

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) May 3, 2016**

**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)

**48-0290150**

(IRS Employer Identification No.)

**818 South Kansas Avenue, Topeka, Kansas**

(Address of principal executive offices)

**66612**

(Zip Code)

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))

## WESTAR ENERGY, INC.

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

On May 3, 2016, we issued a press release announcing our earnings for the period ended March 31, 2016. A copy of our May 3, 2016 press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. We are also including our 2016 First Quarter 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 May 3, 2016
- Exhibit 99.2 2016 First Quarter 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: May 3, 2016

By: /s/ Larry D. Irick

Name: Larry D. Irick

Title: Vice President, General Counsel and Corporate Secretary

## EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
Exhibit 99.1	Press Release dated May 3, 2016
Exhibit 99.2	2016 First Quarter Earnings package



## **Westar Energy Announces 1st Quarter 2016 Results.**

TOPEKA, Kan., May 3, 2016 - Westar Energy, Inc. (NYSE:WR) today announced earnings of \$66 million, or \$0.46 per share, for the first quarter 2016 compared with earnings of \$51 million, or \$0.38 per share, for the first quarter 2015.

Higher net income for the quarter, compared with last year, was driven by the impact of last fall's rate order which recovered the costs of mandated air quality controls, higher corporate owned life insurance proceeds, lower distribution system expenses, and lower operating and maintenance costs as a result of the company retiring some of its older, smaller generating plants late last year. The higher revenues were partially offset by the effects of unusually mild weather.

### **Earnings Guidance**

The company affirmed its 2016 earnings guidance of \$2.38 to \$2.53 per share. The earnings guidance drivers are located under Supplemental Materials within the investor section of the company website at [www.WestarEnergy.com](http://www.WestarEnergy.com).

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

Westar Energy management will host a conference call Wednesday, May 4 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 866-411-8234, participant code 86800330. A webcast of the live conference call will be available at [www.WestarEnergy.com](http://www.WestarEnergy.com).

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

This earnings announcement, a package of detailed first quarter financial information, the company's quarterly report on Form 10-Q for the period ended Mar. 31, 2016 and other filings the company has made with the Securities and Exchange Commission are available on the company's website at [www.WestarEnergy.com](http://www.WestarEnergy.com).

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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, digital meters 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,"

## Westar Energy announces 1st quarter results

“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, 2015 (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; (2) those discussed in the company's Quarterly Report on Form 10-Q filed May 3, 2016, (a) in ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (b) in Part I, Financial Information, ITEM 1. Financial Statements: Notes 10 and 11; and (3) 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.

### Media Contact:

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[Jana.Dawson@westarenergy.com](mailto:Jana.Dawson@westarenergy.com)  
Media line: 888-613-0003

### Investor Contact:

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# Westar Energy announces 1st quarter results

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

	Three Months Ended Mar. 31,			
	2016	2015	Change	% Change
(Dollars In Thousands, Except Per Share Amounts)				
<b>REVENUES:</b>				
Residential	\$ 179,290	\$ 181,294	\$ (2,004)	(1.1)
Commercial	165,673	161,305	4,368	2.7
Industrial	100,697	96,479	4,218	4.4
Other retail	(14,381)	539	(14,920)	nm
Total Retail Revenues	431,279	439,617	(8,338)	(1.9)
Wholesale	67,412	86,755	(19,343)	(22.3)
Transmission	63,915	58,585	5,330	9.1
Other	6,844	5,850	994	17.0
Total Revenues	569,450	590,807	(21,357)	(3.6)
<b>OPERATING EXPENSES:</b>				
Fuel and purchased power	100,058	155,482	(55,424)	(35.6)
SPP network transmission costs	60,760	56,812	3,948	6.9
Operating and maintenance	77,757	85,080	(7,323)	(8.6)
Depreciation and amortization	83,640	74,586	9,054	12.1
Selling, general and administrative	56,456	55,418	1,038	1.9
Taxes other than income tax	48,968	37,871	11,097	29.3
Total Operating Expenses	427,639	465,249	(37,610)	(8.1)
<b>INCOME FROM OPERATIONS</b>	<b>141,811</b>	<b>125,558</b>	<b>16,253</b>	<b>12.9</b>
<b>OTHER INCOME (EXPENSE):</b>				
Investment earnings	2,016	2,480	(464)	(18.7)
Other income	9,477	2,814	6,663	236.8
Other expense	(5,543)	(5,713)	170	3.0
Total Other Income (Expense)	5,950	(419)	6,369	nm
Interest expense	40,431	44,298	(3,867)	(8.7)
<b>INCOME BEFORE INCOME TAXES</b>	<b>107,330</b>	<b>80,841</b>	<b>26,489</b>	<b>32.8</b>
Income tax expense	38,622	27,678	10,944	39.5
<b>NET INCOME</b>	<b>68,708</b>	<b>53,163</b>	<b>15,545</b>	<b>29.2</b>
Less: Net income attributable to noncontrolling interests	3,123	2,183	940	43.1
<b>NET INCOME ATTRIBUTABLE TO COMMON STOCK</b>	<b>\$ 65,585</b>	<b>\$ 50,980</b>	<b>\$ 14,605</b>	<b>28.6</b>
<b>BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO WESTAR ENERGY, INC. (See 10-Q Note 2):</b>				
Basic earnings per common share	\$ 0.46	\$ 0.38	\$ 0.08	21.1
Diluted earnings per common share	\$ 0.46	\$ 0.38	\$ 0.08	21.1
<b>AVERAGE EQUIVALENT COMMON SHARES OUTSTANDING (in thousands):</b>				
Basic	141,993	132,395	9,598	7.2
Diluted	142,311	135,540	6,771	5.0
<b>DIVIDENDS DECLARED PER COMMON SHARE</b>	<b>\$ 0.38</b>	<b>\$ 0.36</b>	<b>\$ 0.02</b>	<b>5.6</b>
Effective income tax rate	36%	34%		
nm - not meaningful				

# Westar Energy, Inc.

## First Quarter 2016 Earnings

Released May 3, 2016

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Cody VandeVelde  
Director Investor Relations  
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**NOTE:**

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended March 31, 2016 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.  
Condensed Consolidated Statements of Income  
(Unaudited)

	Three Months Ended March 31,			
	2016	2015	Change	% Change
(Dollars in Thousands, Except Per Share Amounts)				
<b>REVENUES:</b>				
Residential	\$ 179,290	\$ 181,294	\$ (2,004)	(1.1)
Commercial	165,673	161,305	4,368	2.7
Industrial	100,697	96,479	4,218	4.4
Other retail	(14,381)	539	(14,920)	nm
Total Retail Revenues	431,279	439,617	(8,338)	(1.9)
Wholesale	67,412	86,755	(19,343)	(22.3)
Transmission	63,915	58,585	5,330	9.1
Other	6,844	5,850	994	17.0
Total Revenues	569,450	590,807	(21,357)	(3.6)
<b>OPERATING EXPENSES:</b>				
Fuel and purchased power	100,058	155,482	(55,424)	(35.6)
SPP network transmission costs	60,760	56,812	3,948	6.9
Operating and maintenance	77,757	85,080	(7,323)	(8.6)
Depreciation and amortization	83,640	74,586	9,054	12.1
Selling, general and administrative	56,456	55,418	1,038	1.9
Taxes other than income tax	48,968	37,871	11,097	29.3
Total Operating Expenses	427,639	465,249	(37,610)	(8.1)
<b>INCOME FROM OPERATIONS</b>	<b>141,811</b>	<b>125,558</b>	<b>16,253</b>	<b>12.9</b>
<b>OTHER INCOME (EXPENSE):</b>				
Investment earnings	2,016	2,480	(464)	(18.7)
Other income	9,477	2,814	6,663	236.8
Other expense	(5,543)	(5,713)	170	3.0
Total Other Income (Expense)	5,950	(419)	6,369	nm
Interest expense	40,431	44,298	(3,867)	(8.7)
<b>INCOME BEFORE INCOME TAXES</b>	<b>107,330</b>	<b>80,841</b>	<b>26,489</b>	<b>32.8</b>
Income tax expense	38,622	27,678	10,944	39.5
<b>NET INCOME</b>	<b>68,708</b>	<b>53,163</b>	<b>15,545</b>	<b>29.2</b>
Less: Net income attributable to noncontrolling interests	3,123	2,183	940	43.1
<b>NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.</b>	<b>\$ 65,585</b>	<b>\$ 50,980</b>	<b>\$ 14,605</b>	<b>28.6</b>
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Basic	141,993	132,395	9,598	7.2
Diluted	142,311	135,540	6,771	5.0
<b>DIVIDENDS DECLARED PER COMMON SHARE</b>	<b>\$ 0.38</b>	<b>\$ 0.36</b>	<b>\$ 0.02</b>	<b>5.6</b>
Effective income tax rate	36%	34%		

nm - not meaningful

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended March 31, 2016 should be read in conjunction with this financial information.

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

	March 31, 2016	December 31, 2015
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 3,471	\$ 3,231
Accounts receivable, net of allowance for doubtful accounts of \$6,790 and \$5,294, respectively	225,090	258,286
Fuel inventory and supplies	301,340	301,294
Prepaid expenses	20,271	16,864
Regulatory assets	98,368	109,606
Other	27,039	27,860
Total Current Assets	<u>675,579</u>	<u>717,141</u>
PROPERTY, PLANT AND EQUIPMENT, NET	<u>8,675,925</u>	<u>8,524,902</u>
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET	<u>265,655</u>	<u>268,239</u>
<b>OTHER ASSETS:</b>		
Regulatory assets	746,741	751,312
Nuclear decommissioning trust	183,455	184,057
Other	258,242	260,015
Total Other Assets	<u>1,188,438</u>	<u>1,195,384</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 10,805,597</b></u>	<u><b>\$ 10,705,666</b></u>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current maturities of long-term debt	\$ 125,000	\$ —
Current maturities of long-term debt of variable interest entities	26,842	28,309
Short-term debt	316,800	250,300
Accounts payable	230,307	220,969
Accrued dividends	52,695	49,829
Accrued taxes	128,152	83,773
Accrued interest	86,222	71,426
Regulatory liabilities	31,461	25,697
Other	76,454	106,632
Total Current Liabilities	<u>1,073,933</u>	<u>836,935</u>
<b>LONG-TERM LIABILITIES:</b>		
Long-term debt, net	3,039,239	3,163,950
Long-term debt of variable interest entities, net	111,239	138,097
Deferred income taxes	1,619,112	1,591,430
Unamortized investment tax credits	209,040	209,763
Regulatory liabilities	250,545	267,114
Accrued employee benefits	456,541	462,304
Asset retirement obligations	276,718	275,285
Other	82,025	88,825
Total Long-Term Liabilities	<u>6,044,459</u>	<u>6,196,768</u>
<b>COMMITMENTS AND CONTINGENCIES (See 10-Q Notes 3, 10 and 11)</b>		
<b>EQUITY:</b>		
Westar Energy, Inc. Shareholders' Equity:		
Common stock, par value \$5 per share; authorized 275,000,000 shares; issued and outstanding 141,628,562 shares and 141,353,426 shares, respective to each date	708,143	706,767
Paid-in capital	2,003,311	2,004,124
Retained earnings	959,936	945,830
Total Westar Energy, Inc. Shareholders' Equity	<u>3,671,390</u>	<u>3,656,721</u>
Noncontrolling Interests	15,815	15,242
Total Equity	<u>3,687,205</u>	<u>3,671,963</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><b>\$ 10,805,597</b></u>	<u><b>\$ 10,705,666</b></u>

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended March 31, 2016 should be read in conjunction with this financial information.

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

	Three Months Ended March 31,	
	2016	2015
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:</b>		
Net income	\$ 68,708	\$ 53,163
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	83,640	74,586
Amortization of nuclear fuel	8,329	4,960
Amortization of deferred regulatory gain from sale leaseback	(1,374)	(1,374)
Amortization of corporate-owned life insurance	5,261	5,747
Non-cash compensation	2,491	2,226
Net deferred income taxes and credits	33,984	26,573
Allowance for equity funds used during construction	(2,464)	(1,950)
Changes in working capital items:		
Accounts receivable	33,196	31,042
Fuel inventory and supplies	109	(18,404)
Prepaid expenses and other	7,712	4,638
Accounts payable	(31,158)	17,321
Accrued taxes	49,339	40,007
Other current liabilities	(28,984)	(20,327)
Changes in other assets	21,933	(17,034)
Changes in other liabilities	(11,846)	12,394
Cash Flows from Operating Activities	<u>238,876</u>	<u>213,568</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:</b>		
Additions to property, plant and equipment	(220,849)	(187,223)
Purchase of securities - trusts	(13,712)	(7,345)
Sale of securities - trusts	16,332	7,847
Proceeds from investment in corporate-owned life insurance	23,963	1,144
Investment in affiliated company	(655)	—
Other investing activities	(2,840)	(717)
Cash Flows used in Investing Activities	<u>(197,761)</u>	<u>(186,294)</u>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:</b>		
Short-term debt, net	66,500	167,800
Proceeds from long-term debt of variable interest entities	162,048	—
Retirements of long-term debt	—	(125,000)
Retirements of long-term debt of variable interest entities	(190,355)	(27,925)
Repayment of capital leases	(675)	(886)
Borrowings against cash surrender value of corporate-owned life insurance	963	1,045
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(22,837)	(899)
Issuance of common stock	657	8,206
Distributions to shareholders of noncontrolling interests	(2,550)	(1,076)
Cash dividends paid	(49,665)	(43,787)
Other financing activities	(4,961)	(3,234)
Cash Flows used in Financing Activities	<u>(40,875)</u>	<u>(25,756)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	240	1,518
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of period	3,231	4,556
End of period	<u>\$ 3,471</u>	<u>\$ 6,074</u>

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended March 31, 2016 should be read in conjunction with this financial information.

Westar Energy, Inc.  
1st Quarter 2016 vs. 2015

Earnings Variances

	Change		
	(\$ per share)	(Dollars in Thousands)	(\$ per share)
2015 earnings attributable to common stock	\$	50,980	\$ 0.38
<b>Favorable/(Unfavorable)</b>			
Gross Margin		30,119	A
Operating and maintenance		7,323	B
Depreciation and amortization		(9,054)	C
Selling, general and administrative		(1,038)	
Taxes other than income tax		(11,097)	D
Other income (expense)		6,369	E
Interest expense		3,867	F
Income tax expense		(10,944)	G
Net income attributable to noncontrolling interests		(940)	
Change in shares outstanding	(0.03)		
2016 earnings attributable to common stock	\$	65,585	\$ 0.46

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

A Due primarily to: general rate case increase of \$78.0M (annual); estimated annual transmission margin increase of \$22.0M; partially offset by 5.4% decrease in retail MWh sales significantly due to extremely mild winter weather

B Due primarily to: lower distribution maintenance expense -- \$4.1M; and decrease operating and maintenance expenses resulting from power plant retirements late 2015 -- \$2.0M

C Due primarily to property additions

D Due primarily to an increase in property taxes (offset through price adjustments) -- (\$11.5M)

E Due primarily to an increase in COLI benefits -- \$6.5M

F Due primarily to a decrease in long-term interest expense -- \$3.5M

G Due primarily to higher income before income taxes

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended March 31, 2016 should be read in conjunction with this financial information.

Westar Energy, Inc.  
Revenue, Sales and Energy Supply

Supplemental Data

	Three Months Ended March 31,			
	2016	2015	Change	% Change
(Dollars In Thousands)				
<b>Revenues</b>				
Residential	\$ 179,290	\$ 181,294	\$ (2,004)	(1.1)
Commercial	165,673	161,305	4,368	2.7
Industrial	100,697	96,479	4,218	4.4
Other retail	3,842	3,505	337	9.6
Provision for rate refunds	(18,223)	(2,966)	(15,257)	(514.4)
Total Retail Revenues	<u>431,279</u>	<u>439,617</u>	<u>(8,338)</u>	<u>(1.9)</u>
Tariff-based wholesale	59,020	60,334	(1,314)	(2.2)
Market-based wholesale	8,392	26,421	(18,029)	(68.2)
Transmission	63,915	58,585	5,330	9.1
Other	6,844	5,850	994	17.0
Total Revenues	<u>\$ 569,450</u>	<u>\$ 590,807</u>	<u>\$ (21,357)</u>	<u>(3.6)</u>
<hr/>				
(Thousands of MWh)				
<b>Electricity Sales</b>				
Residential	1,397	1,554	(157)	(10.1)
Commercial	1,659	1,731	(72)	(4.2)
Industrial	1,302	1,324	(22)	(1.7)
Other retail	20	20	—	—
Total Retail	<u>4,378</u>	<u>4,629</u>	<u>(251)</u>	<u>(5.4)</u>
Tariff-based wholesale	995	1,284	(289)	(22.5)
Market-based wholesale	880	1,287	(407)	(31.6)
Total wholesale	<u>1,875</u>	<u>2,571</u>	<u>(696)</u>	<u>(27.1)</u>
Total Electricity Sales	<u>6,253</u>	<u>7,200</u>	<u>(947)</u>	<u>(13.2)</u>
<hr/>				
(Dollars per MWh)				
Total retail	\$ 98.51	\$ 94.97	\$ 3.54	3.7
Tariff-based wholesale	\$ 59.32	\$ 46.99	\$ 12.33	26.2
Market-based wholesale	\$ 9.54	\$ 20.53	\$ (10.99)	(53.5)
<hr/>				
(Dollars In Thousands)				
<b>Fuel and Purchased Power</b>				
Fuel used for generation	\$ 81,639	\$ 108,248	\$ (26,609)	(24.6)
Purchased power	38,830	45,527	(6,697)	(14.7)
Subtotal	120,469	153,775	(33,306)	(21.7)
RECA recovery and other	(20,411)	1,707	(22,118)	nm
Total fuel and purchased power expense	<u>\$ 100,058</u>	<u>\$ 155,482</u>	<u>\$ (55,424)</u>	<u>(35.6)</u>
<hr/>				
(Thousands of MWh)				
<b>Electricity Supply</b>				
Generated - Gas	225	312	(87)	(27.9)
Coal	3,288	4,452	(1,164)	(26.1)
Nuclear	1,252	794	458	57.7
Wind	122	106	16	15.1
Subtotal electricity generated	<u>4,887</u>	<u>5,664</u>	<u>(777)</u>	<u>(13.7)</u>
Purchased	1,585	1,324	261	19.7
Total Electricity Supply	<u>6,472</u>	<u>6,988</u>	<u>(516)</u>	<u>(7.4)</u>
<hr/>				
(Dollars per MWh)				
Average cost of fuel used for generation	\$ 16.71	\$ 19.11	\$ (2.40)	(12.6)
Average cost of purchased power	\$ 24.50	\$ 34.39	\$ (9.89)	(28.8)
Average cost of fuel and purchased power	\$ 18.61	\$ 22.01	\$ (3.40)	(15.4)
<hr/>				
2015/				
<b>Degree Days</b>	2016	20 yr Avg	Change	% Change
Cooling				

Actual compared to last year	4	1	3	300.0
Actual compared to 20 year average	4	2	2	100.0
Heating				
Actual compared to last year	2,081	2,433	(352)	(14.5)
Actual compared to 20 year average	2,081	2,429	(348)	(14.3)

nm - not meaningful

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended March 31, 2016 should be read in conjunction with this financial information.

**Westar Energy, Inc.**  
**Capitalization**

	March 31, 2016		December 31, 2015	
	(Dollars in Thousands)			
Current maturities of long-term debt	\$ 125,000		\$ —	
Current maturities of long-term debt of VIEs	26,842		28,309	
Long-term debt, net	3,039,239		3,163,950	
Long-term debt of variable interest entities, net	111,239		138,097	
Total long-term debt	3,302,320	47.3%	3,330,356	47.6%
Common equity	3,671,390	52.5%	3,656,721	52.2%
Noncontrolling interests	15,815	0.2%	15,242	0.2%
Total capitalization	<u>\$ 6,989,525</u>	<u>100.0%</u>	<u>\$ 7,002,319</u>	<u>100.0%</u>
GAAP Book value per share	\$ 25.92		\$ 25.87	
Period end shares outstanding (in thousands)	141,629		141,353	

**Outstanding Long-Term Debt**

	CUSIP	March 31, 2016	December 31, 2015
		(Dollars in Thousands)	
<b>Westar Energy:</b>			
<b>First Mortgage Bond series:</b>			
5.15% Series due January 2017	95709TAB6	\$ 125,000	\$ 125,000
5.10% Series due July 2020	95709TAD2	250,000	250,000
3.250% Series due December 2025	95709TAL4	250,000	250,000
4.125% Series due March 2042	95709TAH3	550,000	550,000
4.10% Series due April 2043	95709TAJ9	430,000	430,000
4.625% Series due September 2043	95709TAK6	250,000	250,000
4.250% Series due December 2045	95709TAM2	300,000	300,000
		<u>2,155,000</u>	<u>2,155,000</u>
<b>Pollution control bond series:</b>			
Variable series due April 2032 (Wamego)	933623BN9	30,500	30,500
Variable series due April 2032 (St Marys)	792609AF6	45,000	45,000
		<u>75,500</u>	<u>75,500</u>
<b>Total Westar Energy</b>		<u>2,230,500</u>	<u>2,230,500</u>
<b>KGE</b>			
<b>First mortgage bond series:</b>			
6.70% Series due June 2019	485260BL6	300,000	300,000
6.15% Series due May 2023	485260B@1	50,000	50,000
6.53% Series due December 2037	485260BJ1	175,000	175,000
6.64% Series due May 2038	485260B#9	100,000	100,000
4.3% Series due July 2044	485260BM4	250,000	250,000
		<u>875,000</u>	<u>875,000</u>
<b>Pollution control bond series:</b>			
Variable rate series due April 2027 (LaCygne)	502828AJ5	21,940	21,940
4.85% Series due June 2031	121825CB7	50,000	50,000
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
		<u>96,440</u>	<u>96,440</u>
<b>Total KGE</b>		<u>971,440</u>	<u>971,440</u>
<b>Total long-term debt</b>		3,201,940	3,201,940
Unamortized debt discount		(10,252)	(10,374)
Unamortized debt issuance expense		(27,449)	(27,616)
Long-term debt due within one year		(125,000)	—
<b>Total long-term debt, net</b>		<u>\$ 3,039,239</u>	<u>\$ 3,163,950</u>

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended March 31, 2016 should be read in conjunction with this financial information.

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. 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 months ended March 31, 2016 and 2015 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 March 31,		
	2016	2015	Change
	(Dollars in Thousands)		
Revenues	\$ 569,450	\$ 590,807	\$ (21,357)
Less: Fuel and purchased power expense	100,058	155,482	(55,424)
SPP network transmission costs	60,760	56,812	3,948
Gross Margin	<u>\$ 408,632</u>	<u>\$ 378,513</u>	<u>\$ 30,119</u>
Gross margin	\$ 408,632	\$ 378,513	\$ 30,119
Less: Operating and maintenance expense	77,757	85,080	(7,323)
Depreciation and amortization expense	83,640	74,586	9,054
Selling, general and administrative expense	56,456	55,418	1,038
Taxes other than income tax	48,968	37,871	11,097
Income from operations	<u>\$ 141,811</u>	<u>\$ 125,558</u>	<u>\$ 16,253</u>

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended March 31, 2016 should be read in conjunction with this financial information.