FROM OPERATIONS		579,185		562,133		17,052	3.0
Other income   35,609   35,378   231   0.7     Other expense   (18,099)   (19,987)   1,888   9.4     Total Other Income   27,566   22,802   4,764   20.9     Interest expense   182,167   176,337   5,830   3.3     INCOME BEFORE INCOME TAXES   424,584   408,598   15,986   3.9     Income tax expense   123,721   126,136   (2,415)   (1.9     NET INCOME   300,863   282,462   18,401   6.5     Less: Net income attributable to noncontrolling interests   8,343   7,316   1,027   14.0     NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.   292,520   275,146   17,374   6.3     Preferred dividends   —   1,616   (1,616)   (100.0     NET INCOME ATTRIBUTABLE TO COMMON STOCK   \$ 292,520   \$ 273,530   \$ 18,990   6.9     Earnings per common share, basic   \$ 2.27   \$ 0.14   6.5     Diluted earnings per common shares outstanding   127,463   126,712   751   0.6     Average equivalent common shares outstanding   127,463   1.32   \$ 0.04 </td <td>OTHER INCOME (EXPENSE):</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	OTHER INCOME (EXPENSE):							
Other expense     (18,099)     (19,987)     1,888     9.4       Total Other Income     27,566     22,802     4,764     20.9       Interest expense     182,167     176,337     5,830     3.3       INCOME BEFORE INCOME TAXES     424,584     408,598     15,986     3.9       Income tax expense     123,721     126,136     (2,415)     (1.9       NET INCOME     300,863     282,462     18,401     6.5       Less: Net income attributable to noncontrolling interests     8,343     7,316     1,027     14.0       NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.     292,520     275,146     17,374     6.3       Preferred dividends     —     1,616     (1,616)     (100.0       NET INCOME ATTRIBUTABLE TO COMMON STOCK     \$ 292,520     \$ 273,530     \$ 18,990     6.9       Earnings per common share, basic     \$ 2.27     \$ 2.15     0.14     6.5       Diluted earnings per common share     \$ 2.27     \$ 2.15     0.12     5.6       Average equivalent common shares outstanding     127,463     126,712     751			10,056		7,411		2,645	35.7
Total Other Income     27,566     22,802     4,764     20.9       Interest expense     182,167     176,337     5,830     3.3       INCOME BEFORE INCOME TAXES     424,584     408,598     15,986     3.9       Income tax expense     123,721     126,136     (2,415)     (1,9       NET INCOME     300,863     282,462     18,401     6.5       Less: Net income attributable to noncontrolling interests     8,343     7,316     1,027     14.0       NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.     292,520     275,146     17,374     6.3       Preferred dividends     —     1,616     (1,616)     (100.00       NET INCOME ATTRIBUTABLE TO COMMON STOCK     \$     292,520     \$     273,530     \$     18,990     6.9       Earnings per common share, basic     \$     2.29     \$     2.15     0.14     6.5       Diluted earnings per common share     \$     2.27     \$     2.15     0.12     5.6       Average equivalent common shares outstanding     127,463     126,712     751     0.6 </td <td>Other income</td> <td></td> <td>35,609</td> <td></td> <td>35,378</td> <td></td> <td>231</td> <td>0.7</td>	Other income		35,609		35,378		231	0.7
Total Other Income     27,566     22,802     4,764     20,9       Interest expense     182,167     176,337     5,830     3.3       INCOME BEFORE INCOME TAXES     424,584     408,598     15,986     3.9       Income tax expense     123,721     126,136     (2,415)     (1,9       NET INCOME     300,863     282,462     18,401     6.5       Less: Net income attributable to noncontrolling interests     8,343     7,316     1,027     14.0       NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.     292,520     275,146     17,374     6.3       Preferred dividends     —     1,616     (1,616)     (100.0       NET INCOME ATTRIBUTABLE TO COMMON STOCK     \$     292,520     \$     273,530     \$     18,990     6.9       Earnings per common share, basic     \$     2.29     \$     2.15     0.14     6.5       Diluted earnings per common share     \$     2.27     \$     2.15     0.12     5.6       Average equivalent common shares outstanding     127,463     126,712     751     0.6 <td>Other expense</td> <td></td> <td>(18,099)</td> <td></td> <td>(19,987)</td> <td></td> <td>1,888</td> <td>9.4</td>	Other expense		(18,099)		(19,987)		1,888	9.4
Interest expense     182,167     176,337     5,830     3.3       INCOME BEFORE INCOME TAXES     424,584     408,598     15,986     3.9       Income tax expense     123,721     126,136     (2,415)     (1.9       NET INCOME     300,863     282,462     18,401     6.5       Less: Net income attributable to noncontrolling interests     8,343     7,316     1,027     14.0       NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.     292,520     275,146     17,374     6.3       Preferred dividends     -     1,616     (1,616)     (100.0       NET INCOME ATTRIBUTABLE TO COMMON STOCK     \$ 292,520     \$ 273,530     \$ 18,990     6.9       Earnings per common share, basic     \$ 2.29     \$ 2.15     0.14     6.5       Diluted earnings per common share     \$ 2.27     \$ 2.15     0.12     5.6       Average equivalent common shares outstanding     127,463     126,712     751     0.6       DIVIDENDS DECLARED PER COMMON SHARE     \$ 1.36     \$ 1.32     \$ 0.04     3.0				_				20.9
INCOME BEFORE INCOME TAXES   424,584   408,598   15,986   3.9     Income tax expense   123,721   126,136   (2,415)   (1.9     NET INCOME   300,863   282,462   18,401   6.5     Less: Net income attributable to noncontrolling interests   8,343   7,316   1,027   14.0     NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.   292,520   275,146   17,374   6.3     Preferred dividends   —   1,616   (1,616)   (100.0     NET INCOME ATTRIBUTABLE TO COMMON STOCK   \$ 292,520   \$ 273,530   \$ 18,990   6.9     Earnings per common share, basic   \$ 2.29   \$ 2.15   \$ 0.14   6.5     Diluted earnings per common share   \$ 2.27   \$ 2.15   \$ 0.12   5.6     Average equivalent common shares outstanding   127,463   126,712   751   0.6     DIVIDENDS DECLARED PER COMMON SHARE   \$ 1.36   \$ 1.32   \$ 0.04   3.0		-	· · · ·					3.3
NET INCOME     300,863     282,462     18,401     6.5       Less: Net income attributable to noncontrolling interests     8,343     7,316     1,027     14.0       NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.     292,520     275,146     17,374     6.3       Preferred dividends     —     1,616     (1,616)     (100.0       NET INCOME ATTRIBUTABLE TO COMMON STOCK     \$ 292,520     \$ 273,530     \$ 18,990     6.9       Earnings per common share, basic     \$ 2.29     \$ 2.15     \$ 0.14     6.5       Diluted earnings per common share     \$ 2.27     \$ 2.15     0.12     5.6       Average equivalent common shares outstanding     127,463     126,712     751     0.6       DIVIDENDS DECLARED PER COMMON SHARE     \$ 1.36     \$ 1.32     \$ 0.04     3.0	INCOME BEFORE INCOME TAXES		424,584		408,598		15,986	3.9
NET INCOME     300,863     282,462     18,401     6.5       Less: Net income attributable to noncontrolling interests     8,343     7,316     1,027     14.0       NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.     292,520     275,146     17,374     6.3       Preferred dividends     —     1,616     (1,616)     (100.0       NET INCOME ATTRIBUTABLE TO COMMON STOCK     \$ 292,520     \$ 273,530     \$ 18,990     6.9       Earnings per common share, basic     \$ 2.29     \$ 2.15     \$ 0.14     6.5       Diluted earnings per common share     \$ 2.27     \$ 2.15     0.12     5.6       Average equivalent common shares outstanding     127,463     126,712     751     0.6       DIVIDENDS DECLARED PER COMMON SHARE     \$ 1.36     \$ 1.32     \$ 0.04     3.0								
Less: Net income attributable to noncontrolling interests   8,343   7,316   1,027   14.0     NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.   292,520   275,146   17,374   6.3     Preferred dividends   —   1,616   (1,616)   (100.0     NET INCOME ATTRIBUTABLE TO COMMON STOCK   \$ 292,520   \$ 273,530   \$ 18,990   6.9     Earnings per common share, basic   \$ 2.29   \$ 2.15   \$ 0.14   6.5     Diluted earnings per common share   \$ 2.27   \$ 2.15   \$ 0.12   5.6     Average equivalent common shares outstanding   127,463   126,712   751   0.6     DIVIDENDS DECLARED PER COMMON SHARE   \$ 1.36   1.32   \$ 0.04   3.0			300,863					6.5
NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.   292,520   275,146   17,374   6.3     Preferred dividends   —   1,616   (1,616)   (100.0     NET INCOME ATTRIBUTABLE TO COMMON STOCK   \$   292,520   \$   273,530   \$   18,990   6.9     Earnings per common share, basic   \$   2.29   \$   2.15   \$   0.14   6.5     Diluted earnings per common share   \$   2.27   \$   2.15   \$   0.12   5.6     Average equivalent common shares outstanding   127,463   126,712   751   0.6     DIVIDENDS DECLARED PER COMMON SHARE   \$   1.36   \$   1.32   \$   0.04   3.0	Less: Net income attributable to noncontrolling interests		8,343		7,316			14.0
Preferred dividends   —   1,616   (1,616)   (100.0     NET INCOME ATTRIBUTABLE TO COMMON STOCK   \$ 292,520   \$ 273,530   \$ 18,990   6.9     Earnings per common share, basic   \$ 2.29   \$ 2.15   \$ 0.14   6.5     Diluted earnings per common share   \$ 2.27   \$ 2.15   \$ 0.12   5.6     Average equivalent common shares outstanding   127,463   126,712   751   0.6     DIVIDENDS DECLARED PER COMMON SHARE   \$ 1.36   \$ 1.32   \$ 0.04   3.0	-		292,520		275,146	· <u> </u>	17,374	6.3
NET INCOME ATTRIBUTABLE TO COMMON STOCK   \$ 292,520   \$ 273,530   \$ 18,990   6.9     Earnings per common share, basic   \$ 2.29   \$ 2.15   \$ 0.14   6.5     Diluted earnings per common share   \$ 2.27   \$ 2.15   \$ 0.12   5.6     Average equivalent common shares outstanding   127,463   126,712   751   0.6     DIVIDENDS DECLARED PER COMMON SHARE   \$ 1.36   \$ 1.32   \$ 0.04   3.0	Preferred dividends		_					(100.0)
Earnings per common share, basic     \$     2.29     \$     2.15     \$     0.14     6.5       Diluted earnings per common share     \$     2.27     \$     2.15     \$     0.12     5.6       Average equivalent common shares outstanding     127,463     126,712     751     0.6       DIVIDENDS DECLARED PER COMMON SHARE     \$     1.36     \$     1.32     \$     0.04     3.0		\$		\$		\$		6.9
Diluted earnings per common share     \$     2.27     \$     2.15     \$     0.12     5.6       Average equivalent common shares outstanding     127,463     126,712     751     0.6       DIVIDENDS DECLARED PER COMMON SHARE     \$     1.36     \$     1.32     \$     0.04     3.0			2.29	_		_		6.5
Average equivalent common shares outstanding127,463126,7127510.6DIVIDENDS DECLARED PER COMMON SHARE\$1.36\$1.32\$0.043.0	51							5.6
DIVIDENDS DECLARED PER COMMON SHARE     \$ 1.36     \$ 1.32     \$ 0.04     3.0		ŕ		Ŧ				0.6
		\$		\$		\$		3.0
	Effective income tax rate	ŕ	29.14%	Ŧ	30.87%			210

The Notes to the Consolidated Financial Statements in the company's Annual Report on Form 10-K for the period ended December 31, 2013 should be read in conjunction with this financial information.

## Westar Energy, Inc. Consolidated Balance Sheets (Dollars in Thousands, Except Par Values) (Unaudited)

	D	ecember 31, 2013	December 31, 2012		
ASSETS		<u>,</u>			
CURRENT ASSETS:					
Cash and cash equivalents	\$	4,487	\$	5,829	
Accounts receivable, net of allowance for doubtful accounts of \$4,596 and \$4,916, respectively		250,036		224,439	
Fuel inventory and supplies		239,511		249,016	
Deferred tax assets		37,927		_	
Prepaid expenses		15,821		15,847	
Regulatory assets		135,408		114,895	
Other		23,608		33,049	
Total Current Assets		706,798		643,075	
PROPERTY, PLANT AND EQUIPMENT, NET		7,551,916		7,013,765	
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET		296,626		321,975	
OTHER ASSETS:					
Regulatory assets		620,006		887,777	
Nuclear decommissioning trust		175,625		150,754	
Other		246,140		247,885	
Total Other Assets		1,041,771		1,286,416	
TOTAL ASSETS	\$	9,597,111	\$	9,265,231	
LIABILITIES AND EQUITY					
CURRENT LIABILITIES:					
Current maturities of long-term debt	\$	250,000	\$	_	
Current maturities of long-term debt of variable interest entities		27,479		25,942	
Short-term debt		134,600		339,200	
Accounts payable		233,351		180,825	
Accrued dividends		43,604		41,743	
Accrued taxes		69,742		58,624	
Accrued interest		80,457		77,891	
Regulatory liabilities		35,982		37,557	
Other		80,184		84,359	
Total Current Liabilities		955,399		846,141	
LONG-TERM LIABILITIES:		<u>,</u>			
Long-term debt, net		2,968,958		2,819,271	
Long-term debt of variable interest entities, net		194,802		222,743	
Deferred income taxes		1,361,418		1,197,837	
Unamortized investment tax credits		192,265		191,512	
Regulatory liabilities		293,574		285,618	
Accrued employee benefits		331,558		564,870	
Asset retirement obligations		160,682		152,648	
Other		69,924		74,336	
Total Long-Term Liabilities		5,573,181		5,508,835	
COMMITMENTS AND CONTINGENCIES (See Notes 13 and 15)					
EQUITY:					
Westar Energy, Inc. Shareholders' Equity:					
Cumulative preferred stock, par value \$100 per share; authorized 600,000 shares; issued and outstanding zero shares and 214,363 shares, respective to each date		_		_	
Common stock, par value \$5 per share; authorized 275,000,000 shares; issued and outstanding 128,254,229 shares and 126,503,748 shares, respective to each date		641,271		632,519	
Paid-in capital		1,696,727		1,656,972	
Retained earnings		724,776		606,649	
Total Westar Energy, Inc. Shareholders' Equity		3,062,774		2,896,140	
Noncontrolling Interests		5,757		14,115	
Total Equity		3,068,531		2,910,255	
TOTAL LIABILITIES AND EQUITY	\$	9,597,111	\$	9,265,231	

The Notes to the Consolidated Financial Statements in the company's Annual Report on Form 10-K

## Westar Energy, Inc. Consolidated Statements of Cash Flows (In Thousands) (Unaudited)

	2013	2012
ASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net income	\$ 300,863	\$ 282,46
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	272,593	270,46
Amortization of nuclear fuel	22,690	24,30
Amortization of deferred regulatory gain from sale leaseback	(5,495)	(5,49
Amortization of corporate-owned life insurance	15,149	28,75
Non-cash compensation	8,188	7,2
Net deferred income taxes and credits	123,307	126,24
Stock-based compensation excess tax benefits	(576)	(1,6
Allowance for equity funds used during construction	(14,143)	(11,7
Changes in working capital items:	(= !,= !=)	(,.
Accounts receivable	(24,649)	2,4
Fuel inventory and supplies	10,124	(19,2
Prepaid expenses and other	(12,316)	(3,6
Accounts payable	7,856	(19,1
Accrued taxes	14,218	11,9
Other current liabilities	(52,829)	(105,1
Changes in other assets	(4,167)	13,0
Changes in other liabilities	41,990	(1,7
Cash Flows from Operating Activities	702,803	599,1
ASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:	702,003	353,1
Additions to property, plant and equipment	(700.000)	(010.2
Purchase of securities - trust	(780,098)	(810,2
	(66,668)	(20,4
Sale of securities - trust Investment in corporate-owned life insurance	81,994	21,6
Proceeds from investment in corporate-owned life insurance	(17,724)	(18,4
Proceeds from federal grant	147,658	33,5
Investment in affiliated company	876	4,7
Other investing activities	(4,947)	(8,6
Cash Flows used in Investing Activities	(2,992)	4
ASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:	(641,901)	(797,3
Short-term debt, net		
Proceeds from long-term debt	(205,241)	52,9
Retirements of long-term debt	492,347	541,3
Retirements of long-term debt of variable interest entities	(100,000)	(220,5
	(25,942)	(28,1
Repayment of capital leases	(2,995)	(2,6
Borrowings against cash surrender value of corporate-owned life insurance	59,565	67,7
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(145,418)	(34,8
Stock-based compensation excess tax benefits	576	1,6
Preferred stock redemption	—	(22,5
Issuance of common stock	32,906	6,9
Distributions to shareholders of noncontrolling interests	(2,419)	(3,2
Cash dividends paid	(162,904)	(158,1
Other financing activities Cash Flows (used in) from Financing Activities	(2,719) (62,244)	200,5
ET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,342)	2,2
ASH AND CASH EQUIVALENTS:	(-,)	
Beginning of period	5,829	3,5
End of period		\$ 5,8

#### Westar Energy, Inc. 4th Quarter 2013 vs. 2012

~ '

**Earnings Variances** 

		Change		
	(\$ per share)	(Dollars in Thousands)	<b>(</b> \$ p	er share)
2012 earnings attributable to common stock		\$ 45,607	\$	0.36
		Favorable/(Unfavorab	ole)	
Retail		33,715	А	
Wholesale		(1,896)	В	
Transmission		4,239		
Other revenues		48		
Fuel and purchased power		(14,633)	С	
SPP network transmission costs		(2,489)	D	
Gross Margin		18,984		
Operating and maintenance		(9,700)	E	
Depreciation and amortization		(3,466)	F	
Selling, general and administrative		(4,796)	G	
Taxes other than income taxes		(5,269)	н	
Other income (expense)		(234)	I	
Interest expense		(1,926)		
Income tax expense		1,773		
Net income attributable to noncontrolling interests		89		
Change in shares outstanding	0.00			
2013 earnings attributable to common stock		\$ 41,062	\$	0.32

#### Major factors influencing the period to period change in EPS -- Favorable/(Unfavorable)

A Due primarily to an 6% increase in average retail prices (see page 7 for changes by customer class)

- B Due to a 8% decrease in MWh sales (see page 7 for changes by customer class)
- C Due primarily to collecting previously deferred fuel and purchase power expense in revenue
- D Due principally to increased investment in the transmission system within the SPP RTO that is largely offset by increased prices
- E Due primarily to increased costs for tree trimming and other distribution reliability activities -- (\$6.8M); and higher amortization of refueling outage costs at Wolf Creek -- (\$1.6M)
- F Due to additional depreciation expense associated primarily with additions at our power plants
- G Due primarily to higher labor and other employee benefit costs -- (\$8.8M); contribution in 2012 to company charitable foundation --\$3.5M
- H Due primarily to increase in property taxes (offset through increased prices) -- (\$4.9M)
- I Due primarily to: an increase in AFUDC -- \$2.1M; and net COLI impact -- (\$3.1M)

#### Westar Energy, Inc. YTD December 2013 vs. 2012

Change (\$ per share) (Dollars in Thousands) (\$ per share) 2012 earnings attributable to common stock \$ 273.530 \$ 2.15 Favorable/(Unfavorable) Retail 61,442 A Wholesale 31,886 В Transmission 16,484 Other revenues (628) Fuel and purchased power (44, 807)С SPP network transmission costs (12,057)D Gross Margin 52,320 Operating and maintenance (17,005)Е Depreciation and amortization (2, 129)Selling, general and administrative 1.879 F (18,013)Taxes other than income G Other income (expense) 4,764 Н Interest expense (5,830)Т Income tax expense 2,415 Net income attributable to noncontrolling interests (1,027)Preferred dividends 1,616 Change in shares outstanding (0.01)2013 earnings attributable to common stock \$ 292,520 \$ 2.29

Major factors influencing the period to period change in EPS -- Favorable/(Unfavorable)

A Due primarily to a 6% increase in average retail prices (see page 8 for changes by customer class)

B Due to a 11% increase in MWh sales (see page 8 for changes by customer class)

C Due primarily to an 9% increase in fuel used for generation and 4% increase in MWhs generated

- D Due principally to increased investment in the transmission system within the SPP RTO that is largely offset by increased prices
- E Due principally to higher costs for tree trimming and other distribution reliability activities of -- (\$11.8M), and higher amortization of refueling outage costs and costs incurred during an unscheduled maintenance outage in 2013 at Wolf Creek -- (\$5.0 million).
- F Due primarily to: restructuring insurance contracts to lower post-retirement and other employee benefit costs --\$8.6M; lower labor cost -- \$2.3M; higher pension cost (offset through increased prices) -- (\$12.3M); contribution in 2012 to company charitable foundation -- \$3.5M

G Due primarily to an increase in property taxes (offset in increased prices) -- (\$18.2M)

- H Due primarily to: investment earnings in a trust to fund retirement benefits and Prairie Wind Transmission JV --\$2.6M; higher Equity AFDUC -- \$2.4M; COLI expense adjustment -- \$1.9M; and gain on sale of fuel inventory in 2012 -- (\$2.2M)
- I Due primarily to additional outstanding debt

**Earnings Variances** 

# Westar Energy, Inc. Revenue, Sales and Energy Supply

Supplemental Data	 Three Months Ended December 31,							
	2013		2012		Change	% Change		
Revenues			(Dollars In	Thousa	nds)			
Residential	\$ 160,190	\$	148,494	\$	11,696	7.9		
Commercial	154,057		146,839		7,218	4.9		
Industrial	92,670		90,873		1,797	2.0		
Other retail	3,219		3,125		94	3.0		
Provision for rate refunds	2,815		(10,095)		12,910	127.9		
Total Retail Revenues	412,951		379,236		33,715	8.9		
Tariff-based wholesale	66,088		62,718		3,370	5.4		
Market-based wholesale	19,403		24,669		(5,266)	(21.3)		
Transmission	53,556		49,317		4,239	8.6		
Other	7,880		7,832		48	0.6		
Total Revenues	\$ 559,878	\$	523,772	\$	36,106	6.9		

Electricity Sales		(Thousands	s of MWh)	
Residential	1,448	1,371	77	5.6
Commercial	1,758	1,740	18	1.0
Industrial	1,387	1,372	15	1.1
Other retail	21	21		_
Total Retail	4,614	4,504	110	2.4
Tariff-based wholesale	1,359	1,354	5	0.4
Market-based wholesale	775	974	(199)	(20.4)
Total wholesale	2,134	2,328	(194)	(8.3)
Total Electricity Sales	6,748	6,832	(84)	(1.2)

		(Dollars p	er MW	/h)	
Total retail	\$ 89.50	\$ 84.20	\$	5.30	6.3
Tariff-based wholesale	\$ 48.63	\$ 46.32	\$	2.31	5.0
Market-based wholesale	\$ 25.04	\$ 25.33	\$	(0.29)	(1.1)

Fuel and Purchased Power		(Dollars In T	housan	ds)	
Fuel used for generation	\$ 119,215	\$ 115,115	\$	4,100	3.6
Purchased power	 27,823	 26,343		1,480	5.6
Subtotal	147,038	141,458		5,580	3.9
RECA recovery and other	 4,745	 (4,308)		9,053	210.1
Total fuel and purchased power expense	\$ 151,783	\$ 137,150	\$	14,633	10.7

(Thousands of MWh)					
301	55	246	447.3		
4,768	4,842	(74)	(1.5)		
1,110	1,253	(143)	(11.4)		
116	100	16	16.0		
6,295	6,250	45	0.7		
825	865	(40)	(4.6)		
7,120	7,115	5	0.1		
	4,768 1,110 <u>116</u> 6,295 825	301     55       4,768     4,842       1,110     1,253       116     100       6,295     6,250       825     865	4,768   4,842   (74)     1,110   1,253   (143)     116   100   16     6,295   6,250   45     825   865   (40)		

			(Dollars per MWh)		
Average cost of fuel used for generation	\$	18.94 \$	18.42 \$	0.52	2.8
Average cost of purchased power	\$	33.72 \$	30.45 \$	3.27	10.7
Average cost of fuel and purchased power	\$	20.65 \$	19.88 \$	0.77	3.9
Average cost of the and parenased power	Ŷ	20.05 φ	15.00 Φ	0.11	

Degree Days		2011/		
	2013	20 yr Avg	Change	% Change
Cooling				
Actual compared to last year	45	44	1	2.3

Actual compared to 20 year average	45	39	6	15.4
Heating				
Actual compared to last year	2,052	1,651	401	24.3
Actual compared to 20 year average	2,052	1,808	244	13.5

The Notes to the Consolidated Financial Statements in the company's Annual Report on Form 10-K for the period ended December 31, 2013 should be read in conjunction with this financial information.

## Westar Energy, Inc. Revenue, Sales and Energy Supply

Supplemental Data	Twelve Months Ended December 31,						
		2013		2012		Change	% Change
Revenues				(Dollars In	Thous	ands)	
Residential	\$	728,852	\$	714,562	\$	14,290	2.0
Commercial		667,106		640,654		26,452	4.1
Industrial		374,825		368,909		5,916	1.6
Other retail		12,739		12,374		365	2.9
Provision for rate refunds		(3,800)		(18,219)		14,419	79.1
Total Retail Revenues		1,779,722		1,718,280		61,442	3.6
Tariff-based wholesale		276,638		261,375		15,263	5.8
Market-based wholesale		71,801		54,978		16,823	30.6
Transmission		210,281		193,797		16,484	8.5
Other		32,412		33,040		(628)	(1.9)
Total Revenues	\$	2,370,854	\$	2,261,470	\$	109,384	4.8

Electricity Sales		(Thousands	of MWh)	
Residential	6,523	6,684	(161)	(2.4)
Commercial	7,480	7,581	(101)	(1.3)
Industrial	5,407	5,588	(181)	(3.2)
Other retail	86	85	1	1.2
Total Retail	19,496	19,938	(442)	(2.2)
Tariff-based wholesale	5,777	5,643	134	2.4
Market-based wholesale	2,816	2,076	740	35.6
Total wholesale	8,593	7,719	874	11.3
Total Electricity Sales	28,089	27,657	432	1.6

(Dollars per MWh)					
\$ 91.29	\$	86.18	\$	5.11	5.9
\$ 47.89	\$	46.32	\$	1.57	3.4
\$ 25.50	\$	26.48	\$	(0.98)	(3.7)
\$	\$ 47.89	\$ 47.89 \$	\$ 91.29 \$ 86.18 \$ 47.89 \$ 46.32	\$ 91.29 \$ 86.18 \$ \$ 47.89 \$ 46.32 \$	\$ 91.29 \$ 86.18 \$ 5.11 \$ 47.89 \$ 46.32 \$ 1.57

Fuel and Purchased Power		(Dollars In 1	Thousa	inds)	
Fuel used for generation	\$ 532,277	\$ 489,268	\$	43,009	8.8
Purchased power	 114,783	 103,902		10,881	10.5
Subtotal	647,060	593,170		53,890	9.1
RECA recovery and other	 (12,263)	 (3,180)		(9,083)	(285.6
Total fuel and purchased power expense	\$ 634,797	\$ 589,990	\$	44,807	7.6
		( <b>T</b> )		A.R. \	
Electricity Supply		(Thousand	S OT M		
Generated - Gas	1,785	2,238		(453)	(20.2
Coal	20,677	18,691		1,986	10.6
Nuclear	3,369	3,894		(525)	(13.5
Wind	 427	 438		(11)	(2.5
Subtotal electricity generated	26,258	25,261		997	3.9
Purchased	3,413	3,935		(522)	(13.3
Total Electricity Supply	 29,671	 29,196		475	1.6
		(Dollars p	er MW	/h)	
Average cost of fuel used for generation	\$ 20.27	\$ 19.37	\$	0.90	4.6
Average cost of purchased power	\$ 33.63	\$ 26.40	\$	7.23	27.4
Average cost of fuel and purchased power	\$ 21.81	\$ 20.32	\$	1.49	7.3

Degree Days		2011/		
	2013	20 yr Avg	Change	% Change

Cooling

Actual compared to last year	1,641	2,140	(499)	(23.3)
Actual compared to 20 year average	1,641	1,623	18	1.1
Heating				
Actual compared to last year	5,157	3,687	1,470	39.9
Actual compared to 20 year average	5,157	4,668	489	10.5

The Notes to the Consolidated Financial Statements in the company's Annual Report on Form 10-K for the period ended December 31, 2013 should be read in conjunction with this financial information.

## Westar Energy, Inc.

# Capitalization

		December 31, 2012	
(Do	ollars in Thousands	3)	
250,000	\$	_	
27,479		25,942	
2,968,958		2,819,271	
194,802		222,743	
3,441,239	53.0%	3,067,956	51.4%
3,062,774	46.9%	2,896,140	48.4%
5,757	0.1%	14,115	0.2%
6,509,770	100.0% \$	5,978,211	100.0%
23.88	\$	22.89	
128,254		126,504	
	250,000 27,479 2,968,958 194,802 3,441,239 3,062,774 5,757 6,509,770 23.88	250,000   \$     27,479   2,968,958     194,802   1     3,441,239   53.0%     3,062,774   46.9%     6,509,770   100.0%   \$     23.88   \$	27,479   25,942     2,968,958   2,819,271     194,802   222,743     3,441,239   53.0%   3,067,956     3,062,774   46.9%   2,896,140     5,757   0.1%   14,115     6,509,770   100.0%   \$ 5,978,211     23.88   \$ 22.89

# Outstanding Long-Term Debt

starts     Second series     Second second series     Second s		CUSIP	Decemb	per 31, 2013	Dece	mber 31, 2012
6.00% Series due Junuary 2014     957097AR8     25.000     125.000       5.15% Series due Junuary 2017     957097AR8     125.000     125.000       8.625% Series due Dacember 2018     957097AR8     300.000     256.000       5.95% Series due January 2035     957097AR2     220.000     226.000       5.87% Series due January 2035     957097AR8     150.000     150.000       5.87% Series due January 2035     957097AR8     150.000     160.000       4.125% Series due Mark 2043     957097AR8     220.000     —       4.005 Series due Mark 2043     957097AR8     220.000     —     —       4.005 Series due Mark 2043     957097AR8     220.000     —     —       4.005 Series due Mark 2043     957097AR8     220.000     —     —       4.005 Series due Mark 2043     957097AR8     220.000     —     —       4.005 Series due Mark 2043     957097AR8     220.000     —     —       4.005 Series due Mark 2043     957097AR8     220.000     —     —       Variable series due Mark 2043     957097AR8     250.000     —	Westar Energy:					
5.19% Series due January 2017 957097A68 125.000 300,000   8.62% Series due December 2018 957097A65 300,000 300,000   5.10% Series due January 2035 957097A62 250,000 250,000   5.87% Series due January 2036 957097A62 150,000 150,000   5.87% Series due January 2038 957097A62 150,000 560,000   4.12% Series due January 2038 957097A748 550,000    4.12% Series due January 2034 957097A748 2280,000    4.12% Series due January 2034 957097A748 2280,000    4.12% Series due January 2034 957097A748 2280,000    4.12% Series due January 2034 957097A748 280,000    Alex Series due August 2043 957097A748 280,000    Variable series due August 2043 957097A748 280,000    Variable series due August 2043 957097A748 280,000    Variable series due August 2043 957097A748 280,000    Total Westar Energy 725,000 455,000 30,000   6.10% Series due Jane 2019 1024448A85 30,000 50,000   6.10% Series due December 2027 485208891 10,000 60,000 <td>First Mortgage Bond series:</td> <td></td> <td></td> <td></td> <td></td> <td></td>	First Mortgage Bond series:					
8.625% Series due December 2018     97070405     300,000     920,000       5.10% Series due January 2026     957071A22     250,000     250,000       5.95% Series due January 2026     957071A2     250,000     150,000       4.12% Series due July 2038     95707TA20     150,000     150,000       4.12% Series due March 2043     95707TA39     250,000        4.025% Series due April 2032 (St Marys)     792609AF6     45,000     30,500       Formation series:      2,235,000        Total Westar Energy     2,325,200     1,62,000       Total Westar Energy     2,325,200     1,62,500       CE      1,22,500     1,22,500       Control bord series:       1,22,500       Control bord series:      1,22,500     1,22,500       Control bord series:      1,22,500     1,22,500       Control bord series:      1,22,500     1,22,500       Site Series due May 2023     4952068,91     100,000     1,00,000       6.15% Series due December 2037     452608,9	6.00% Series due July 2014	95709TAA8	\$	250,000	\$	250,000
5.10% Series due July 2020     957091A02     250,000     250,000       5.97% Series due July 2025     957091AC4     125,000     115,000       5.87% Series due July 2026     957091A2     150,000     150,000       4.125% Series due August 2023     957091A3     550,000     —       4.625% Series due August 2043     957091A3     250,000     —       4.625% Series due August 2043     957091A6     250,000     —       2.620,000     176,000     176,000       Variable series due April 2032 (St Marys)     792609AF5     45,000     45,000       Variable series due April 2032 (Warnego)     93323281N     30,500     30,500       75,500     75,500     75,500     75,500       704 Westar Energy     2,325,500     1,825,500       6.79% Series due May 2023     4852608,01     50,000     50,000       6.58% Series due December 2037     4552608,01     15,000     100,000       6.58% Series due December 2031     121825827     100,600     100,000       5.3% Series due December 2031     2182567     50,000     16,000       5.3% Se	5.15% Series due January 2017	95709TAB6		125,000		125,000
5.99% Series due Juny 2035     95709TAC4     125,000     125,000       5.87% Series due July 2036     95709TAC4     150,000     150,000       4.12% Series due March 2043     95709TAC4     250,000     —       4.10% Series due March 2043     95709TAC6     250,000     —       4.26% Series due August 2043     95709TAC6     250,000     —       Variable series due August 2043     95709TAC6     250,000     —       Variable series due August 2043     95709TAC6     250,000     —       Variable series due August 2043     95709TAC6     45,000     30,500       Jution control bord series:     —     2,325,500     1,825,500       Total Westar Energy     2,325,500     1,825,500     50,000       6.53% Series due May 2023     4852008;91     50,000     50,000       6.53% Series due May 2038     4952008;91     100,000     100,000       6.4%Geries due May 2038     4852008;91     100,000     100,000       6.53% Series due June 2031     121,825697     21,940     11,940       5.3% Series due June 2031     121,825697     50,000	8.625% Series due December 2018	95709TAG5		300,000		300,000
8.875% Series due July 2036     957097AED     150.000     150.000       4.125% Series due March 2043     957097AED     250.000     —       4.625% Series due March 2043     957097AED     250.000     —       4.625% Series due August 2043     957097AED     2250.000     —       5.80 Series due August 2043     957097AED     2250.000     —       5.80 Series due August 2043     957097AED     45.000     45.000       5.80 Series due August 2043     957097AED     45.000     45.000       5.80 Series due August 2043     952097AED     75.500     35.500       5.80 Series due August 2043     9386238N9     30.500     30.500       7014 Westar Energy     2.325.500     1.825.500     75.500       5.97 Series due June 2019     12448AB5     300.000     50.000       6.15% Series due June 2031     1452608g1     155.000     50.000       6.15% Series due June 2031     1218258V2     1.940     15.900       5.9% Series due June 2031     1218258V2     1.9600     100.000       Variable rate series due April 2032 (Vianego)     93936238A1     10.00	5.10% Series due July 2020	95709TAD2		250,000		250,000
4.125% Series due December 2042   9570971AH3   550,000      4.625% Series due March 2043   9570971A6   22,0000      4.625% Series due August 2043   9570971A6   22,0000      5000000000000000000000000000000000000	5.95% Series due January 2035	95709TAC4		125,000		125,000
4.10% Series due August 2043   95709TA/8   250,000   —     4.825% Series due August 2043   95709TA/6   22,0000   …     Variable series due April 2032 (St Marys)   792609A/6   45,000   45,000     Variable series due April 2032 (St Marys)   792609A/6   30,500   30,500     Variable series due April 2032 (Wanego)   792609A/6   30,500   30,500     Variable series due April 2032 (Wanego)   75,500   75,500   75,500     Total Wester Energy   2,325,500   1,825,500   1,825,500     CE     Strontage bond series:	5.875% Series due July 2036	95709TAE0		150,000		150,000
4.625% Series due August 2043     957971A/6     250,000	4.125% Series due December 2042	95709TAH3		550,000		550,000
2,250,000     1,750,000       Solution control bond series:	4.10% Series due March 2043	95709TAJ9		250,000		_
Solution control bond series:     Variable series due April 2032 (St Marys)     792609AF6     45,000     45,000       Variable series due April 2032 (Warnego)     933623BN9     30,500     75,500       Total Westar Energy     2,325,500     1,825,500       CE       rst mortgage bond series:       6.70% Series due April 2032 (Warnego)     U24448AB5     300,000     300,000       6.15% Series due May 2023     485260BQ1     50,000     50,000       6.53% Series due May 2033     485260BJ1     175,000     175,000       6.44%Series due May 2033     485260BJ9     100,000     100,000       Series due April 2027 (LaCygne)     502828AJ5     21,940     21,940       Stries due April 2027 (LaCygne)     502828AJ5     21,940     21,940       5.3% Series due June 2031     121825BW2     108,600     108,600       5.3% Series due June 2031     933623BR1     10,000     10,000       Variable rate series due April 2032 (St Marys)     792609AE5     50,000     50,000       5.6% Series due June 2031     121825CB7     50,000     50,000	4.625% Series due August 2043	95709TAK6		250,000		
Variable series due April 2032 (St Marys)     792009AF6     45,000     45,000       Variable series due April 2032 (Wamego)     9338238N9     30,500     75,500       Total Westar Energy     2,325,500     1,825,500       GE       rst mortgage bond series:       6.70% Series due June 2019     U24448AB5     300,000     300,000       6.15% Series due May 2023     485260810     175,000     50,000       6.35% Series due December 2037     485260811     175,000     100,000       6.44% Series due May 2038     6252081     175,000     625,000       Series due April 2027 (LaCygne)     502828AJ5     21,940     21,940       6,25000     625,000       Series due June 2031     121825BW2     108,600     108,600       Series due June 2031     121825BW2     108,600     14,500       Variable rate series due April 2032 (St Marys)     792609AE5     14,500     14,500       Variable rate series due June 2031     121825CF3     50,000     50,000     50,000     50,000     50,000     50,000     50,00				2,250,000		1,750,000
Variable series due April 2032 (Wamego)     933623BN9     30.500     30.500       Total Westar Energy     2,325.500     1,825.500       GE       st mortgage bond series:       6.70%5eries due June 2019     U24448AB5     300,000     50,000       6.15% Series due May 2023     485260B@1     50,000     50,000       6.5% Series due May 2038     485260B.01     175,000     175,000       6.64%Series due May 2038     485260B.91     175,000     625,000       of 2027     485260B.91     175,000     625,000       of 2028     21,940     21,940       of 225,000     21,940       of 21,940     21,940       strained ue June 2031     121825BW2     108,600     18,800       Say Series due June 2031     121825BW2     108,600     14,500       Variable rate series due April 2027 (LaCygne)     536282BA1     10,000     14,500       Variable rate series due April 2032 (St Marys)     79269AE9     14,500     14,500       Variable rate series due April 2032 (	Pollution control bond series:					
Total Westar Energy     75.500     76,500       CE	Variable series due April 2032 (St Marys)	792609AF6		45,000		45,000
Total Westar Energy     2,325,500     1,825,500       GE       rst mortgage bond series:     6.70%5eries due June 2019     U24488A85     300,000     300,000       6.15% Series due June 2019     U24488A85     300,000     50,000       6.15% Series due May 2023     4852608/91     105,000     100,000       6.64%-Series due May 2038     4852608/9     100,000     100,000       billution control bond series:     21,940     21,940     21,940       Variable rate series due April 2027 (LaCygne)     502828A35     21,940     18,900       Variable rate series due April 2032 (St Marys)     792609AE9     14,500     14,500       Variable rate series due April 2032 (Wamego)     9336238M1     10,000     10,000       4.85% Series due June 2031     121825CF8     50,000     50,000	Variable series due April 2032 (Wamego)	933623BN9		30,500		30,500
CF     Standard     Standard <thstandard< th="">     Standard     St</thstandard<>				75,500		75,500
Arst mortgage bond series:     Series due June 2019     U2448AB5     300,000     300,000     6.70% Series due May 2023     485260B@1     50,000     6.50%     50,000     6.53% Series due December 2037     485260BJ1     175,000     175,000     6.64% Series due May 2038     485260BJ9     100,000     100,000     6.65%     6.64% Series due May 2038     485260BJ9     100,000     6.65%     6.65%     6.64% Series due May 2038     485260BJ9     100,000     6.65%     6.65%     6.65%     6.65%     6.65%     6.65%     6.65%     6.65%     6.65%     6.65%     6.65%     6.65%     6.65%     6.65%     6.65%     6.65%     6.65%     6.65%     6.65%     6.66%     2.1940	Total Westar Energy			2,325,500		1,825,500
6.70%Series due June 2019   U2448AB5   300,000   300,000     6.15% Series due May 2023   485260B@1   50,000   50,000     6.53% Series due December 2037   485260B#31   175,000   175,000     6.64%Series due May 2038   485260B#9   100,000   625,000     6.64%Series due May 2038   485260B#9   100,000   625,000     6.64%Series due April 2027 (LaCygne)   502828AJ5   21,940   21,940     5.3% Series due June 2031   121825BW2   108,600   108,600     5.3% Series due June 2031   93623BR0   18,900   18,900     Variable rate series due April 2032 (St Marys)   792609AE9   14,500   10,000     Variable rate series due April 2032 (Warnego)   933623BM1   10,000   10,000     4.85% Series due June 2031   121825CB7   50,000   50,000     5.6% Series due June 2031   121825CF8   50,000   50,000     6.0% Series due June 2031   121825CF8   50,000   50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     Total KGE	KGE					
6.15% Series due May 2023   485260B@1   50,000     6.53% Series due December 2037   485260BJ1   175,000     6.64% Series due May 2038   485260BJ1   175,000     6.64% Series due May 2038   485260BJ1   100,000     6.65%   625,000   625,000     6.64% Series due May 2027 (LaCygne)   502828AJ5   21,940   21,940     5.3% Series due April 2027 (LaCygne)   502828AJ5   21,940   21,940     5.3% Series due June 2031   121825BW2   108,600   108,600     5.3% Series due June 2031   933623BR0   18,900   14,500     Variable rate series due April 2032 (St Marys)   792609AE9   14,500   10,000     Variable rate series due April 2032 (Wamego)   933623BM1   10,000   10,000     4.85% Series due June 2031   121825CB7   50,000   50,000     5.6% Series due June 2031   121825CE1   —   50,000     6.0% Series due June 2031   121825CF8   50,000   50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     5.0% Series due	First mortgage bond series:					
6.53% Series due December 2037   485260BJ1   175,000   175,000     6.64%Series due May 2038   485260B#9   100,000   625,000     625,000   625,000   625,000     oblution control bond series:	6.70%Series due June 2019	U24448AB5		300,000		300,000
6.64%Series due May 2038   485260B#9   100,000   100,000     625,000   625,000   625,000     ollution control bond series:     Variable rate series due April 2027 (LaCygne)   502828AJ5   21,940   21,940     5.3% Series due June 2031   121825BW2   108,600   108,600     5.3% Series due June 2031   933623BR0   18,900   18,900     Variable rate series due April 2032 (St Marys)   792609AE9   14,500   14,500     Variable rate series due April 2032 (Wamego)   933623BM1   10,000   10,000     4.85% Series due June 2031   121825CB7   50,000   50,000     5.6% Series due June 2031   121825CB3   —   50,000     6.0% Series due June 2031   121825CB1   —   50,000     5.6% Series due June 2031   121825CE1   —   50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     Total KGE   898,940   998,940     Stal long-t	6.15% Series due May 2023	485260B@1		50,000		50,000
625,000     625,000       bilution control bond series:	6.53% Series due December 2037	485260BJ1		175,000		175,000
Variable rate series due April 2027 (LaCygne)   502828AJ5   21,940   21,940     5.3% Series due June 2031   121825BW2   108,600   108,600     5.3% Series due June 2031   933623BR0   18,900   18,900     Variable rate series due April 2032 (St Marys)   792609AE9   14,500   14,500     Variable rate series due April 2032 (Wamego)   933623BM1   10,000   10,000     4.85% Series due June 2031   121825CB7   50,000   50,000     5.6% Series due June 2031   121825CE1   —   50,000     6.0% Series due June 2031   121825CF8   50,000   50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     Total KGE   898,940   998,940     ***********************************	6.64%Series due May 2038	485260B#9		100,000		100,000
Variable rate series due April 2027 (LaCygne)   502828AJ5   21,940   21,940     5.3% Series due June 2031   121825BW2   108,600   108,600     5.3% Series due June 2031   933623BR0   18,900   18,900     Variable rate series due April 2032 (St Marys)   792609AE9   14,500   14,500     Variable rate series due April 2032 (Wamego)   933623BM1   10,000   10,000     4.85% Series due June 2031   121825CB7   50,000   50,000     5.6% Series due June 2031   121825CD3    50,000     6.0% Series due June 2031   121825CF8   50,000   50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     Total KGE   898,940   998,940     stal long-term debt   3,224,440   2,824,440				625,000		625,000
5.3% Series due June 2031   121825BW2   108,600   108,600     5.3% Series due June 2031   933623BR0   18,900   18,900     Variable rate series due April 2032 (St Marys)   792609AE9   14,500   14,500     Variable rate series due April 2032 (Wamego)   933623BM1   10,000   10,000     4.85% Series due June 2031   121825CB7   50,000   50,000     5.6% Series due June 2031   121825CB1   —   50,000     6.0% Series due June 2031   121825CF8   50,000   50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     Total KGE   898,940   998,940   998,940     stat long-term debt   3,224,440   2,824,440	Pollution control bond series:					
5.3% Series due June 2031   933623BR0   18,900   18,900     Variable rate series due April 2032 (St Marys)   792609AE9   14,500   14,500     Variable rate series due April 2032 (Wamego)   933623BM1   10,000   10,000     4.85% Series due June 2031   121825CB7   50,000   50,000     5.6% Series due June 2031   121825CD3   —   50,000     6.0% Series due June 2031   121825CE1   —   50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     Total KGE   898,940   998,940     Total KGE   3,224,440   2,824,440	Variable rate series due April 2027 (LaCygne)	502828AJ5		21,940		21,940
Variable rate series due April 2032 (St Marys)   792609AE9   14,500   14,500     Variable rate series due April 2032 (Wamego)   933623BM1   10,000   10,000     4.85% Series due June 2031   121825CB7   50,000   50,000     5.6% Series due June 2031   121825CD3   —   50,000     6.0% Series due June 2031   121825CE1   —   50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     Total KGE   898,940   998,940   998,940	5.3% Series due June 2031	121825BW2		108,600		108,600
Variable rate series due April 2032 (Wamego)   933623BM1   10,000     4.85% Series due June 2031   121825CB7   50,000     5.6% Series due June 2031   121825CD3   —   50,000     6.0% Series due June 2031   121825CE1   —   50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     Total KGE   898,940   998,940     Total KGE   3,224,440   2,824,440	5.3% Series due June 2031	933623BR0		18,900		18,900
4.85% Series due June 2031   121825CB7   50,000   50,000     5.6% Series due June 2031   121825CD3    50,000     6.0% Series due June 2031   121825CE1    50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     Total KGE   898,940   998,940     Total KGE   3,224,440	Variable rate series due April 2032 (St Marys)	792609AE9		14,500		14,500
5.6% Series due June 2031   121825CD3    50,000     6.0% Series due June 2031   121825CE1    50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     Total KGE   898,940   998,940     ottal long-term debt   3,224,440   2,824,440	Variable rate series due April 2032 (Wamego)	933623BM1		10,000		10,000
6.0% Series due June 2031   121825CE1   —   50,000     5.0% Series due June 2031   121825CF8   50,000   50,000     273,940   373,940   373,940     Total KGE   898,940   998,940     total long-term debt   3,224,440   2,824,440	4.85% Series due June 2031	121825CB7		50,000		50,000
5.0% Series due June 2031 121825CF8 50,000   273,940 373,940   Total KGE 898,940   otal long-term debt 3,224,440	5.6% Series due June 2031	121825CD3		—		50,000
273,940     373,940       Total KGE     898,940     998,940       otal long-term debt     3,224,440     2,824,440	6.0% Series due June 2031	121825CE1		_		50,000
Total KGE     898,940     998,940       otal long-term debt     3,224,440     2,824,440	5.0% Series due June 2031	121825CF8		50,000		50,000
tal long-term debt 3,224,440 2,824,440				273,940		373,940
	Total KGE			898,940		998,940
namortized debt discount (5,482) (5,169)	Total long-term debt Unamortized debt discount					

Long-term debt due within one year	(250,000)	 
Total long-term debt, net	\$ 2,968,958	\$ 2,819,271

#### Westar Energy, Inc. GAAP to Non-GAAP Reconciliation

Fuel and purchased power costs fluctuate with electricity sales and unit costs. As permitted by regulators, prices are adjusted to reflect changes in the costs of fuel and purchased power. Fuel and purchased power costs for wholesale customers are recovered at prevailing market prices or based on a predetermined formula with a price adjustment approved by FERC. As a result, changes in fuel and purchased power costs are offset in revenues with minimal impact on net income. In addition, SPP network transmission costs fluctuate due primarily to investments by us and other members of the SPP 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 we charge customers with minimal impact on net income. For this reason, Westar management believes that gross margin is useful for understanding and analyzing changes in operating performance from one period to the next. Gross margin is calculated as total revenues, including transmission revenues, less the sum of fuel and purchased power costs and amounts billed by the SPP for network transmission costs (SPP NITS). Accordingly, gross margin reflects transmission revenues and costs on a net basis.

The calculations of gross margin for the three and twelve months ended 2013 and 2012 are shown in the table below. The table also includes a reconciliation of gross margin to income from operations for both periods. Income from operations is the GAAP financial measure most directly comparable to gross margin.

		Three Months Ended December 31,					Twelve Months Ended December 31,			
	2013 202		2012	Change		2013	2012	Change		
		(Dollars in				(Dollars in <sup>-</sup>	Thousands)			
Revenues	\$	559,878	\$	523,772	\$	36,106	\$ 2,370,654	\$ 2,261,470	\$	109,184
Less: Fuel and purchased power expense		151,783		137,150		14,633	634,797	589,990		44,807
SPP network transmission costs		44,894		42,405		2,489	178,604	166,547		12,057
Gross Margin	\$	363,201	\$	344,217	\$	18,984	\$ 1,557,253	\$ 1,504,933	\$	52,320
Gross margin	\$	363,201	\$	344,217	\$	18,984	\$ 1,557,253	\$ 1,504,933	\$	52,320
Less: Operating and maintenance expense		93,528		83,828		9,700	359,060	342,055		17,005
Depreciation and amortization expense		69,289		65,823		3,466	272,593	270,464		2,129
Selling, general and administrative expense		66,464		61,668		4,796	224,133	226,012		(1,879)
Taxes other than income tax		30,392		25,123		5,269	122,282	104,269		18,013
Income from operations	\$	103,528	\$	107,775	\$	(4,247)	\$ 579,185	\$ 562,133	\$	17,052
	-									

The Notes to the Consolidated Financial Statements in the company's Annual Report on Form 10-K for the period ended December 31, 2013 should be read in conjunction with this financial information.



2014 Earnings Guidance

2014 EPS guidance range

\$2.25 - \$2.40

## Key drivers and planning assumptions:

- Retail MWh sales up 50 100 bp
- Modest annualized price adjustments
  - ~\$31 million 2012 abbreviated rate case, effective December 2013
    - ~\$35 million transmission formula rate and companion TDC, net of SPP network costs
  - ~\$13 million environmental cost recovery rider
- ~3% increase in combined O&M and SG&A expenses excluding SPP network costs & property tax that have revenue offsets
  - ~10% increase top line combined O&M and SG&A expense
- ~5% increase in depreciation expense
- COLI proceeds ~\$14 million
- No change in equity AFUDC
- Effective tax rate 32-34%
- Financing:
  - No additional equity
  - No additional debt issuance anticipated
    - Refinance \$250M first mortgage bond due July
  - Settle 3 million forward shares already priced under ATM for yearend average annual outstanding count ~130 million

Forward-looking statements: Certain matters discussed in this document are "forward-looking statements." The Private Securities Litigation Reform Act of 1995 has established that these statements qualify for safe harbors from liability. Forward-looking statements may include words like "driver," "assumption," "believe," "anticipate," "target," "expect," "pro forma," "estimate," "intend," "guidance" or words of similar meaning. Forward-looking statements describe future plans, objectives, expectations or goals. Although Westar Energy believes that its expectations are based on reasonable assumptions, all forward-looking statements involve risk and uncertainty. The factors that could cause actual results to differ materially from these forward-looking statements include those discussed herein as well as (1) those discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2013 (a) under the heading, "Forward-Looking Statements," (b) in ITEM 1. Business, (c) in ITEM 1A. Risk Factors, (d) in ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and (e) in ITEM 8. Financial Statements and Supplementary Data: Notes 13 and 15; and (2) other factors discussed in the company's filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date such statement was made, and the company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement was made.

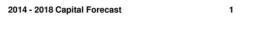
# 2014 - 2018 Capital Forecast

	Actual	Forecast								
	2013	2014	2015	2016	2017	2018	20	14 - 2018		
Generation replacements	\$217.0	\$181.6	\$173.1	\$136.8	\$135.9	\$198.9	\$	826.3		
Westar environmental La Cygne environmental	113.9 163.5	129.3 107.7	38.2 73.8	21.9	55.3	50.5 -		295.2 181.5	(a)	
Nuclear Fuel	4.2	52.9	28.6	30.2	50.0	34.6		196.3	(b)	
Transmission	197.8	179.1	186.9	203.4	228.1	221.6		1,019.1	(c)	
Distribution	108.4	137.2	147.7	157.3	153.0	160.4		755.6		
Other Total	40.3 \$845.1	26.2 \$814.0	30.7 \$679.0	41.4 \$591.0	44.7 \$667.0	26.0 \$692.0	\$	169.0 3,443.0	-	

Prairie Wind joint venture \$ 4.0 \$ 6.7 (WR joint venture investment not included in the CapEx table.)

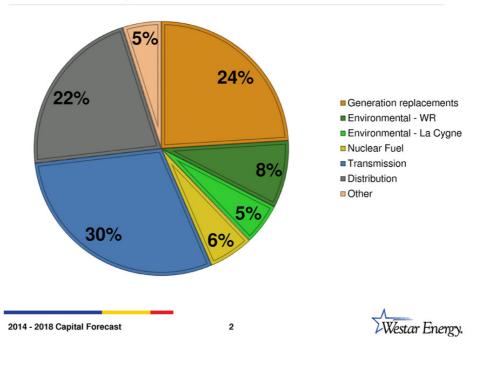
a) b)

Annual recovery through Environmental Cost Recovery Rider Recovery through the fuel adjustment clause Annual recovery through FERC Transmission Formula Rate and companion retail Transmission Delivery Charge c)

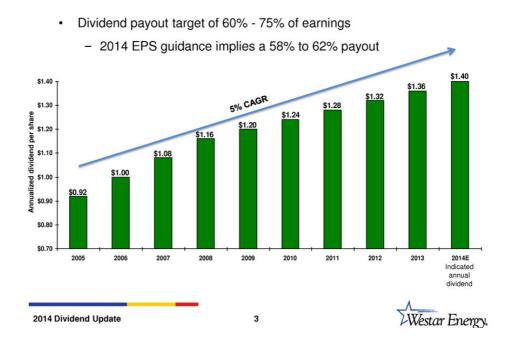




2014 - 2018 Capital Forecast



## **Attractive and Growing Dividend**



## **Forward Looking Disclosures**

Forward-looking statements: Certain matters discussed in these materials are "forwardlooking statements." The Private Securities Litigation Reform Act of 1995 has established that these statements qualify for safe harbors from liability. Forward-looking statements may include words like "believe," "anticipate," "target," "expect," "pro forma," "estimate," "intend," "guidance" or words of similar meaning. Forward-looking statements describe future plans, objectives, expectations or goals. Although we believe expectations are based on reasonable assumptions, all forward-looking statements involve risk and uncertainty. The factors that could cause actual results to differ materially from these forward-looking statements include those discussed herein as well as (1) those discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2013 (a) under the heading, "Forward-Looking Statements," (b) in ITEM 1. Business, (c) in ITEM 1A. Risk Factors, (d) in ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and (e) in ITEM 8. Financial Statements and Supplementary Data: Notes 13 and 15; and (2) other factors discussed in the company's filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date such statement was made, and the company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement was made.

4

Feb 2014 Earnings Packet

Westar Energy