FORM U-3A-2

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C.

Statement by Holding Company Claiming
Exemption Under Rule 2 from the
Provisions of the Public Utility Holding
Company Act of 1935

WESTERN RESOURCES, INC.

WESTERN RESOURCES, INC. ("WRI") hereby files with the Securities and Exchange Commission, pursuant to Rule 2, its statement claiming exemption as a holding company from the provisions of the Public Utility Holding Company Act of 1935 (the "Act") and submits the following information:

ITEM 1. Name, State of Organization, Location And Nature of Business of Claimant And Every Subsidiary Thereof, Other Than Any Exempt Wholesale Generator (EWG) or Foreign Utility Company.

WRI is a Kansas corporation whose principal executive offices are located at 818 South Kansas Avenue, Topeka, Kansas 66612. WRI's mailing address is P.O. Box 889, Topeka, Kansas 66601.

During 2000, WRI's principal business consisted of the production, purchase, transmission, distribution and sale of electricity. WRI provided retail electric service to approximately 345,000 industrial, commercial and residential customers. WRI also provided wholesale electric generation and transmission services to numerous municipal customers located in Kansas and, through interchange agreements, to surrounding integrated systems. WRI's subsidiaries (as defined in the Act) are as follows:

A. Kansas Gas and Electric Company ("KGE"), a Kansas corporation, with its principal offices at 120 East First Street, Wichita, Kansas 67201 is a wholly-owned subsidiary of WRI. KGE provides electric services to customers in the southeastern portion of Kansas, including the Wichita metropolitan area. At December 31, 2000, KGE rendered electric services at retail to approximately 291,000 residential, commercial and industrial customers and provided wholesale electric generation and transmission services to numerous municipal customers located in Kansas, and through interchange agreements, to surrounding integrated systems. KGE does not own or operate any gas properties. KGE's subsidiary is as follows:

   1. Wolf Creek Nuclear Operating Corporation ("WCNOC"), a Delaware Corporation, with principal offices at 1550 Oxen Lane, N.E., Burlington, Kansas 66839. WCNOC is owned 47% by KGE and operates the Wolf Creek Generating Station on behalf of the plant's owners.

B. Westar Industries, Inc. ("Westar Industries"), formerly known as Westar Capital, Inc., a Kansas corporation, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612, is a wholly-owned subsidiary of WRI. Westar Industries is a holding company for certain non-regulated business subsidiaries of WRI. Westar Industries' subsidiaries are as follows:

   1. The Wing Group, Limited Co., a Delaware corporation, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. The Wing Group, Limited Co., a wholly-owned subsidiary of Westar Industries, holds interests in international power generation projects. The Wing Group, Limited Co.'s subsidiary is as follows:

      a. The Wing Group International, Inc., a Cayman Islands corporation, with principal offices in the Cayman Islands. The Wing Group International, Inc. is a developer of power generation projects in China.

2. Onsite Energy Corporation, a Delaware corporation, with principal offices at 701 Palomar Airport Road, Suite 200, Carlsbad, California 92009. Onsite is a provider of energy-related services to commercial and industrial customers. Westar Industries owns approximately 33.5% of Onsite common and convertible preferred stock.

3. Protection One Investments, Inc., a Delaware corporation, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Protection One Investments was established for the purpose of holding security-related investments.

4. Protection One, Inc., a Delaware corporation, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Protection One, Inc. is a holding company for monitored security alarm businesses. Westar Industries owns approximately 85% of Protection One, Inc. Protection One, Inc.'s subsidiaries are as follows:

   a. Protection One Alarm Monitoring, Inc., a Delaware corporation, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Protection One Alarm Monitoring, Inc. is a provider of home security services. Protection One Alarm Monitoring, Inc.'s subsidiaries are as follows:

      i. Network Multi-Family Security Corporation, a Delaware corporation, with principal offices at 14275 Midway Road, Suite 400, Addison, Texas 75001. Network Multi-Family Security Corporation is a provider of multi-family electronic monitored security services.

      ii. Protection One Alarm Monitoring of Mass., Inc., a Massachusetts corporation, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Protection One Alarm Monitoring of Mass., Inc. is a provider of security alarm services.

      iii. Protection One Canada, Inc., a corporation organized under the laws of Ontario, Canada, with principal offices at 1 Valleybrook Drive, Don Mills, Ontario, M3B 2S7, Canada. Protection One Canada, Inc. is a provider of security alarm services. Protection One Canada, Inc.'s subsidiary is as follows:

         (1) Canguard, Inc., a corporation organized under the laws of Ontario, Canada, with principal offices at 1 Valleybrook Drive, 1st Floor, Don Mills, Ontario, M3B 2S7 Canada. Canguard, Inc. is a provider of security alarm services.

      iv. Security Monitoring Services, Inc., a Florida corporation with principal offices at 6225 N. State Highway 161, Suite 400, Irving, Texas 75063. Security Monitoring Services, Inc. is a provider of security alarm services.

5. Protection One (UK) plc, a public limited company organized under the laws of the United Kingdom, with principal offices at Protection House, The Loddon Business Centre, Roentgen Road, Basingstoke, Hampshire RG24 8NG, United Kingdom. Protection One (UK) plc is a provider of security alarm services.

6. Protection One International, Inc., a Delaware corporation with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Protection One International, Inc. is a provider of security alarm services. Protection One International, Inc.'s subsidiaries are as follows:

    a. Protection One France, EURL, a corporation organized under the laws of France, with principal offices at Techno-Parc du Griffon, 840, Route de la Seds, 13127 Vitrolles, France. Protection One France, EURL is a provider of security alarm services. Protection One France, EURL's subsidiaries are as follows:

        i. Compagnie Europeenne de Telesecurite, S.A. ("CET") a corporation organized under the laws of France, with principal offices at 140, boulevard Malesherbes, 75017 Paris, France. CET is a provider of security alarm services. CET 's subsidiaries are as follows:

            (1) Actar, a corporation organized under the laws of France, with principal offices at 21 rue Auguste Perret, 94808 Villejuif, France. Actar is a provider of security alarm services. Actar 's subsidiaries are as follows:

                (a) Orion Bataille, a corporation organized under the laws of France, with principal offices at 2 av de la Bourdiniere, 22120 Yffigniac, France. Orion Bataille is a provider of alarm monitoring services.

                (b) Surveilance Electronique, a corporation organized under the laws of France, with principal offices at 133 route de Versailles, 92410 Ville d'Avray, France. Surveilance Electronique is a provider of security alarm services.

            (2) CET Benelux S.A., a corporation organized under the laws of Belgium, with principal offices at 440, boulevard Lambermont, 1030 Brussels, Belgium, is a provider of security alarm services. The subsidiaries of CET Benelux S.A. are as follows:

                (a) CET Nederland, a corporation organized under the laws of the Netherlands, with principal offices at Vreeswykscstraatweg, NL 3432 NA Nieuwegein, Netherlands. CET Nederland is a provider of alarm monitoring services.

(b) E.S. Beveiliging, a corporation organized under the laws of Belgium, with principal offices at Bd Lambermont 440, 1030 Bruxelles, Belgium. E.S. Beveiliging installs alarm monitoring systems.

(c) Consutron Nederland Teleshop BV, a corporation organized under the laws of the Netherlands, with principal offices at Markendaalseweg 329/19, 4811 KB Breda, Netherlands. Consutron Nederland Teleshop BV administrates and installs alarm monitoring systems. Consutron Nederland Teleshop BV's subsidiary is as follows:

(i) Residentie, a corporation organized under the laws of Netherlands, with a principal office at Jupiterkade 2, 2516 BS Den Haag, The Netherlands. Residentie is a provider of alarm monitoring services.

(3) C.E.T. (Suisse), S.A., a corporation organized under the laws of Switzerland, with principal offices at Nyon, Switzerland. C.E.T. (Suisse), S.A. is a provider of security alarm services. The subsidiary of C.E.T. (Suisse), S.A. is as follows:

(a) Telra, a corporation organized under the laws of Switzerland, with principal offices at Chemin des Champs Courbes 15, 1024 Ecublens, Switzerland. Telra installs phone network alarm systems.

(4) C.E.T. Germany (Sicherheirsdienste GmbH), a corporation organized under the laws of Germany, with principal offices at Am Meerkamp 23, 40667 Meerbush, Germany, is a provider of alarm monitoring services. C.E.T. Germany (Sicherheirsdienste GmbH) is 95% owned by CET.

(5) Croise Laroche, a corporation organized under the laws of France, with principal offices at 140 boulevard Malesherbes, 75017 Paris, France, is a provider of security alarm services. Croise Laroche is 92.1% owned by CET.

(6) Eurocontact, a corporation organized under the laws of France, with principal offices at Les Docks Atrium 102, 10, Place de la Joliette, 13304 Marseille, Cedex 2, France. Eurocontact is a provider of security alarm services.

(7) France Reseau Telesecurite ("F.R.T."), a corporation organized under the laws of France, with principal

offices at 140, boulevard Malesherbes, 75017 Paris, France. F.R.T. is a provider of security alarm services.

(8) Protection One Europe, a corporation organized under the laws of France, with principal offices at 16 rue Antonin Raynaud, 92300 Levallois-Perret, France. Protection One Europe is a provider of residential alarm monitoring services.

(9) Eurostation, a corporation organized under the laws of France, with principal offices at 840 route de la Seds, Technoparc du Griffon, 13127 Vitrolles, France. Eurostation is a security alarm monitoring station.

(10) E.D.E., a corporation organized under the laws of France, with principal offices at Espace Cristal, 89100 Saint-Clement, France. E.D.E. provides monitoring assistance to individuals.

7. Westar Aviation, Inc. a Kansas corporation, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Westar Aviation, Inc. leases and maintains planes for corporate transportation purposes.

8. Westar Communications, Inc., a Kansas corporation, with principal offices at 1324 S. Kansas Avenue, Topeka, Kansas 66612. Westar Communications, Inc. offers paging and wireless communication services in Kansas.

9. Westar Limited Partners, Inc., a Kansas corporation, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Westar Limited Partners, Inc. participates in limited partnerships and investments of Westar Industries.

10. Westar Limited Partners II, Inc., a Kansas corporation, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Westar Limited Partners II, Inc. participates in limited partnerships and investments of Westar Industries.

11. Wing Colombia, L.L.C., a Delaware limited liability company, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Wing Colombia, L.L.C. is a holding company for EWG's. The subsidiaries of Wing Columbia, L.L.C. are as follows:

    a. Merilectrica I, S.A., a sociedad anonima organized under the laws of the Republic of Colombia with principal offices in Colombia, South America. This company is the general partner of Merilectrica I, S.A. & Cia, S.C.A. E.S.P., an EWG and 36.75% owned by Wing Colombia L.L.C.

    b. TLC International LDC a limited duration company organized under the laws of the Cayman Islands with principal offices at x/o W.S. Walker & Co., Claredonian House, Georgetown Grand Cayman's, Cayman Islands. This Company is an EWG and 36.75% owned by Wing Colombia L.L.C.

c. Merilectrica I, S.A. & Cia, S.C.A. E.S.P., a sociedad en comandita por acciones organized under the law of the Republic of Colombia with principal offices in Colombia, South America. This company is the general partner of Merilectrica I, S.A. and 36.75% owned by Wing Colombia L.L.C.

12. Western Resources (Bermuda) Ltd., a Bermuda limited liability company with principal offices at Clarendon House, Two Church Street, Hamilton HM 11, Bermuda. Western Resources (Bermuda) Ltd. is a holding company to hold the interest of WRI in CPI-Western Power Holdings Ltd. and other international projects. Western Resources (Bermuda) Ltd.'s subsidiaries are as follows:

a. CPI-Western Power Holdings Ltd., a Bermuda limited liability company. Western Resources (Bermuda) Ltd. owns 50% of CPI-Western Power Holdings Ltd. a master joint venture which maintains interest in power generation projects in China. CPI-Western Power Holdings Ltd.'s subsidiaries are as follows:

i. Western Resources International Limited is a limited liability company organized under the laws of Mauritius. Western Resources International Limited is a holding company for EWG's in China.

(1) Zhengzhou Dengwei Power Co., Ltd., a corporation organized under the laws of China, with principal offices at Yangcheng Industrial Zone, Dengfeng Industrial Zone, Dengfeng Municipality, Henan Province, People's Republic of China. This company is an EWG and 49% owned by Western Resources International Limited.

(2) Zhengzhou Dengyuan Power Co., Ltd., a corporation organized under the laws of China, with principal offices at Yancheng Industrial Zone, Dengfeng Municipality, Henan Province, People's Republic of China. This company is an EWG and 49% owned by Western Resources International Limited.

(3) Zhengzhou Huadeng Power Co., Ltd., a corporation organized under the laws of China, with principal offices at Yangcheng Industrial Zone, Dengfeng Industrial Zone, Dengfeng Municipality, Henan Province, People's Republic of China. This company is an EWG and 49% owned by

Western Resources International Limited.

(4) Zhengzhou Huaxin Power Co., Ltd., a corporation organized under the laws of China, with principal offices at Yancheng Industrial Zone, Dengfeng Industrial Zone, Dengfeng Municipality, Henan Province, People's Republic of China. This company is an EWG and 49% owned by Western Resources International Limited.

b. Western Resources I (Cayman Islands) Limited is a limited liability company organized under the laws of the Cayman Islands with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Western Resources I (Cayman Islands) Limited was established to develop power generation projects. Western Resources I (Cayman Island) Limited's subsidiary is as follows:

i. Western Resources II (Cayman Islands) Limited is a limited liability company organized under the laws of the Cayman Islands with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Western Resources II (Cayman Islands) Limited was established to develop power generation projects.

13. Wing Turkey, Inc. is a Delaware corporation, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Wing Turkey, Inc. is a holding company for power projects in Turkey. Wing Turkey, Inc.'s subsidiaries are as follows:

a. Wing International, Ltd. is a Texas limited liability corporation, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Wing International, Ltd. is a holding company for an EWG in Turkey. Wing International, Ltd.'s investment is in:

i. Trakya Elektrik Uretim VE Ticaret A.S., a Republic of Turkey corporation, with principal offices at P.K. 13, Marmara Ereglsi 59740 Tekirdag. This company is an EWG and 9% owned by Wing International, Ltd.

C. Western Resources Capital I and II are Delaware business trusts with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Western Resources Capital I and II were established for the purpose of issuing securities.

D. Westar Generating, Inc., a Kansas corporation, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Westar Generating, Inc. holds interests in electric power plants.

E. Westar Generating II, Inc., a Kansas corporation, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Westar Generating II, Inc. holds interests in electric power plants.

F. WR Receivables Corporation, a Kansas corporation, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. WR Receivables Corporation is a special purpose entity wholly owned by WRI. WRI and KGE have sold all of their accounts receivable arising from the sale of electricity to WR Receivables Corporation.

G. Dormant subsidiaries of WRI:

1. Contract Compression, Inc., a Texas corporation.

2. Rangeline Corporation, a Kansas corporation.

3. The Kansas Power and Light Company, a Kansas corporation.

4. WR Services, Inc., a Kansas corporation.

5. Westar Energy, Inc., a Kansas corporation.

6. Astra Resources, Inc., a Kansas corporation.

   a. Westar Energy Investments, Inc., a Kansas corporation.

H. Dormant subsidiary of Westar Industries, Inc.:

1. Protection One Security Limited, a private limited company organized under the laws of the United Kingdom.

2. Westar Financial Services, Inc., a Kansas Corporation.

I. Dormant subsidiaries of Protection One (UK) plc:

1. Masco Holdings Limited, a private limited company organized under the laws of the United Kingdom.

   a. Masco Security Systems Limited, a private limited company organized under the laws of the United Kingdom.

ITEM 2. Description of The Properties of Claimant And Each of Its Subsidiary Public Utility Company Used for the Generation, Transmission, and Distribution of Electric Energy for Sale.

A. The principal electric generating stations of WRI, all of which are located in Kansas, are as follows:

Name and Location	Accredited Capacity - MW (WRI's Share)
Coal	
JEC Unit 1, near St. Marys	476
JEC Unit 2, near St. Marys	474
JEC Unit 3, near St. Marys	475
Lawrence Energy Center, near Lawrence	572
Tecumseh Energy Center, near Tecumseh	243
Subtotal	2,240
Gas/Oil	
Hutchinson Energy Center, near Hutchinson	412
Abilene Energy Center, near Abilene	66
Tecumseh Energy Center, near Tecumseh	41
Subtotal	519
Diesel	
Hutchinson Energy Center	81
Wind	
JEC Wind Turbine 1, near St. Marys	0.5
JEC Wind Turbine 2, near St. Marys	0.5
Subtotal	1.0
Total Accredited Capacity	2,841 MW

WRI maintains 10 interconnections with 6 other public utilities to permit direct extra-high voltage interchange. WRI is also a member of the Southwest Power Pool, the regional coordinating council for electric utilities throughout the south-central United States.

WRI owns a transmission and distribution system which enables it to supply its service area. Transmission and distribution lines, in general, are located by permit or easement on public roads and streets or the lands of others. All such transmission and distribution systems are located within the State of Kansas.

B. The principal electric generating stations of KGE, all of which are located in Kansas, are as follows:

Name and Location	Accredited Capacity - MW (KGE's Share)
Nuclear	
Wolf Creek, near Burlington	550
Coal	
LaCygne Unit 1, near LaCygne	344
LaCygne Unit 2, near LaCygne	337
JEC Unit 1, near St. Mary's	149
JEC Unit 2, near St. Mary's	148
JEC Unit 3, near St. Mary's	148
Subtotal..............................	1,126
Gas/Oil	
Gordon Evans, Wichita	682
Murray Gill, Wichita..............................	335
Neosho, Neosho....................................	67
Subtotal	1,084
Diesel	
Wichita, Wichita..................................	3
Wind	
JEC Wind Turbine 1, near St. Marys.................	0.1
JEC Wind Turbine 2, near St. Marys.................	0.1
	0.2
Total Accredited Capacity	2,763.2 MW

KGE maintains 9 interconnections with 5 other public utilities to permit direct extra-high voltage interchange. KGE is also a member of the Southwest Power Pool, the regional coordinating council for electric utilities throughout the south-central United States.

KGE owns a transmission and distribution system which enables it to supply its service area. Transmission and distribution lines, in general, are located by permit or easement on public roads and streets or the lands of others. All such transmission and distribution systems are located within the State of Kansas.

ITEM 3. Information for the Last Calendar Year with Respect to Claimant and Each of its Subsidiary Public Utility Companies.

A. Number of KWH of electric energy sold (at retail or wholesale):

For the year ended December 31, 2000, WRI sold 9,534,653,000 KWH of electric energy at retail, and 4,485,381,000 KWH of electric energy at wholesale. For the year ended December 31, 2000, KGE sold 9,100,130,000 KWH of electric energy at retail and 2,406,950,000 KWH of electric energy at wholesale.

B. Number of KWH of electric energy distributed at retail outside the State in which each company is organized:

During 2000, neither WRI nor its subsidiaries distributed or sold electric energy at retail outside the State of Kansas.

C. Number of KWH of electric energy sold at wholesale outside the State in which each company is organized:

During 2000, WRI sold, at wholesale, 1,923,573,000 KWH of electric energy to adjoining public utilities through interconnections at the Kansas state line. During 2000, KGE sold, at wholesale, 1,613,772,000 KWH of electric energy to adjoining public utilities through interconnections at the Kansas state line. During 2000, neither WRI or KGE sold natural or manufactured gas at wholesale outside the state of Kansas or at the Kansas state line.

D. Number of KWH of electric energy purchased outside the State in which each company is organized:

During 2000, WRI purchased 414,983,000 KWH of electric energy from outside the State of Kansas or at the Kansas state line. During 2000, KGE purchased 228,695,000 KWH of electric energy from outside the State of Kansas or at the Kansas state line.

ITEM 4. Information for the Reporting Period with Respect to Claimant and Each Interest it Holds Directly or Indirectly in an EWG or a Foreign Utility Company.

4.1 Merilectrica/TLC International.

A. Name, location, business address and description of the facilities used by the EWG or foreign utility company for the generation, transmission and distribution of electric energy for sale or for the distribution at retail of natural or manufactured gas:

Name of EWG:	Merilectrica I, S.A.
Address:	Apartado Aereo 12203
	Calles 5A #39 Room 194
	Medellin, Colombia
Name of EWG	TLC International LDC
Address:	c/o W. S. Walker & Co.
	Claredonian house
	P.O. Box 265

	Georgetown Grand Cayman's, Cayman Islands
Location:	Barrancabermeja, Santander, Colombia
Facility:	160 MW single-cycle gas fired electric generating plant.

B. Name of each system company that holds an interest in such EWG or foreign utility company; and description of the interest held:

Wing Colombia, L.L.C., a Delaware limited liability company owns 36.3825% directly and 0.36382% indirectly of Merilectrica I, S.A. & Cia, S.C.A. E.S.P., ("Merilectrica") a Colombian comandita and operator of the plant, and 36.75% of TLC International LDC, ("TLC") a Cayman limited duration company, and owner and lessor of the equipment installed in the plant. Merilectrica leases the equipment from TLC and owns the balance of the plant.

C. Type and amount of capital invested, directly or indirectly, by the holding company claiming exemption; any direct or indirect guarantee of the security of the EWG or foreign utility company by the holding company claiming exemption; and any debt or other financial obligation for which there is recourse, directly or indirectly, to the holding company claiming exemption or another system company, other than the EWG or foreign utility company:

Capital Invested:	Approximately US $16,005,627
Guarantees:	None
Other Obligations:	Two letters of credit totaling $8,063,495 supporting the construction of the project exist under which Westar Industries, a wholly owned subsidiary of the claimant is ultimately responsible.

D. Capitalization and earnings of the EWG or foreign utility company during the reporting period:

Capitalization:	Merilectrica - $16,711,824 TLC - US $37,480,213
Earnings:	$1,587,000

E. Identify any service, sales or construction contract(s) between the EWG or foreign utility company and a system company, and describe the services to be rendered or goods sold and fees or revenues under such agreement(s):

None

4.2 Zhengzhou Dengwei Power Co.

A. Name, location, business address and description of the facilities used by the EWG or foreign utility company for the generation, transmission and distribution of electric energy for sale or for the distribution at retail of natural or manufactured gas:

Name of EWG:	Zhengzhou Dengwei Power Co., Ltd.
Address:	Yangcheng Industrial Zone Dengfeng Industrial Zone, Dengfeng Municipality, Henan Province
Location:	Dengfeng Municipality, Henan Province, People's Republic of China.
Facility:	55 MW coal-fired generating unit.

B. Name of each system company that holds an interest in such EWG or foreign utility company; and description of the interest held:

Western Resources International Limited owns a 49% interest in Zhenzhou Dengwei Power Co., Ltd.

C. Type and amount of capital invested, directly or indirectly, by the holding company claiming exemption; any direct or indirect guarantee of the security of the EWG or foreign utility company by the holding company claiming exemption; and any debt or other financial obligation for which there is recourse, directly or indirectly, to the holding company claiming exemption or another system company, other than the EWG or foreign utility company:

Capital Invested:	Approximately US $5.2 million as registered paid-in capital. Shareholder loan of approximately US $7.9 million payable in equal annual installments over a 20-year term.
Guarantees:	None
Other Obligations:	None

D. Capitalization and earnings of the EWG or foreign utility company during the reporting period:

Capitalization:	US $10.5 million
Earnings:	Estimated US $2.5 million

E. Identify any service, sales or construction contract(s) between the EWG or foreign utility company and a system company, and describe the services to be rendered or goods sold and fees or revenues under such agreement(s):

None

4.3 Zhengzhou Dengyuan Power Co.

A. Name, location, business address and description of the facilities used by the EWG or foreign utility company for the generation, transmission and distribution of electric energy for sale or for the distribution at retail of natural or manufactured gas:

Name of EWG:	Zhengzhou Dengyuan Power Co., Ltd.
Address:	Yangcheng Industrial Zone, Dengfeng Municipality, Henan Province, People's Republic of China.
Location:	Dengfeng Municipality, Henan Province, People's Republic of China.
Facility:	55 MW coal-fired generating unit.

B. Name of each system company that holds an interest in such EWG or foreign utility company; and description of the interest held:

Western Resources International Limited owns a 49% interest in Zhengzhou Dengyuan Power Co., Ltd.

C. Type and amount of capital invested, directly or indirectly, by the holding company claiming exemption; any direct or indirect guarantee of the security of the EWG or foreign utility company by the holding company claiming exemption; and any debt or other financial obligation for which there is recourse, directly or indirectly, to the holding company claiming exemption or another system company, other than the EWG or foreign utility company:

Capital Invested:	Approximately US $4.9 million cash as registered paid-in capital. Shareholder loan of approximately US $9.8 million payable in equal annual installments over a 20-year term.
Guarantees:	None
Other Obligations:	None

D. Capitalization and earnings of the EWG or foreign utility company during the reporting period:

Capitalization:	US $9.8 million
Earnings:	Estimated US $2.5 million

E. Identify any service, sales or construction contract(s) between the EWG or foreign utility company and a system company, and describe the services to be rendered or goods sold and fees or revenues under such agreement(s):

None

4.4 Zhengzhou Huadeng Power Co.

A. Name, location, business address and description of the facilities used by the EWG or foreign utility company for the generation, transmission and distribution of electric energy for sale or for the distribution at retail of natural or manufactured gas:

Name of EWG:	Zhengzhou Huadeng Power Co., Ltd.
Address:	Yangcheng Industrial Zone Dengfeng Industrial Zone Dengfeng Municipality, Henan Province, PRC
Location:	Dengfeng Municipality, Henan Province, People's Republic of China
Facility:	55 MW coal-fired generating unit

B. Name of each system company that holds an interest in such EWG or foreign utility company; and description of the interest held:

Western Resources International Limited owns a 49% equity interest in Zhengzhou Huadeng Power Co., Ltd.

C. Type and amount of capital invested, directly or indirectly, by the holding company claiming exemption; any direct or indirect guarantee of the security of the EWG or foreign utility company by the holding company claiming exemption; and any debt or other financial obligation for which there is recourse, directly or indirectly, to the holding company claiming exemption or another system company, other than the EWG or foreign utility company:

Capital Invested:	Approximately US $4.4 million as registered paid-in capital.
Guarantees:	None
Other Obligations:	None

D. Capitalization and earnings of the EWG or foreign utility company during the reporting period:

Capitalization:	Registered paid-in Capital of approximately US $8.9 million
Earnings:	Estimated US $0.6 million

E. Identify any service, sales or construction contract(s) between the EWG or foreign utility company and a system company, and describe the services to be rendered or goods sold and fees or revenues under such agreement(s):

None

4.5 Zhengzhou Huaxin Power Co.

A. Name, location, business address and description of the facilities used by the EWG or foreign utility company for the generation, transmission and distribution of electric energy for sale or for the distribution at retail of natural or manufactured gas:

Name of EWG:	Zhengzhou Huaxin Power Co., Ltd.
Address:	Yangcheng Industrial Zone Dengfeng Industrial Zone Dengfeng Municipality, Henan Province, PRC
Location:	Dengfeng Municipality, Henan Province, People's Republic of China
Facility:	55 MW coal-fired generating unit

B. Name of each system company that holds an interest in such EWG or foreign utility company; and description of the interest held:

Western Resources International Limited owns a 49% equity interest in Zhengzhou Huaxin Power Co. Ltd.

C. Type and amount of capital invested, directly or indirectly, by the holding company claiming exemption; any direct or indirect guarantee of the security of the EWG or foreign utility company by the holding company claiming exemption; and any debt or other financial obligation for which there is recourse, directly or indirectly, to the holding company claiming exemption or another system company, other than the EWG or foreign utility company:

Capital Invested:	Approximately US $4.4 million as registered paid-in capital.
Guarantees:	None
Other Obligations:	None

D. Capitalization and earnings of the EWG or foreign utility company during the reporting period:

Capitalization:	Registered paid-in Capital of approximately US $8.9 million
Earnings:	Estimated US $0.6 million

E. Identify any service, sales or construction contract(s) between the EWG or foreign utility company and a system company, and describe the services to be rendered or goods sold and fees or revenues under such agreement(s):

None

4.6 Trakya Elektrik Uretim Ve Ticaret A.S.

A. Name, location, business address and description of the facilities used by the EWG or foreign utility company for the generation, transmission and distribution of electric energy for sale or for the distribution at retail of natural or manufactured gas:

Name of EWG:	Trakya Elektrik Uretim Ve Ticaret A.S.
Address:	P.K. 13 Marmara Ereglsi 59740 Tekirdag
Location:	Botas Tesisleri Mevkii Sultankoy Beledesi Marmara Ereglisi 59740 Tekirdag Turkey
Facility:	478 MW combined cycle gas turbine with four 154 KV substations.

B. Name of each system company that holds an interest in such EWG or foreign utility company; and description of the interest held:

Wing International, Ltd., a Texas limited liability company owns 9% of the project.

C. Type and amount of capital invested, directly or indirectly, by the holding company claiming exemption; any direct or indirect guarantee of the security of the EWG or foreign utility company by the holding company claiming exemption; and any debt or other financial obligation for which there is recourse, directly or indirectly, to the holding company claiming exemption or another system company, other than the EWG or foreign utility company:

Capital Invested:	Approximately US $10,388,379 as paid in capital. Approximately US $2,139,130 subordinated debt.
Guarantees:	Westar Industries has issued standby letters of credit totaling $3,442,662.
Other Obligations:	Wing Turkey, Inc. (a wholly-owned subsidiary of the claimant and 99% parent of Wing International, Ltd.) is a party to the "Wing Turkey Guarantee Agreement" along with Trakya Elektrik and Chase Manhattan Bank (as Offshore Collateral Agent) and ABN AMRO Bank (as Funding Agent). Under this agreement, the equity contributions and subordinated debt contributions, agreed to in the "Equity Funding Agreement" are guaranteed.

D. Capitalization and earnings of the EWG or foreign utility company during the reporting period:

Capitalization:	Approximately US $139,194,573
Earnings:	US $44,588,000

E. Identify any service, sales or construction contract(s) between the EWG or foreign utility company and a system company, and describe the services to be rendered or goods sold and fees or revenues under such agreement(s):

None

The above-named claimant has caused this statement to be duly executed on its behalf by its authorized officer on this 2nd day of April, 2001.

Western Resources, Inc.

By: /s/ Richard D. Terrill

Richard D. Terrill
Executive Vice President,
General Counsel

Name, title and address of officer to whom notices and correspondence concerning this statement should be addressed:

Richard D. Terrill
Executive Vice President, General Counsel
Western Resources, Inc.
P.O. Box 889
818 South Kansas Avenue
Topeka, Kansas 66601
(785)575-6322
(785)575-1936 (FAX)

EXHIBIT A

A consolidating statement of income and surplus of the claimant and its subsidiary companies for the last calendar year, together with a consolidating balance sheet of claimant and its subsidiary companies as of the close of such calendar year:

Exhibit A-1

WESTERN RESOURCES, INC.
CONSOLIDATING BALANCE SHEET
December 31, 2000

	Western Resources	Kansas Gas and Electric	Western Resources Receivable Corp	Westar Industries Consolidated	Westar Generating I
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ (477,255)	$ 16,329	$ 7,084,486	$ 2,740,478	$ -
Restricted cash	8,927,274	-	-	13,278,122	-
Accounts receivable (net)	415,761,271	191,289,257	159,158,965	60,066,910	-
Inventories and supplies (net)	39,796,940	46,387,761	-	15,118,719	-
Marketable securities	-	-	-	3,945,985	-
Energy trading contracts	185,364,154	-	-	-	-
Deferred tax asset	-	-	-	35,909,000	-
Tax receivable	-	-	-	3,178,559	-
Prepaid expenses and other	3,008,302	21,990,735	-	24,565,029	-
Total Current Assets	652,380,686	259,684,082	166,243,451	158,802,802	-
PROPERTY, PLANT, AND EQUIPMENT (NET)	1,409,364,336	2,450,060,798	-	59,735,080	74,277,939
OTHER ASSETS					
Restricted cash	35,878,236	-	-	-	-
Investment in ONEOK	-	-	-	591,173,458	-
Customer accounts (net)	-	-	-	1,005,505,195	-
Goodwill (net)	-	-	-	976,102,116	-
Regulatory assets	101,870,868	225,479,157	-	-	-
Intercompany Receivable	244,049,254	-	-	138,856,831	-
Deferred tax asset	-	-	-	41,267,150	-
Other	3,618,628,165	96,525,324	-	296,355,281	-
Total Other Assets	4,000,426,523	322,004,481	-	3,049,260,031	-
TOTAL ASSETS	$ 6,062,171,545	$ 3,031,749,361	$ 166,243,451	$ 3,267,797,913	$ 74,277,939
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Current maturities of long-term debt	$ 15,368,577	$ -	$ -	$ 26,456,117	$ -
Short-term debt	35,000,000	-	-	-	-
Accounts payable	1,214,754,382	73,561,639	41,438,251	20,525,140	602,111
Accrued liabilities	99,482,506	27,547,233	697,761	79,941,271	-
Purchase holdbacks	-	-	-	3,844,548	-
Accrued income taxes	(115,364,807)	97,990,080	(355,038)	72,381,732	-
Deferred security revenues	-	-	-	73,584,565	-
Energy trading contracts	191,672,712	-	-	-	-
Other	252,882,997	7,114,648	115,000,000	7,597,436	-
Total Current Liabilities	1,693,796,367	206,213,600	156,780,974	284,330,809	602,111
LONG-TERM LIABILITIES					
Long-term debt (net)	2,010,315,904	684,365,817	-	543,166,994	-
Western Resources obligated mandatorily	-	-	-	-	-
redeemable preferred securities of	-	-	-	-	-
subsidiary trusts holding solely	-	-	-	-	-
company subordinated debentures	-	-	-	-	-
Deferred income taxes and credits	261,428,315	736,435,895	-	-	-
Minority interests	-	-	-	184,035,375	-
Deferred gain from sale/leaseback	-	186,294,221	-	-	-
Other	165,211,897	108,703,582	-	9,968,104	-
Total Long-Term Liabilities	2,436,956,116	1,715,799,515	-	737,170,473	-
COMMITMENTS AND CONTINGENCIES					
SHAREHOLDERS' EQUITY					
Cumulative preferred stock	24,857,600	-	-	-	-
Common Stock, par value $5 per share, 150,000,000 authorized shares, 67,401,657 outstanding shares	350,411,570	1,065,633,791	1,000	725,000	1,000
Paid-in capital	850,099,804	(14,451)	9,999,000	1,956,414,645	73,696,565
Retained earnings	714,453,899	44,116,906	(537,523)	297,560,797	(21,737)
Accumulated other comprehensive income	(8,403,811)	-	-	(8,403,811)	-
Total Shareholders' Equity	1,931,419,062	1,109,736,246	9,462,477	2,246,296,631	73,675,828
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 6,062,171,545	$ 3,031,749,361	$ 166,243,451	$ 3,267,797,913	$ 74,277,939

Exhibit A-1

WESTERN RESOURCES, INC.
CONSOLIDATING BALANCE SHEET
December 31, 2000

	Westar Generating II	Western Resources Capital I and II	Consolidating Entries	Western Resources Consolidated
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ -	$ -	$ (602,004)	$ 8,762,034
Restricted cash	-	-	-	22,205,396
Accounts receivable (net)	1,000	226,804,150	(900,916,703)	152,164,850
Inventories and supplies (net)	-	-	-	101,303,420
Marketable securities	-	-	-	3,945,985
Energy trading contracts	-	-	-	185,364,154
Deferred tax asset	-	-	(35,909,000)	-
Tax receivable	-	-	(3,178,559)	-
Prepaid expenses and other	-	-	(9,061,020)	40,503,046
Total Current Assets	1,000	226,804,150	(949,667,286)	514,248,885
PROPERTY, PLANT, AND EQUIPMENT (NET)	-	-	-	3,993,438,153
OTHER ASSETS				
Restricted cash	-	-	-	35,878,236
Investment in ONEOK	-	-	-	591,173,458
Customer accounts (net)	-	-	-	1,005,505,195
Goodwill (net)	-	-	-	976,102,116
Regulatory assets	-	-	-	327,350,025
Receivable from Western Resources	-	-	(382,906,085)	-
Deferred tax asset	-	-	(41,267,150)	-
Other	-	-	(3,687,996,980)	323,511,790
Total Other Assets	-	-	(4,112,170,215)	3,259,520,820
TOTAL ASSETS	$ 1,000	$ 226,804,150	$(5,061,837,501)	$ 7,767,207,858
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Current maturities of long-term debt	$ -	$ -	$ -	$ 41,824,694
Short-term debt	-	-	-	35,000,000
Accounts payable	-	-	(1,173,814,423)	177,067,100
Accrued liabilities	-	-	(339,524)	207,329,247
Purchase holdbacks	-	-	(3,844,548)	-
Accrued income taxes	-	-	(818,016)	53,833,951
Deferred security revenues	-	-	-	73,584,565
Energy trading contracts	-	-	-	191,672,712
Other	-	-	(348,407,335)	34,187,746
Total Current Liabilities	-	-	(1,527,223,846)	814,500,015
LONG-TERM LIABILITIES				
Long-term debt (net)	-	-	-	3,237,848,715
Western Resources obligated mandatorily	-	-	-	-
redeemable preferred securities of	-	-	-	-
subsidiary trusts holding solely	-	-	-	-
company subordinated debentures	-	220,000,000	-	220,000,000
Deferred income taxes and credits	-	-	(78,057,202)	919,807,008
Minority interests	-	-	555,881	184,591,256
Deferred gain from sale/leaseback	-	-	-	186,294,221
Other	-	-	(11,136,002)	272,747,581
Total Long-Term Liabilities	-	220,000,000	(88,637,323)	5,021,288,781
COMMITMENTS AND CONTINGENCIES				
SHAREHOLDERS' EQUITY				
Cumulative preferred stock	-	-	-	24,857,600
Common Stock, par value $5 per share, 150,000,000 authorized shares, 67,401,657 outstanding shares	1,000	6,804,150	(1,073,165,941)	350,411,570
Paid-in capital	-	-	(2,040,095,759)	850,099,804
Retained earnings	-	-	(341,118,443)	714,453,899
Accumulated other comprehensive income	-	-	8,403,811	(8,403,811)
Total Shareholders' Equity	1,000	6,804,150	(3,445,976,332)	1,931,419,062
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,000	$ 226,804,150	$(5,061,837,501)	$ 7,767,207,858

Exhibit A-1

WESTERN RESOURCES, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 2000

	Western Resources	Kansas Gas and Electric	Western Resources Receivable Corp	Westar Industries Consolidated	Westar Generating I
SALES:					
Energy	$ 1,125,142,254	$ 703,989,992	$ -	$ 1,484,439	$ -
Security	-	-	-	537,858,787	-
Total Sales	1,125,142,254	703,989,992	-	539,343,226	-
COST OF SALES:					
Energy	668,731,919	170,671,956	-	259,253	-
Security	-	-	-	185,554,710	-
Total Cost of Sales	668,731,919	170,671,956	-	185,813,963	-
GROSS PROFIT	456,410,335	533,318,036	-	353,529,263	-
OPERATING EXPENSES:					
Operating and maintenance expense	144,698,163	189,455,941	-	4,380,010	21,737
Depreciation and amortization	71,544,497	104,294,299	-	250,530,412	-
Selling, general and administrative expenses	88,679,106	62,387,627	322,407	213,283,713	-
Total Operating Expenses	304,921,766	356,137,867	322,407	468,194,135	21,737
INCOME (LOSS) FROM OPERATIONS	151,488,569	177,180,169	(322,407)	(114,664,872)	(21,737)
OTHER INCOME (EXPENSES):					
ONEOK investment income	-	-	-	45,313,464	-
Investment earnings	149,986,768	39,894	-	137,294,621	-
Minority interest	-	-	-	8,625,212	-
Interest and dividend income	-	-	-	11,318,326	-
Miscellaneous investments	-	-	-	-	-
Other	3,838,987	(6,038,326)	(570,154)	73,131	-
Total Other Income (Expense)	153,825,755	(5,998,432)	(570,154)	202,624,754	-
EARNINGS BEFORE INTEREST AND TAXES	305,314,324	171,181,737	(892,561)	87,959,882	(21,737)
INTEREST EXPENSE:					
Interest expense on long-term debt	120,901,420	46,241,159	-	54,227,247	-
Interest expense on short-term debt and other	65,258,543	3,364,181	-	1,231,536	-
Total Interest Expense	186,159,963	49,605,340	-	55,458,783	-
EARNINGS (LOSS) BEFORE INCOME TAXES	119,154,361	121,576,397	(892,561)	32,501,099	(21,737)
INCOME TAX (BENEFIT) EXPENSE	(17,326,291)	34,330,427	(355,038)	26,349,332	-
INCOME BEFORE EXTRAORDINARY ITEM AND ACCOUNTING CHANGE	136,480,652	87,245,970	(537,523)	6,151,767	(21,737)
EXTRAORDINARY ITEM (NET OF TAX)	-	-	-	49,240,844	-
CUMULATIVE EFFECT OF ACCOUNTING CHANGE (NET OF TAX)	-	-	-	(3,809,999)	-
NET INCOME	136,480,652	87,245,970	(537,523)	51,582,612	(21,737)
PREFERRED DIVIDENDS	1,128,610	-	-	-	-
EARNINGS AVAILABLE FOR COMMON STOCK	$ 135,352,042	$ 87,245,970	$ (537,523)	$ 51,582,612	$ (21,737)

Exhibit A-1

WESTERN RESOURCES, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 2000

	Westar Generating II	Western Resources Capital I and II	Consolidating Entries	Western Resources Consolidated
SALES:				
Energy	$ -	$ -	$ -	$ 1,830,616,685
Security	-	-	-	537,858,787
Total Sales	-	-	-	2,368,475,472
COST OF SALES:				
Energy	-	-	10,613,445	850,276,573
Security	-	-	-	185,554,710
Total Cost of Sales	-	-	10,613,445	1,035,831,283
GROSS PROFIT	-	-	(10,613,445)	1,332,644,189
OPERATING EXPENSES:				
Operating and maintenance expense	-	-	(1,074,630)	337,481,221
Depreciation and amortization	-	-	-	426,369,208
Selling, general and administrative expenses	-	-	(21,509,402)	343,163,451
Total Operating Expenses	-	-	(22,584,032)	1,107,013,880
INCOME (LOSS) FROM OPERATIONS	-	-	11,970,587	225,630,309
OTHER INCOME (EXPENSES):				
ONEOK investment income	-	-	-	45,313,464
Investment earnings	-	18,634,023	(168,660,685)	137,294,621
Minority interest	-	-	-	8,625,212
Interest and dividend income	-	-	(1,503,431)	9,814,895
Miscellaneous investments	-	-	-	-
Other	-	-	2,696,709	347
Total Other Income (Expense)	-	18,634,023	(167,467,407)	201,048,539
EARNINGS BEFORE INTEREST AND TAXES	-	18,634,023	(155,496,820)	426,678,848
INTEREST EXPENSE:				
Interest expense on long-term debt	-	-	5,049,254	226,419,080
Interest expense on short-term debt and other	-	-	(6,705,258)	63,149,002
Total Interest Expense	-	-	(1,656,004)	289,568,082
EARNINGS (LOSS) BEFORE INCOME TAXES	-	18,634,023	(153,840,816)	137,110,766
INCOME TAX (BENEFIT) EXPENSE	-	-	3,062,530	46,060,960
INCOME BEFORE EXTRAORDINARY ITEM AND ACCOUNTING CHANGE	-	18,634,023	(156,903,346)	91,049,806
EXTRAORDINARY ITEM (NET OF TAX)	-	-	-	49,240,844
CUMULATIVE EFFECT OF ACCOUNTING CHANGE (NET OF TAX)	-	-	-	(3,809,999)
NET INCOME	-	18,634,023	(156,903,346)	136,480,651
PREFERRED DIVIDENDS	-	18,075,000	(18,075,000)	1,128,610
EARNINGS AVAILABLE FOR COMMON STOCK	$ -	$ 559,023	$ (138,828,346)	$ 135,352,041

Exhibit A-1

WESTERN RESOURCES, INC.
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
December 31, 2000

	Western Resources	Kansas Gas and Electric	Western Resources Receivable Corp	Westar Industries Consolidated	Westar Generating I
BALANCE AT BEGINNING OF PERIOD	$ 691,016,050	$ 56,870,936	$ -	$ 238,159,876	$ -
ADD:					
Net Income (loss)	136,480,652	87,245,970	(537,523)	51,582,613	(21,737)
Realignment of subsidiaries	(14,215,803)	-		7,818,308	
Total	122,264,849	87,245,970	(537,523)	59,400,921	(21,737)
DEDUCT:					
Cash dividends:					
Preferred stock	1,128,610	-	-	-	-
Common stock	97,698,390	100,000,000	-	-	-
Total	98,827,000	100,000,000	-	-	-
BALANCE AT END OF PERIOD	$ 714,453,899	$ 44,116,906	$ (537,523)	$ 297,560,797	$ (21,737)

Exhibit A-1

WESTERN RESOURCES, INC.
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
December 31, 2000

	Westar Generating II	Western Resources Capital I and II	Wing Turkey	Western Resources Bermuda	Western Resources Wing Group
BALANCE AT BEGINNING OF PERIOD	$ -	$ -	$ (5,942,779)	$ (14,929,909)	$ (37,125,462)
ADD:					
Net Income (loss)	-	18,634,023	-	-	-
Realignment of subsidiaries	-	-	5,942,779	14,929,909	37,125,462
Total	-	18,634,023	5,942,779	14,929,909	37,125,462
DEDUCT:					
Cash dividends:					
Preferred stock	-	18,075,000	-	-	-
Common stock	-	559,023	-	-	-
Total	-	18,634,023	-	-	-
BALANCE AT END OF PERIOD	$ -	$ -	$ -	$ -	$ -

WESTERN RESOURCES, INC.
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
December 31, 2000

	Consolidating Entries	Western Resources Consolidated
BALANCE AT BEGINNING OF PERIOD	$(237,032,662)	$ 691,016,050
ADD:		
Net Income (loss)	(156,903,346)	136,480,652
Realignment of subsidiaries	(65,816,458)	(14,215,803)
Total	(222,719,804)	122,264,849
DEDUCT:		
Cash dividends:		
Preferred stock	(18,075,000)	1,128,610
Common stock	(100,559,023)	97,698,390
Total	(118,634,023)	98,827,000
BALANCE AT END OF PERIOD	$(341,118,443)	$ 714,453,899

Exhibit A-2

WESTAR INDUSTRIES, INC.
CONSOLIDATING BALANCE SHEET
December 31, 2000

	Westar Industries	Protection One Consolidated	Protection One International, Inc.	Protection One UK, Inc.	Westar Limited Partners	Westar Financial Services
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ (405,700)	$ 2,740,478	$ 883,000	$ (1,756,526)	$ -	$ 3,202
Restricted cash	11,290,080	778,960	-	1,209,082	-	-
Accounts receivable (net)	(26,341,546)	37,826,096	16,910,000	5,142,829	3,645,457	45,189,656
Inventories and supplies (net)	-	11,129,366	3,255,000	705,450	-	-
Marketable securities	3,071,328	-	-	-	-	-
Deferred tax asset	-	28,444,000	7,465,000	-	-	-
Tax receivable	-	3,178,559	-	-	-	-
Prepaid expenses and other	2,300,000	3,701,692	5,104,000	1,102,320	-	-
Total Current Assets	(10,085,838)	87,799,151	33,617,000	6,403,155	3,645,457	45,192,858
PROPERTY, PLANT, AND EQUIPMENT (NET)	-	49,883,946	5,109,000	2,997,879	-	-
OTHER ASSETS						
Investment in ONEOK, Inc.	591,173,458	-	-	-	-	-
Investments in Subsidiaries	1,334,337,147	-	-	-	321,067	-
Receivable from Western Resources	140,882,744	-	-	-	-	-
Customer accounts (net)	-	900,314,000	77,203,876	27,987,319	-	-
Goodwill (net)	-	829,144,907	125,184,000	21,426,644	-	-
Deferred tax asset	-	57,186,564	8,005,195	-	-	-
Other	282,075,319	6,074,467	1,962,000	-	-	-
Total Other Assets	2,348,468,668	1,792,719,938	212,355,071	49,413,963	321,067	-
TOTAL ASSETS	$ 2,338,382,830	$ 1,930,403,035	$ 251,081,071	$ 58,814,997	$3,966,524	$45,192,858
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Current maturities on long-term debt	$ -	$ 530,228	$ 536,000	$ -	$ -	$ -
Accounts payable	339,036	7,164,442	9,264,000	2,185,444	-	-
Accrued liabilities	4,998,186	56,973,377	16,422,000	3,753,851	-	-
Purchase holdbacks	-	3,844,548	-	-	-	-
Accrued income taxes	66,187,291	-	-	-	11,491	6,292,944
Deferred security revenues	-	46,703,907	12,703,843	14,176,815	-	-
Deferred tax liability	-	-	390,000	-	-	-
Other	5,041,495	-	21,329,000	888,187	-	-
Total Current Liabilities	76,566,008	115,216,502	60,644,843	21,004,297	11,491	6,292,944
LONG-TERM LIABILITIES						
Long-term debt (net)	-	637,181,395	1,037,000	-	-	-
Deferred income taxes and credits	12,982,919	-	23,481,657	-	(772,354)	(2,158,553)
Minority interests	(558,406)	-	-	-	-	-
Other	3,095,678	550,189	15,733,000	1,189,301	-	-
Total Long-Term Liabilities	15,520,191	637,731,584	40,251,657	1,189,301	(772,354)	(2,158,553)
COMMITMENTS AND CONTINGENCIES						
AMOUNTS DUE WESTERN RESOURCES						
SHAREHOLDERS' EQUITY						
Common Stock, par value $1 per share	725,000	1,270,348	-	-	1,000	1,000
Paid-in capital	1,956,414,645	1,380,773,853	150,603,000	57,435,069	6,764,307	33,488,179
Retained earnings	297,560,797	(198,692,999)	182,389	(16,691,887)	(2,037,920)	7,569,288
Treasury stock	-	(5,331,823)	-	-	-	-
Accumulated other comprehensive income	(8,403,811)	(564,430)	(600,818)	(4,121,783)	-	-
Total Shareholders' Equity	2,246,296,631	1,177,454,949	150,184,571	36,621,399	4,727,387	41,058,467
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 2,338,382,830	$ 1,930,403,035	$ 251,081,071	$ 58,814,997	$3,966,524	$45,192,858

Exhibit A-2

WESTAR INDUSTRIES, INC.
CONSOLIDATING BALANCE SHEET
December 31, 2000

	Westar Communications	Westar Aviation	Wing Turkey	Wing International
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 39,885	$ (296,956)	$ -	$ -
Restricted cash	-	-	-	-
Accounts receivable (net)	240,377	290,935	410,281	(409,281)
Inventories and supplies (net)	28,903	-	-	-
Marketable securities	-	-	-	-
Deferred tax asset	-	-	-	-
Tax receivable	-	-	-	-
Prepaid expenses and other	67,874	3,000,000	-	228,123
Total Current Assets	377,039	2,993,979	410,281	(181,158)
PROPERTY, PLANT, AND EQUIPMENT (NET)	126,284	1,617,971	-	-
OTHER ASSETS				
Investment in ONEOK, Inc.	-	-	-	-
Investments in Subsidiaries	-	-	918,668	8,783,918
Receivable from Western Resources	-	-	-	-
Customer accounts (net)	-	-	-	-
Goodwill (net)	346,565	-	-	-
Deferred tax asset	-	-	-	-
Other	-	-	-	-
Total Other Assets	346,565	-	918,668	8,783,918
TOTAL ASSETS	$ 849,888	$ 4,611,950	$ 1,328,949	$ 8,602,760
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Current maturities on long-term debt	$ -	$ -	$ -	$ -
Accounts payable	23,249	74,878	-	-
Accrued liabilities	42,821	44,373	-	-
Purchase holdbacks	-	-	-	-
Accrued income taxes	50,369	(1,900,320)	1,965,413	-
Deferred security revenues	-	-	-	-
Deferred tax liability	-	-	-	-
Other	44,893	-	(1)	-
Total Current Liabilities	161,332	(1,781,069)	1,965,412	-
LONG-TERM LIABILITIES				
Long-term debt (net)	-	-	-	8,781,803
Deferred income taxes and credits	(67,573)	(23,182)	(4,162,750)	-
Minority interests	-	-	-	-
Other	115	5,373	-	-
Total Long-Term Liabilities	(67,458)	(17,809)	(4,162,750)	8,781,803
COMMITMENTS AND CONTINGENCIES				
AMOUNTS DUE WESTERN RESOURCES				
SHAREHOLDERS' EQUITY				
Common Stock, par value $1 per share	1,000	1,000	14	-
Paid-in capital	855,113	13,516,263	3,005,901	1,000
Retained earnings	(100,099)	(7,106,435)	520,372	927,947
Treasury stock	-	-	-	-
Accumulated other comprehensive income	-	-	-	(1,107,990)
Total Shareholders' Equity	756,014	6,410,828	3,526,287	(179,043)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 849,888	$ 4,611,950	$ 1,328,949	$ 8,602,760

Exhibit A-2

WESTAR INDUSTRIES, INC.
CONSOLIDATING BALANCE SHEET
December 31, 2000

	Western Resources Bermuda	The Wing Group	Consolidating Entries	Westar Industries Consolidated
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 56,629	$ 936	$ 1,475,530	$ 2,740,478
Restricted cash	-	-	-	13,278,122
Accounts receivable (net)	-	-	(22,837,894)	60,066,910
Inventories and supplies (net)	-	-	-	15,118,719
Marketable securities	874,657	-	-	3,945,985
Deferred tax asset	-	-	-	35,909,000
Tax receivable	-	-	-	3,178,559
Prepaid expenses and other	-	-	9,061,020	24,565,029
Total Current Assets	931,286	936	(12,301,344)	158,802,802
PROPERTY, PLANT, AND EQUIPMENT (NET)	-	-	-	59,735,080
OTHER ASSETS				
Investment in ONEOK, Inc.	-	-	-	591,173,458
Investments in Subsidiaries	4,243,051	9,279	(1,348,613,130)	-
Receivable from Western Resources	-	-	(2,025,913)	138,856,831
Customer accounts (net)	-	-	-	1,005,505,195
Goodwill (net)	-	-	-	976,102,116
Deferred tax asset	-	-	(23,924,609)	41,267,150
Other	-	-	6,243,495	296,355,281
Total Other Assets	4,243,051	9,279	(1,368,320,157)	3,049,260,031
TOTAL ASSETS	$ 5,174,337	$ 10,215	$ (1,380,621,501)	$ 3,267,797,913
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Current maturities on long-term debt	$ -	$ -	$ 25,389,889	$ 26,456,117
Accounts payable	-	(1,440)	1,475,531	20,525,140
Accrued liabilities	-	(16,464)	(2,276,873)	79,941,271
Purchase holdbacks	-	-	-	3,844,548
Accrued income taxes	-	(225,456)	-	72,381,732
Deferred security revenues	-	-	-	73,584,565
Deferred tax liability	-	-	(390,000)	-
Other	1,125,748	234,246	(21,066,132)	7,597,436
Total Current Liabilities	1,125,748	(9,114)	3,132,415	284,330,809
LONG-TERM LIABILITIES				
Long-term debt (net)	-	-	(103,833,204)	543,166,994
Deferred income taxes and credits	-	(5,745,555)	(23,534,609)	-
Minority interests	-	-	184,593,781	184,035,375
Other	-	-	(10,605,552)	9,968,104
Total Long-Term Liabilities	-	(5,745,555)	46,620,416	737,170,473
COMMITMENTS AND CONTINGENCIES				
SHAREHOLDERS' EQUITY				
Common Stock, par value $1 per share	-	-	(1,274,362)	725,000
Paid-in capital	17,857,247	43,185,624	(1,707,485,556)	1,956,414,645
Retained earnings	(12,683,315)	(37,420,740)	265,533,399	297,560,797
Treasury stock	-	-	5,331,823	-
Accumulated other comprehensive income	(1,125,343)	-	7,520,364	(8,403,811)
Total Shareholders' Equity	4,048,589	5,764,884	(1,430,374,332)	2,246,296,631
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 5,174,337	$ 10,215	$ (1,380,621,501)	$ 3,267,797,913

Exhibit A-2

WESTAR INDUSTRIES, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 2000

	Westar Industries	Protection One Consolidated	Protection One UK, Inc.	Protection One International, Inc.	Westar Limited Partners
SALES:					
Energy	$ -	$ -	$ -	$ -	$ -
Security	-	431,764,165	18,055,264	88,039,358	-
Total Sales	-	431,764,165	18,055,264	88,039,358	-
COST OF SALES:					
Energy	-	-	-	-	-
Security	-	148,957,574	9,325,957	27,271,179	-
Total Cost of Sales	-	148,957,574	9,325,957	27,271,179	-
GROSS PROFIT	-	282,806,591	8,729,307	60,768,179	-
OPERATING EXPENSES:					
Operating and maintenance expense	5,404	16,131,463	-	-	-
Depreciation and amortization	97,506	222,992,375	4,813,876	20,608,000	-
Selling, general and administrative expenses	13,408,502	125,963,854	10,686,098	43,988,097	458
Total Operating Expenses	13,511,412	365,087,692	15,499,974	64,596,097	458
INCOME (LOSS) FROM OPERATIONS	(13,511,412)	(82,281,101)	(6,770,667)	(3,827,918)	(458)
OTHER INCOME (EXPENSES):					
Equity in earnings of subsidiary companies	10,325,115	-	-	-	-
Intercompany interest	6,146,235	-	-	-	-
Investment earnings from ONEOK, Inc.	45,313,464	-	-	-	-
Investment earnings from Protection One	(48,544,585)	-	-	-	-
Investment earnings from Protection One Europe	(18,622,746)	-	-	-	-
Investment earnings	119,927,563	-	-	-	-
Interest and dividend income	11,240,657	-	-	1,030,631	29,345
Minority interest	-	-	-	-	-
Other	(531,664)	298,729	-	180,279	19,975
Total Other Income (Expense)	125,254,039	298,729	-	1,210,910	49,320
EARNINGS BEFORE INTEREST AND TAXES	111,742,627	(81,982,372)	(6,770,667)	(2,617,008)	48,862
INTEREST EXPENSE:					
Interest expense on long-term debt	-	60,332,102	218,970	4,627,966	-
Interest expense on short-term debt and other	395,232	-	-	-	-
Total Interest Expense	395,232	60,332,102	218,970	4,627,966	-
EARNINGS (LOSS) BEFORE INCOME TAXES	111,347,395	(142,314,474)	(6,989,637)	(7,244,974)	48,862
INCOME TAX (BENEFIT) EXPENSE	60,323,189	(35,871,887)	-	19,730	19,436
INCOME BEFORE EXTRAORDINARY ITEM	51,024,206	(106,442,587)	(6,989,637)	(7,264,704)	29,426
EXTRAORDINARY ITEM (NET OF TAX)	-	49,272,790	-	-	-
CUMULATIVE EFFECT OF ACCOUNTING CHANGE (NET OF TAX)	558,407	-	(2,678,442)	(1,689,963)	-
NET INCOME	51,582,613	(57,169,797)	(9,668,079)	(8,954,667)	29,426
PREFERRED DIVIDENDS	-	-	-	-	-
EARNINGS AVAILABLE FOR COMMON STOCK	$ 51,582,613	$(57,169,797)	$(9,668,079)	$(8,954,667)	$29,426

Exhibit A-2

WESTAR INDUSTRIES, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 2000

	Westar Financial Services	Westar Communications	Westar Aviation	Wing Turkey	Wing International
SALES:					
Energy	$ -	$1,484,439	$ -	$ -	$ -
Security	-	-	-	-	-
Total Sales	-	1,484,439	-	-	-
COST OF SALES:					
Energy	-	259,253	-	-	-
Security	-	-	-	-	-
Total Cost of Sales	-	259,253	-	-	-
GROSS PROFIT	-	1,225,186	-	-	-
OPERATING EXPENSES:					
Operating and maintenance expense	990	47,221	44,004	-	-
Depreciation and amortization	1,624,563	87,239	115,213	-	-
Selling, general and administrative expenses	8,419	1,161,001	4,840,369	42,159	612,316
Total Operating Expenses	1,633,972	1,295,461	4,999,586	42,159	612,316
INCOME (LOSS) FROM OPERATIONS	(1,633,972)	(70,275)	(4,999,586)	(42,159)	(612,316)
OTHER INCOME (EXPENSES):					
Equity in earnings of subsidiary companies	-	-	-	4,468,705	-
Intercompany interest	-	-	-	-	-
Investment earnings from ONEOK, Inc.	-	-	-	-	-
Investment earnings from Protection One	-	-	-	-	-
Investment earnings from Protection One Europe	-	-	-	-	-
Investment earnings	12,567,988	-	-	-	4,799,070
Interest and dividend income	-	-	-	-	1,161,706
Minority interest	-	-	-	-	-
Other	-	76,452	-	-	-
Total Other Income (Expense)	12,567,988	76,452	-	4,468,705	5,960,776
EARNINGS BEFORE INTEREST AND TAXES	10,934,016	6,177	(4,999,586)	4,426,546	5,348,460
INTEREST EXPENSE:					
Interest expense on long-term debt	-	-	-	-	-
Interest expense on short-term debt and other	1,687	-	-	-	834,617
Total Interest Expense	1,687	-	-	-	834,617
EARNINGS (LOSS) BEFORE INCOME TAXES	10,932,329	6,177	(4,999,586)	4,426,546	4,513,843
INCOME TAX (BENEFIT) EXPENSE	4,351,891	2,628	(1,865,299)	1,549,291	-
INCOME BEFORE EXTRAORDINARY ITEM	6,580,438	3,549	(3,134,287)	2,877,255	4,513,843
EXTRAORDINARY ITEM (NET OF TAX)	-	-	-	-	-
CUMULATIVE EFFECT OF ACCOUNTING CHANGE (NET OF TAX)	-	-	-	-	-
NET INCOME	6,580,438	3,549	(3,134,287)	2,877,255	4,513,843
PREFERRED DIVIDENDS	-	-	-	-	-
EARNINGS AVAILABLE FOR COMMON STOCK	$ 6,580,438	$ 3,549	$(3,134,287)	$2,877,255	$4,513,843

WESTAR INDUSTRIES, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 2000

	Western Resources Bermuda	The Wing Group	Consolidating Entries	Westar Industries Consolidated
SALES:				
Energy	$ -	$ -	$ -	$ 1,484,439
Security	-	-	-	537,858,787
Total Sales	-	-	-	539,343,226
COST OF SALES:				
Energy	-	-	-	259,253
Security	-	-	-	185,554,710
Total Cost of Sales	-	-	-	185,813,963
GROSS PROFIT	-	-	-	353,529,263
OPERATING EXPENSES:				
Operating and maintenance expense	-	-	(11,849,072)	4,380,010
Depreciation and amortization	191,640	-	-	250,530,412
Selling, general and administrative expenses	223,088	500,282	11,849,070	213,283,713
Total Operating Expenses	414,728	500,282	(2)	468,194,135
INCOME (LOSS) FROM OPERATIONS	(414,728)	(500,282)	2	(114,664,872)
OTHER INCOME (EXPENSES):				
Equity in earnings of subsidiary companies	-	45,139	(14,838,959)	-
Intercompany interest	-	-	(6,146,235)	-
Investment earnings from ONEOK, Inc.	-	-	-	45,313,464
Investment earnings from Protection One	-	-	48,544,585	-
Investment earnings from Protection One Europe	-	-	18,622,746	-
Investment earnings	-	-	-	137,294,621
Interest and dividend income	2,661,322	220	(4,805,555)	11,318,326
Minority interest	-	-	8,625,212	8,625,212
Other	-	648	28,712	73,131
Total Other Income (Expense)	2,661,322	46,007	50,030,506	202,624,754
EARNINGS BEFORE INTEREST AND TAXES	2,246,594	(454,275)	50,030,508	87,959,882
INTEREST EXPENSE:				
Interest expense on long-term debt	-	-	(10,951,791)	54,227,247
Interest expense on short-term debt and other	-	-	-	1,231,536
Total Interest Expense	-	-	(10,951,791)	55,458,783
EARNINGS (LOSS) BEFORE INCOME TAXES	2,246,594	(454,275)	60,982,299	32,501,099
INCOME TAX (BENEFIT) EXPENSE	-	(158,997)	(2,020,650)	26,349,332
INCOME BEFORE EXTRAORDINARY ITEM	2,246,594	(295,278)	63,002,949	6,151,767
EXTRAORDINARY ITEM (NET OF TAX)	-	-	(31,946)	49,240,844
CUMULATIVE EFFECT OF ACCOUNTING CHANGE (NET OF TAX)	-	-	(1)	(3,809,999)
NET INCOME	2,246,594	(295,278)	62,971,002	51,582,612
PREFERRED DIVIDENDS	-	-	-	-
EARNINGS AVAILABLE FOR COMMON STOCK	$ 2,246,594	$ (295,278)	$ 62,971,002	$ 51,582,612

Exhibit A-2

WESTAR INDUSTRIES, INC.
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
December 31, 2000

	Westar Industries	Protection One Consolidated	Protection One UK, Inc.	Protection One International, Inc.	Westar Limited Partners	Westar Financial Services
BALANCE AT BEGINNING OF PERIOD	$238,159,876	$(129,618,267)	$ -	$ -	$(2,067,346)	$988,851
ADD:						
Net Income (loss)	51,582,613	(57,169,797)	(9,668,079)	(8,954,667)	29,426	6,580,438
Realignment of subsidiaries	7,818,308	(11,904,935)	(7,023,808)	9,137,056		(1)
Total	59,400,921	(69,074,732)	(16,691,887)	182,389	29,426	6,580,437
DEDUCT:						
Cash dividends:						
Preferred stock	-	-	-	-	-	-
Common stock	-	-	-	-	-	-
Total	-	-	-	-	-	-
BALANCE AT END OF PERIOD	$297,560,797	$(198,692,999)	$(16,691,887)	$182,389	$(2,037,920)	$7,569,288

Exhibit A-2

WESTAR INDUSTRIES, INC.
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
December 31, 2000

	Westar Communications	Westar Aviation	Wing Turkey	Wing International	Western Resources Bermuda
BALANCE AT BEGINNING OF PERIOD	$ 46,353	$(3,972,149)	$ -	$ -	$ -
ADD:					
Net Income (loss)	3,549	(3,134,287)	2,877,255	4,513,843	2,246,594
Realignment of subsidiaries	(150,001)	1	(2,356,883)	(3,585,896)	(14,929,909)
Total	(146,452)	(3,134,286)	520,372	927,947	(12,683,315)
DEDUCT:					
Cash dividends:					
Preferred stock	-	-	-	-	-
Common stock	-	-	-	-	-
Total	-	-	-	-	-
BALANCE AT END OF PERIOD	$(100,099)	$(7,106,435)	$520,372	$927,947	$(12,683,315)

Exhibit A-2

WESTAR INDUSTRIES, INC.
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
December 31, 2000

	Western Resources Wing Group	Consolidating Entries	Westar Industries Consolidated
BALANCE AT BEGINNING OF PERIOD	$ -	$134,622,558	$238,159,876
ADD:			
Net Income (loss)	(295,278)	62,971,003	51,582,613
Realignment of subsidiaries	(37,125,462)	67,939,838	7,818,308
Total	(37,420,740)	130,910,841	59,400,921
DEDUCT:			
Cash dividends:			
Preferred stock	-	-	-
Common stock	-	-	-
Total	-	-	-
BALANCE AT END OF PERIOD	$(37,420,740)	$265,533,399	$297,560,797

Exhibit A-3

PROTECTION ONE, INC.
CONSOLIDATING BALANCE SHEET
December 31, 2000

	Protection One Alarm Monitoring, Inc.	Network Multi-Family Security Corp.	Consolidating Entries	Protection One Consolidated
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 2,449,684	$ 290,794	$ -	$ 2,740,478
Restricted cash	778,960	-	-	778,960
Accounts receivable (net)	34,072,856	3,753,240	-	37,826,096
Inventories and supplies (net)	6,678,048	4,451,318	-	11,129,366
Marketable securities	-	-	-	-
Deferred tax asset	28,168,657	-	275,343	28,444,000
Tax receivable	3,178,559	-	-	3,178,559
Prepaid expenses and other	3,477,995	223,697	-	3,701,692
Total Current Assets	78,804,759	8,719,049	275,343	87,799,151
PROPERTY, PLANT, AND EQUIPMENT (NET)	48,394,818	1,489,128	-	49,883,946
OTHER ASSETS				
Customer accounts (net)	857,571,828	42,742,172	-	900,314,000
Goodwill (net)	664,530,559	164,614,348	-	829,144,907
Deferred tax asset	71,644,138	-	(14,457,574)	57,186,564
Investment in subsidiary	164,963,829	-	(164,963,829)	-
Other	39,057,631	(32,983,164)	-	6,074,467
Total Other Assets	1,797,767,985	174,373,356	(179,421,403)	1,792,719,938
TOTAL ASSETS	$ 1,924,967,562	$ 184,581,533	$(179,146,060)	$ 1,930,403,035
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Current maturities on long-term debt	$ 530,228	$ -	$ -	$ 530,228
Accounts payable	4,669,090	2,495,352	-	7,164,442
Accrued liabilities	55,566,579	1,406,798	-	56,973,377
Purchase holdbacks	3,844,548	-	-	3,844,548
Deferred security revenues	45,822,214	881,693	-	46,703,907
Accrued income taxes	(275,343)	-	275,343	-
Total Current Liabilities	110,157,316	4,783,843	275,343	115,216,502
LONG-TERM LIABILITIES				
Long-term debt (net)	551,881,561	85,299,834	-	637,181,395
Deferred income taxes and credits	(376,287)	14,833,861	(14,457,574)	-
Intercompany debt	85,299,834	(85,299,834)	-	-
Other	550,189	-	-	550,189
Total Long-Term Liabilities	637,355,297	14,833,861	(14,457,574)	637,731,584
COMMITMENTS AND CONTINGENCIES				
SHAREHOLDERS' EQUITY				
Common Stock, par value $.01 per share	1,270,348	-	-	1,270,348
Paid-in capital	1,380,773,853	194,382,470	(194,382,470)	1,380,773,853
Retained earnings	(198,692,999)	(29,418,641)	29,418,641	(198,692,999)
Treasury stock	(5,331,823)	-	-	(5,331,823)
Accumulated other comprehensive income	(564,430)	-	-	(564,430)
Total Shareholders' Equity	1,177,454,949	164,963,829	(164,963,829)	1,177,454,949
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,924,967,562	$ 184,581,533	$ (179,146,060)	$ 1,930,403,035

Exhibit A-3

PROTECTION ONE, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 2000

	Protection One Alarm Monitoring, Inc.	Network Multi-Family Security Corp.	Protection One UK, Inc.	Protection One International, Inc.
SALES:				
Monitoring and related services	$ 348,759,290	$ 35,250,216	$ 3,038,041	$ 11,278,000
Installation and other	15,734,164	4,116,149	1,544,305	12,044,000
Total Sales	364,493,454	39,366,365	4,582,346	23,322,000
COST OF SALES:				
Monitoring and related services	116,425,033	8,222,903	1,585,205	2,117,000
Installation and other	11,474,354	3,629,346	877,733	4,626,000
Total Cost of Sales	127,899,387	11,852,249	2,462,938	6,743,000
GROSS PROFIT	236,594,067	27,514,116	2,119,408	16,579,000
OPERATING EXPENSES:				
Operating and maintenance expense	11,533,989	-	217,463	-
Depreciation and amortization	196,331,345	15,596,327	1,026,327	4,394,000
Selling, general and administrative expenses	103,981,631	9,901,414	1,938,809	10,142,000
Severance and relocation charge	4,380,011	-	-	-
Total Operating Expenses	316,226,976	25,497,741	3,182,599	14,536,000
INCOME (LOSS) FROM OPERATIONS	(79,632,909)	2,016,375	(1,063,191)	2,043,000
OTHER INCOME (EXPENSES):				
Equity in earnings of subsidiary companies	(14,054,320)	-	-	-
Interest income (expense)				
Intercompany interest income (expense)	9,402,482	(8,371,851)	(233,665)	(796,966)
Other income (expense)	(1,670,133)	-	(12,279)	(13,000)
Total Other Income (Expense)	(6,321,971)	(8,371,851)	(245,944)	(809,966)
EARNINGS BEFORE INTEREST AND TAXES	(85,954,880)	(6,355,476)	(1,309,135)	1,233,034
INTEREST EXPENSE:				
Interest expense on long-term debt	59,011,062	-	24,006	1,297,034
Interest expense on short-term debt and other	-	-	-	-
Total Interest Expense	59,011,062	-	24,006	1,297,034
EARNINGS (LOSS) BEFORE INCOME TAXES	(144,965,942)	(6,355,476)	(1,333,141)	(64,000)
INCOME TAX (BENEFIT) EXPENSE	(38,523,355)	4,030,000	-	597,000
INCOME BEFORE EXTRAORDINARY ITEM	(106,442,587)	(10,385,476)	(1,333,141)	(661,000)
EXTRAORDINARY ITEM (NET OF TAX)	49,272,790	-	-	-
EARNINGS AVAILABLE FOR COMMON STOCK	$ (57,169,797)	$ (10,385,476)	$ (1,333,141)	$ (661,000)

PROTECTION ONE, INC.
CONSOLIDATED STATEMENT OF INCOME
Year Ended December 31, 2000

	Consolidating Entries	Protection One Consolidated
SALES:		
Monitoring and related services	$ -	$ 398,325,547
Installation and other	-	33,438,618
Total Sales	-	431,764,165
COST OF SALES:		
Monitoring and related services	-	128,350,141
Installation and other	-	20,607,433
Total Cost of Sales	-	148,957,574
GROSS PROFIT	-	282,806,591
OPERATING EXPENSES:		
Operating and maintenance expense	-	11,751,452
Depreciation and amortization	5,644,376	222,992,375
Selling, general and administrative expense	-	125,963,854
Severance and relocation charge	-	4,380,011
Total Operating Expenses	5,644,376	365,087,692
INCOME (LOSS) FROM OPERATIONS	(5,644,376)	(82,281,101)
OTHER INCOME (EXPENSES):		
Equity in earnings of subsidiary companies	14,054,320	-
Interest income (expense)		
Intercompany interest income (expense)	-	-
Other income (expense)	1,994,141	298,729
Total Other Income (Expense)	16,048,461	298,729
EARNINGS BEFORE INTEREST AND TAXES	10,404,085	(81,982,372)
INTEREST EXPENSE:		
Interest expense on long-term debt	-	60,332,102
Interest expense on short-term debt and other	-	-
Total Interest Expense	-	60,332,102
EARNINGS (LOSS) BEFORE INCOME TAXES	10,404,085	(142,314,474)
INCOME TAX (BENEFIT) EXPENSE	(1,975,532)	(35,871,887)
INCOME BEFORE EXTRAORDINARY ITEM	12,379,617	(106,442,587)
EXTRAORDINARY ITEM (NET OF TAX)		49,272,790
EARNINGS AVAILABLE FOR COMMON STOCK	$ 12,379,617	$ (57,169,797)

PROTECTION ONE, INC. Exhibit A-3

CONSOLIDATING STATEMENT OF RETAINED EARNINGS

December 31, 2000

	Protection One Alarm Monitoring, Inc.	Network Multi-Family Security Corp.	Protection One UK, Inc.	Protection One International, Inc.
BALANCE AT BEGINNING OF PERIOD	$ (104,285,522)	$ (19,033,165)	$ (8,157,580)	$ 1,858,000
ADD:				
Net Income (loss)	(43,115,477)	(10,385,476)	(1,333,141)	(661,000)
Restatements and other	(21,873,359)		9,490,721	(1,197,000)
Total	(64,988,836)	(10,385,476)	8,157,580	(1,858,000)
DEDUCT:				
Cash dividends:				
Preferred stock	-	-	-	-
Common stock	-	-	-	-
Total	-	-	-	-
BALANCE AT END OF PERIOD	$ (169,274,358)	$ (29,418,641)	$ -	$ -

	Consolidating Entries	Protection One Consolidated
BALANCE AT BEGINNING OF PERIOD	$ -	$ (129,618,267)
ADD:		
Net Income (loss)	(1,674,703)	(57,169,797)
Restatements and other	1,674,703	(11,904,935)
Total	-	(69,074,732)
DEDUCT:		
Cash dividends:		
Preferred stock	-	-
Common stock	-	-
Total	-	-
BALANCE AT END OF PERIOD	$ -	$ (198,692,999)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business: Western Resources, Inc. (Western Resources, the company) is a publicly traded consumer services company. The company's primary business activities are providing electric generation, transmission and distribution services to approximately 636,000 customers in Kansas and providing monitored security services to approximately 1.5 million customers in North America and Europe. Rate regulated electric service is provided by KPL, a division of the company, and Kansas Gas and Electric Company (KGE), a wholly owned subsidiary. Monitored security services are provided by Protection One, Inc., a publicly traded, approximately 85%-owned subsidiary, and other wholly owned subsidiaries collectively referred to as Protection One Europe. In addition, through the company's 45% ownership interest in ONEOK, Inc., natural gas transmission and distribution services are provided to approximately 1.4 million customers in Oklahoma and Kansas. Westar Industries, Inc., the company's wholly owned subsidiary, owns the company's interests in Protection One, Protection One Europe, ONEOK and other non-utility businesses.

Principles of Consolidation: The company prepares its financial statements in conformity with accounting principles generally accepted in the United States. The accompanying Consolidated Financial Statements include the accounts of Western Resources and its wholly owned and majority owned subsidiaries. All material intercompany accounts and transactions have been eliminated. Common stock investments that are not majority owned are accounted for using the equity method when the company's investment allows it the ability to exert significant influence.

Regulatory Accounting: The company currently applies accounting standards for its rate regulated electric business that recognize the economic effects of rate regulation in accordance with Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation," (SFAS 71) and, accordingly, has recorded regulatory assets and liabilities when required by a regulatory order or when it is probable, based on regulatory precedent, that future rates will allow for recovery of a regulatory asset.

Use of Management's Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: The company considers highly liquid collateralized debt instruments purchased with a maturity of three months or less to be cash equivalents.

Restricted Cash: Restricted cash consists of cash used to collateralize letters of credit and cash held in escrow.

Accounts Receivable: Receivables, which consist primarily of trade accounts receivable, were reduced by allowances for doubtful accounts of $45.8 million at December 31, 2000 and $35.8 million at December 31, 1999.

Available-for-sale Securities: The company classifies marketable equity and debt securities accounted for under the cost method as available-for-sale. These securities are reported at fair value based on quoted market prices. Cumulative, temporary unrealized gains and losses, net of the related tax effect, are reported as a separate component of shareholders' equity until realized. Current temporary changes in unrealized gains and losses are reported as a component of other comprehensive income. Realized gains and losses are included in earnings and are derived using the specific identification method.

The following table summarizes the company's investments in marketable securities as of December 31:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
2000:				
Equity securities.	$ 6,690	$ -	$ (2,744)	$ 3,946
Debt securities.	-	-	-	-
Total.	$ 6,690	$ -	$ (2,744)	$ 3,946
1999:				
Equity securities.	$ 43,124	$70,407	$ (1,628)	$111,903
Debt securities.	65,225	-	-	65,225
Total.	$108,349	$70,407	$ (1,628)	$177,128

Proceeds from the sales of equity and debt securities were $218.6 million in 2000 and $73.5 million in 1999. The gross realized gains from sales of equity and debt investments were $116.0 million in 2000 and $12.6 million in 1999. The gross realized losses from sales of equity and debt investments were $1.0 million in 2000 and $38.8 million in 1999.

Energy Trading Contracts: The company is involved in system hedging and trading activities primarily to minimize risk from commodity market fluctuations, capitalize on its market knowledge and enhance system reliability. In these activities, the company utilizes a variety of financial instruments, including forward contracts involving cash settlements or physical delivery of an energy commodity, options, swaps requiring payments (or receipt of payments) from counter-parties based on the differential between specified prices for the related commodity, and futures traded on electricity and natural gas.

The company accounts for transactions on either a settlement basis or using the mark-to-market method of accounting. On a settlement basis, the company recognizes the gains or losses on system hedging transactions as the power is delivered. Under the mark-to-market method of accounting, trading transactions are shown at fair value in the consolidated balance sheets as energy trading contracts assets - current and energy trading contracts liabilities-current. Long term energy trading contract assets and liabilities are included in other long term assets and other long term liabilities, respectively. The company reflects changes in fair value resulting in unrealized gains and losses from these transactions in energy sales. The company records the revenues and costs for all transactions in its consolidated statements of income when the contracts are settled. The company recognizes revenues in energy sales; costs are recorded in energy cost of sales.

The company values contracts in the trading portfolio using end-of-the-period market prices, utilizing the following factors (as applicable):

- closing exchange prices (that is, closing prices for standardized electricity products traded on an organized exchange such as the New York Mercantile Exchange);

- broker dealer and over-the-counter price quotations;

Property, Plant and Equipment: Property, plant and equipment is stated at cost. For utility plant, cost includes contracted services, direct labor and materials, indirect charges for engineering, supervision, general and administrative costs and an allowance for funds used during construction (AFUDC). AFUDC represents the cost of borrowed funds used to finance construction projects. The AFUDC rate was 7.39% in 2000, 6.00% in 1999 and 6.00% in 1998. The cost of additions to utility plant and replacement units of property are capitalized. Interest capitalized into construction in progress was $9.4 million in 2000, $4.4 million in 1999 and $1.9 million in 1998.

Maintenance costs and replacement of minor items of property are charged to expense as incurred. Incremental costs incurred during scheduled Wolf Creek Generating Station refueling and maintenance outages are deferred and amortized monthly over the unit's operating cycle, normally about 18 months. When units of depreciable property are retired, the original cost and removal cost, less salvage value, are charged to accumulated depreciation.

In accordance with regulatory decisions made by the Kansas Corporation Commission (KCC), the acquisition premium of approximately $801 million resulting from the acquisition of KGE in 1992 is being amortized over 40 years. The acquisition premium is classified as electric plant in service. Accumulated amortization totaled $108.2 million as of December 31, 2000 and $88.1 million as of December 31, 1999.

Depreciation: Utility plant is depreciated on the straight-line method at rates approved by regulatory authorities. Utility plant is depreciated on an average annual composite basis using group rates that approximated 2.99% during 2000, 2.92% during 1999 and 2.88% during 1998. Nonutility property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the related assets. The company periodically evaluates its depreciation rates considering the past and expected future experience in the operation of its facilities.

Inventories and Supplies: Inventories and supplies for the company's utility business are stated at average cost. Monitored services' inventories, comprised of alarm systems and parts, are stated at the lower of average cost or market.

Nuclear Fuel: The cost of nuclear fuel in process of refinement, conversion, enrichment and fabrication is recorded as an asset at original cost and is amortized to cost of sales based upon the quantity of heat produced for the generation of electricity. The accumulated amortization of nuclear fuel in the reactor was $18.6 million at December 31, 2000 and $29.3 million at December 31, 1999.

Customer Accounts: Customer accounts are stated at cost. The cost includes amounts paid to dealers and the estimated fair value of accounts acquired in business acquisitions. Internal costs incurred in support of acquiring customer accounts are expensed as incurred.

Protection One and Protection One Europe historically amortized most customer accounts by using the straight-line method over a ten-year life. The choice of an amortization life was based on estimates and judgments about the amounts and timing of expected future revenues from these assets and average customer account life. Selected periods were determined because, in Protection One's and Protection One Europe's opinion, they would adequately match amortization cost with anticipated revenue.

Protection One and Protection One Europe conducted a comprehensive review of their amortization policy during the third quarter of 1999. This review was performed specifically to evaluate the historic amortization policy in light of the inherent declining revenue curve over the life of a pool of customer accounts and Protection One's historical attrition experience. After completing the review, Protection One identified three distinct pools, each of which has distinct attributes that effect differing attrition characteristics. The pools corresponded to Protection One's North America, Multifamily and Europe business segments. For the North America and Europe pools, the analyzed data indicated that Protection One can expect attrition to be greatest in years one through five of asset life and that a change from a straight-line to a declining balance (accelerated) method would more closely match future amortization cost with the estimated revenue stream from these assets. Protection One elected to change to that method, except for accounts acquired in the Westinghouse acquisition which are utilizing an accelerated method. No change was made in the method used for the Multifamily pool.

Protection One's and Protection One Europe's amortization rates consider the average estimated remaining life and historical and projected attrition rates. The amortization method for each customer pool is as follows:

Pool	Method
North America	
Acquired Westinghouse customers	Eight-year 120% declining balance
Other customers	Ten-year 130% declining balance
Europe	Ten-year 125% declining balance
Multifamily	Ten-year straight-line

Adoption of the declining balance method effectively shortens the estimated expected average customer life for these customer pools, and does so in a way that does not make it possible to distinguish the effect of a change in method (straight-line to declining balance) from the change in estimated lives. In such cases, generally accepted accounting principles require that the effect of such a change be recognized in operations in the period of the change, rather than as a cumulative effect of a change in accounting principle. Protection One changed to the declining balance method in the third quarter of 1999 for Europe customers and the North America customers which had been amortized on a straight-line basis. Accordingly, the effect of the change in accounting principle increased Protection One's amortization expense reported in the third quarter of 1999 by approximately $40 million. Accumulated amortization would have been approximately $34 million higher through the end of the second quarter of 1999 if the declining balance method had historically been used.

In accordance with SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," long-lived assets held and used by Protection One and Protection One Europe are evaluated for recoverability on a periodic basis or as circumstances warrant. An impairment would be recognized when the undiscounted expected future operating cash flows by customer pool derived from customer accounts is less than the carrying value of capitalized customer accounts and related goodwill.

Goodwill has been recorded in business acquisitions where the principal asset acquired was the recurring revenues from the acquired customer base. For purposes of the impairment analysis, goodwill has been considered directly related to the acquired customers.

Due to the high level of customer attrition experienced in 2000 and 1999, the decline in market value of Protection One's publicly traded equity and debt securities and because of recurring losses, Protection One and Protection One Europe performed an impairment test on their customer account assets and goodwill in both 2000 and 1999. These tests indicated that future estimated undiscounted cash flows exceeded the sum of the recorded balances for customer accounts and goodwill.

Goodwill: Goodwill represents the excess of the purchase price over the fair value of net assets acquired by Protection One and Protection One Europe. Protection One and Protection One Europe changed their estimates of goodwill life from 40 years to 20 years as of January 1, 2000. After that date, remaining goodwill, net of accumulated amortization, is being amortized over its remaining useful life based on a 20-year life. As a result of this change in estimate, goodwill amortization expense for the year ended December 31, 2000 increased by approximately $33.0 million.

The carrying value of goodwill was included in the evaluations of recoverability of customer accounts. No reduction in the carrying value was necessary at December 31, 2000.

Amortization expense was $61.4 million, $31.6 million and $22.5 million for the years ended December 31, 2000, 1999 and 1998. Accumulated amortization was $118.6 million and $59.3 million at December 31, 2000 and 1999.

The Financial Accounting Standards Board (FASB) issued an exposure draft on February 14, 2001 which, if adopted as proposed, would establish a new accounting standard for the treatment of goodwill in a business combination. The new standard would continue to require recognition of goodwill as an asset in a business combination but would not permit amortization as currently required by APB Opinion No. 17, "Intangible Assets." The new standard would require that goodwill be separately tested for impairment using a fair-value based approach as opposed to an undiscounted cash flow approach which is required under current accounting standards. If goodwill is found to be impaired, the company would be required to record a non-cash charge against income. The impairment charge would be equal to the amount by which the carrying amount of the goodwill exceeds the fair value. Goodwill would no longer be amortized on a current basis as is required under current accounting standards. The exposure draft contemplates this standard to become effective on July 1, 2001, although this effective date is not certain. Furthermore, the proposed standard could be modified prior to its adoption.

If the new standard is adopted, any subsequent impairment test on the company's customer accounts would be performed on the customer accounts alone rather than in conjunction with goodwill utilizing an undiscounted cash flow test pursuant to SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of."

At December 31, 2000, the company had $976 million in goodwill attributable to acquisitions of businesses and $1,006 million for monitored services' customer accounts. These intangible assets together represented 25.5% of the book value of the company's total assets. The company recorded approximately $61.4 million in goodwill amortization expense in 2000. If the new standard becomes effective July 1, 2001 as proposed, the company believes it is probable that it would be required to record a non-cash impairment charge. The company cannot determine the amount at this time, but it believes the amount would be material and could be a substantial portion of its intangible assets. This impairment charge would have a material adverse effect on the company's operating results in the period recorded.

Regulatory Assets and Liabilities: Regulatory assets represent probable future revenue associated with certain costs that will be recovered from customers through the rate-making process. The company has recorded these regulatory assets in accordance with SFAS 71. If the company were required to terminate application of that statement for all of its regulated operations, the company would have to record the amounts of all regulatory assets and liabilities in its Consolidated Statements of Income at that time. The company's earnings would be reduced by the total amount in the table below, net of applicable income taxes. Regulatory assets reflected in the Consolidated Financial Statements are as follows:

	As of December 31,	
	2000	1999
	(In Thousands)	
Recoverable income taxes	$187,308	$218,239
Debt issuance costs	63,263	68,239
Deferred employee benefit costs	36,251	36,251
Deferred plant costs	29,921	30,306
Other regulatory assets	10,607	12,969
Total regulatory assets	$327,350	$366,004

- Recoverable income taxes: Recoverable income taxes represent amounts due from customers for accelerated tax benefits which have been previously flowed through to customers and are expected to be recovered in the future as the accelerated tax benefits reverse.

- Debt issuance costs: Debt reacquisition expenses are amortized over the remaining term of the reacquired debt or, if refinanced, the term of the new debt. Debt issuance costs are amortized over the term of the associated debt.

- Deferred employee benefit costs: Deferred employee benefit costs represent costs to be recovered by income generated through the company's Affordable Housing Tax Credit (AHTC) investment program as authorized by the KCC.

- Deferred plant costs: Costs related to the Wolf Creek nuclear generating facility.

The company expects to recover all of the above regulatory assets in rates charged to customers. A return is allowed on deferred plant costs and coal contract settlement costs and approximately $18.0 million of debt issuance costs.

Minority Interests: Minority interests represent the minority shareholders' proportionate share of the shareholders' equity and net loss of Protection One.

Revenue Recognition

Energy Sales Recognition: Energy sales are recognized as services are rendered and include estimated amounts for energy delivered but unbilled at the end of each year. Unbilled sales are recorded as a component of accounts receivable (net) and amounted to $44 million at December 31, 1999. During 2000, the company sold its energy related accounts receivable, including amounts related to unbilled sales.

Monitored Services Sales Recognition: Monitored services sales are recognized when security services are provided. Installation revenue, sales revenues on equipment upgrades and direct costs of installations and sales are deferred for residential customers with service contracts. For commercial customers and national account customers, revenue recognition is dependent upon each specific customer contract. In instances when the company sells the equipment outright, revenues and costs are recognized in the period incurred. In cases where there is no outright sale, revenues and direct costs are deferred and amortized.

Deferred installation revenues and system sales revenues will be recognized over the expected useful life of the customer, utilizing a 130% declining balance. Deferred costs in excess of deferred revenues will be recognized over the contract life. To the extent deferred costs are less than deferred revenues, such costs are recognized over the customers' estimated useful life, utilizing a 130% declining balance.

Deferred revenues also result from customers who are billed for monitoring, extended service protection and patrol and response services in advance of the period in which such services are provided, on a monthly, quarterly or annual basis.

Income Taxes: Deferred tax assets and liabilities are recognized for temporary differences in amounts recorded for financial reporting purposes and their respective tax bases. Investment tax credits previously deferred are being amortized to income over the life of the property which gave rise to the credits.

Foreign Currency Translation: The assets and liabilities of the company's foreign operations are generally translated into U.S. dollars at current exchange rates and revenues and expenses are translated at average exchange rates for the year.

Cash Surrender Value of Life Insurance: The following amounts related to corporate-owned life insurance policies (COLI) are recorded in other long-term assets on the Consolidated Balance Sheets at December 31:

	2000	1999
	(In Millions)	
Cash surrender value of policies (a)	$ 705.4	$ 642.4
Borrowings against policies	(665.9)	(608.3)
COLI (net)	$ 39.5	$ 34.1

(a) Cash surrender value of policies as presented represents the value of the policies as of the end of the respective policy years and not as of December 31, 2000 and 1999.

Income is recorded for increases in cash surrender value and net death proceeds. Interest incurred on amounts borrowed is offset against policy income. Income recognized from death proceeds is highly variable from period to period. Death benefits recognized as other income approximated $0.9 million in 2000, $1.4 million in 1999 and $13.7 million in 1998.

Cumulative Effect of Accounting Change: The company adopted Staff Accounting Bulletin No. 101, "Revenue Recognition" (SAB 101) in the fourth quarter of 2000 which had a retroactive effective date of January 1, 2000. The impact of this accounting change generally requires deferral of certain monitored services sales for installation revenues and direct sales-related expenses. Deferral of these revenues and costs is generally necessary when installation revenues have been received and a monitoring contract to provide future service is obtained. Historically, Protection One acquired a majority of its customers by acquisition or through an independent dealer program for its North American operations. Dealers billed and retained any installation revenues. In 2000, Protection One began an internal sales program. Because of these factors the impact of adopting SAB 101 for Protection One was not significant. Protection One Europe has a larger concentration of commercial customers where installation revenues and related costs had previously been recognized.

The cumulative effect of the change in accounting principle was approximately $3.8 million, net of tax benefits of $1.1 million and is related to changes in revenue recognition at Protection One Europe. Prior to the adoption of SAB 101, Protection One Europe recognized installation revenues and related expenses upon completion of the installation. Pro forma amounts and amounts per share, assuming the change in accounting principle was applied retroactively are as follows:

	2000		1999		1998	
	Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
	(In Thousands, Except Per Share Amounts)					
Earnings available for common stock before extraordinary gain and accounting change:						
As reported.	$ 89,921	$ 1.30	$ 1,425	$ 0.02	$ 30,467	$ 0.46
Pro forma effect of accounting change. . .	-	-	(2,800)	(0.04)	(1,010)	(0.01)
Pro forma.	$ 89,921	$ 1.30	$ (1,375)	$(0.02)	$ 29,457	$ 0.45
Earnings available for common stock:						
As reported.	$135,352	$ 1.96	$ 13,167	$ 0.20	$ 32,058	$ 0.48
Pro forma effect of accounting change. . .	3,810	0.05	(2,800)	(0.04)	(1,010)	(0.01)
Pro forma.	$139,162	$ 2.01	$ 10,367	$ 0.16	$ 31,048	$ 0.47

New Accounting Pronouncements: In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133). SFAS 133, as amended, is effective for fiscal years beginning after June 15, 2000. SFAS 133 establishes accounting and reporting standards requiring that every derivative instrument, including certain derivative instruments embedded in other contracts, be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS 133 requires that changes in the derivatives' fair value be recognized currently in earnings unless specific hedge accounting criteria are met.

The company adopted SFAS 133 on January 1, 2001. The company has evaluated its commodity contracts, financial instruments and other contracts and determined that certain commodity contracts are derivative instruments. Under current GAAP, these contracts qualify as hedges. However, under SFAS 133, these contracts will not qualify as hedges. Accordingly, the instruments will be marked to market through earnings. The company estimates that the effect on its financial statements of adopting SFAS 133 on January 1, 2001, will be to increase pre-tax earnings for the first quarter of 2001 by approximately $31 million. Accounting for derivatives under SFAS 133 may increase volatility in future earnings.

Supplemental Cash Flow Information: Cash paid for interest and income taxes for each of the years ended December 31, are as follows:

	2000	1999	1998
		(In Thousands)	
Interest on financing activities (net of amount capitalized)	$310,345	$298,802	$220,848
Income taxes	28,751	784	47,196

Reclassifications: Certain amounts in prior years have been reclassified to conform with classifications used in the current year presentation.

2. PNM MERGER AND SPLIT-OFF OF WESTAR INDUSTRIES

On November 8, 2000, the company entered into an agreement under which Public Service Company of New Mexico (PNM) will acquire the electric utility businesses of the company in a stock-for-stock transaction. Under the terms of the agreement, both the company and PNM will become subsidiaries of a new holding company. Immediately prior to the consummation of this combination, the company will split-off its remaining interest in Westar Industries to its shareholders.

Westar Industries has filed a registration statement with the Securities and Exchange Commission (SEC) covering the proposed sale of a portion of its common stock through the exercise of non-transferable rights proposed to be distributed by Westar Industries to the company's shareholders.

The company and Westar Industries entered into an Asset Allocation and Separation Agreement at the same time the company entered into the merger agreement with PNM. Among other things, this agreement permits a receivable owed by the company to Westar Industries to be converted into certain securities of the company. At the closing of the merger, any of these securities then owned by Westar Industries will be converted into securities of PNM or the holding company to be formed by PNM.

On February 28, 2001, Westar Industries converted $350 million of the receivable into approximately 14.4 million shares of the company's common stock pursuant to the Asset Allocation and Separation Agreement. These shares represent approximately 16.9% of the company's outstanding common stock including these shares in outstanding shares. There are no voting rights with respect to these shares as long as Westar Industries is a majority owned subsidiary of the company.

3. RATE MATTERS AND REGULATION

KCC Rate Proceedings: On November 27, 2000, the company and KGE filed applications with the KCC for a change in retail rates which included a cost allocation study and separate cost of service studies for the company's KPL division and KGE. The company requested an annual rate increase totaling approximately $151 million. The company and KGE also provided revenue requirements on a combined company basis on December 28, 2000. The company anticipates a ruling by the KCC in July 2001 but is unable to predict its outcome.

FERC Proceeding: In September 1999, the City of Wichita filed a complaint with the Federal Energy Regulatory Commission (FERC) against the company alleging improper affiliate transactions between the company's KPL division and KGE, a wholly owned subsidiary of the company. The City of Wichita asked that FERC equalize the generation costs between KPL and KGE, in addition to other matters. A hearing on the case was held at FERC on October 11 and 12, 2000 and on November 9, 2000 a FERC administrative law judge ruled in favor of the company that no change in rates was required. On December 13, 2000, the City of Wichita filed a brief with FERC asking that the Commission overturn the judge's decision. On January 5, 2001, the company filed a brief opposing the City's position. The company anticipates a decision by FERC in the second quarter of 2001.

4. SALE OF ACCOUNTS RECEIVABLE

On July 28, 2000, the company and KGE entered into an agreement to sell, on an ongoing basis, all of their accounts receivable arising from the sale of electricity, to WR Receivables Corporation, a special purpose entity wholly owned by the company. The agreement expires on July 26, 2001, and is annually renewable upon agreement by both parties. The special purpose entity has sold and, subject to certain conditions, may from time to time sell, up to $125 million (and upon request, subject to certain conditions, up to $175 million) of an undivided fractional ownership interest in the pool of receivables to a third-party, multi-seller receivables funding entity affiliated with a lender. The company's retained interests in the receivables sold are recorded at cost which approximates fair value. The company has received net proceeds of $115.0 million as of December 31, 2000.

5. SHORT-TERM DEBT

The company has an arrangement with certain banks to provide a revolving credit facility on a committed basis totaling $500 million. The facility is secured by first mortgage bonds of the company and KGE and matures on March 17, 2003. The company also has arrangements with certain banks to provide unsecured short-term lines of credit on a committed basis totaling approximately $12.0 million. As of December 31, 2000, borrowings on these facilities were $35.0 million.

The agreements provide the company with the ability to borrow at different market-based interest rates. The company pays commitment or facility fees in support of these lines of credit. Under the terms of the agreements, the company is required, among other restrictions, to maintain a total debt to total capitalization ratio of not greater than 65% at all times. The company is in compliance with all restrictions.

Information regarding the company's short-term borrowings, comprised of borrowings under the credit agreements, bank loans and commercial paper, is as follows:

	As of December 31, 2000	As of December 31, 1999
	(Dollars in Thousands)	
Borrowings outstanding at year end:		
Credit agreement	$ 35,000	$ 50,000
Bank loans	-	120,000
Commercial paper notes	-	535,421
Total	$ 35,000	$ 705,421
Weighted average interest rate on debt outstanding at year end (including fees)	8.11%	6.96%
Weighted average short-term debt outstanding during the year	$ 402,845	$ 455,184
Weighted daily average interest rates during the year		

(including fees).	7.92%	5.76%
Unused lines of credit supporting commercial paper notes.	$ -	$1,021,000

The company's interest expense on short-term debt and other was $63.1 million in 2000, $57.7 million in 1999 and $55.3 million in 1998.

6. LONG-TERM DEBT

Long-term debt outstanding is as follows at December 31:

	2000	1999
	(In Thousands)	
Western Resources		
First mortgage bond series:		
8 7/8% due 2000	$ -	$ 75,000
7 1/4% due 2002	100,000	100,000
8 1/2% due 2022	125,000	125,000
7.65% due 2023.	100,000	100,000
	325,000	400,000
Pollution control bond series:		
Variable due 2032, 4.70% at December 31, 2000	45,000	45,000
Variable due 2032, 4.62% at December 31, 2000	30,500	30,500
6% due 2033	58,410	58,420
	133,910	133,920
6 7/8% unsecured senior notes due 2004. . .	370,000	370,000
7 1/8% unsecured senior notes due 2009. . .	150,000	150,000
6.80% unsecured senior notes due 2018 . . .	28,977	29,783
6.25% unsecured senior notes due 2018, putable/callable 2003	400,000	400,000
Senior secured term loan.	600,000	-
Other long-term agreements.	16,889	21,895
	1,565,866	971,678
KGE		
First mortgage bond series:		
7.60% due 2003.	135,000	135,000
6 1/2% due 2005	65,000	65,000
6.20% due 2006.	100,000	100,000
	300,000	300,000
Pollution control bond series:		
5.10% due 2023.	13,623	13,653
Variable due 2027, 4.60% at December 31, 2000	21,940	21,940
7.0% due 2031	327,500	327,500
Variable due 2032, 4.60% at December 31, 2000	14,500	14,500
Variable due 2032, 4.60% at December 31, 2000	10,000	10,000
	387,563	387,593

Protection One		
Convertible senior subordinated notes due 2003, fixed rate 6.75%	23,785	53,950
Senior subordinated discount notes due 2005, effective rate of 11.8%	42,887	87,038
Senior unsecured notes due 2005, fixed rate 7.375%	204,650	250,000
Senior subordinated notes due 2009, fixed rate 8.125% (1)	255,740	341,415
Other	267	2,033
	527,329	734,436
Protection One Europe		
CET recourse financing agreements, average effective rate 15%	33,512	60,838
Unamortized debt premium	13,541	13,726
Less:		
Unamortized debt discount	(7,047)	(7,458)
Long-term debt due within one year	(41,825)	(111,667)
Long-term debt (net)	$3,237,849	$2,883,066

(1) The rate is currently 8.625% and will continue at that rate until an exchange offer related to the offering is completed.

Debt discount and expenses are being amortized over the remaining lives of each issue.

The amount of the company's first mortgage bonds authorized by its Mortgage and Deed of Trust, dated July 1, 1939, as supplemented, is unlimited. The amount of KGE's first mortgage bonds authorized by the KGE Mortgage and Deed of Trust, dated April 1, 1940, as supplemented, is limited to a maximum of $2 billion. First mortgage bonds are secured by the utility assets of the company and KGE. Amounts of additional bonds which may be issued are subject to property, earnings and certain restrictive provisions of each mortgage.

The company's unsecured debt represents general obligations that are not secured by any of the company's properties or assets. Any unsecured debt will be subordinated to all secured debt of the company, including the first mortgage bonds. The notes are structurally subordinated to all secured and unsecured debt of the company's subsidiaries.

On June 28, 2000, the company entered into a $600 million, multi-year term loan that replaced two revolving credit facilities which matured on June 30, 2000. The net proceeds of the term loan were used to retire short-term debt. The term loan is secured by first mortgage bonds of the company and KGE and has a maturity date of March 17, 2003.

Maturities of the term loan through March 17, 2003, are as follows:

Year	Principal Amount (In Thousands)
2001	$ 9,000
2002	6,000
2003	585,000
	$600,000

The terms of the loan contain requirements for maintaining certain consolidated leverage ratios, interest coverage ratios and consolidated debt to capital ratios. The company is in compliance with all of these requirements.

Interest on the term loan is payable on the expiration date of each borrowing under the facility or quarterly if the term of the borrowing is greater than three months. The weighted average interest rate, including amortization of fees, on the term loan for the year ending December 31, 2000, was 10.28%.

In 1998, Protection One issued $350 million of Unsecured Senior Subordinated Notes. The notes are redeemable at Protection One's option, in whole or in part, at a predefined price. Protection One did not complete a required exchange offer during 1999. As a result, the interest rate on these notes has been 8.625% since June 1999. If the exchange offer is completed, the interest rate will revert back to 8.125%. Interest on these notes is payable semi-annually on January 15 and July 15.

In 1998, Protection One issued $250 million of Senior Unsecured Notes. Interest is payable semi-annually on February 15 and August 15. The notes are redeemable at Protection One's option, in whole or in part, at a predefined price.

In 1995, Protection One issued $166 million of Unsecured Senior Subordinated Discount Notes with a fixed interest rate of 13.625%. Interest payments began in 1999 and are payable semi-annually on June 30 and December 31. In connection with the acquisition of Protection One in 1997, these notes were restated to fair value reflecting a current market yield of approximately 6.4% through June 30, 2000, the first full call date of the notes. Since the notes were not called on that date the current market yield was adjusted to 11.8% as of July 1, 2000. The 1997 revaluation resulted in bond premium being recorded to reflect the increase in value of the notes as a result of the decline in interest rates since the note issuance. This revaluation had no impact on the expected cash flow to existing noteholders. As of June 30, 2000, the notes became redeemable at Protection One's option, at a specified redemption price.

In 1998, Protection One redeemed unsecured senior subordinated discount notes with a book value of $69.4 million and recorded an extraordinary gain on the extinguishment of $1.6 million, net of tax.

In 1996, Protection One issued $103.5 million of Convertible Senior Subordinated Notes. Interest is payable semi-annually on March 15 and September 15. The notes are convertible at any time at a conversion price of $11.19 per share. The notes are redeemable, at Protection One's option, at a specified redemption price, beginning September 19, 1999.

In 1999, Westar Industries purchased Protection One bonds on the open market at amounts less than the carrying amount of the debt. The company recognized an extraordinary gain of $13.4 million, net of tax, at December 31, 1999, related to the retirement of this debt.

During 2000, Westar Industries purchased various issues of Protection One bonds on the open market at amounts less than the carrying amount of the debt. The company recognized an extraordinary gain of $49.2 million, net of tax, at December 31, 2000, related to the retirement of this debt.

Protection One Europe has recognized as a financing transaction cash received through the sale of security equipment and future cash flows to be received under security equipment operating lease agreements with customers to a third-party financing company.

Maturities of long-term debt through 2005 are as follows:

Year	Principal Amount (In Thousands)
2001	$ 41,825
2002	116,705
2003	747,207
2004	370,617
2005	313,007
Thereafter	1,683,819
	$3,273,180

The company's interest expense on long-term debt was $226.4 million in 2000, $236.4 million in 1999 and $170.9 million in 1998.

Protection One's debt instruments contain financial and operating covenants which may restrict its ability to incur additional debt, pay dividends, make loans or advances and sell assets. At December 31, 2000, Protection One was in compliance with all financial covenants governing its debt securities.

The indentures governing all of Protection One's debt securities require that Protection One offer to repurchase the securities in certain circumstances following a change of control.

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value as set forth in Statement of Financial Accounting Standards No. 107 "Disclosures about Fair Value of Financial Instruments."

Cash and cash equivalents, short-term borrowings and variable-rate debt are carried at cost which approximates fair value and are not included in the table below. The decommissioning trust is recorded at fair value and is based on the quoted market prices at December 31, 2000 and 1999. The fair value of fixed-rate debt and other mandatorily redeemable securities is estimated based on quoted market prices for the same or similar issues or on the current rates offered for instruments of the same remaining maturities and redemption provisions. The estimated fair values of contracts related to commodities have been determined using quoted market prices of the same or similar securities.

The recorded amounts of accounts receivable and other current financial instruments approximate fair value.

The fair value estimates presented herein are based on information available at December 31, 2000 and 1999. These fair value estimates have not been comprehensively revalued for the purpose of these financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

The carrying values and estimated fair values of the company's financial instruments are as follows:

	Carrying Value		Fair Value	
	As of December 31,			
	2000	1999	2000	1999
	(In Thousands)			
Decommissioning trust.......	$ 64,222	$ 58,286	$ 64,222	$ 58,286
Fixed-rate debt, net of current maturities........	3,109,415	2,743,057	2,809,711	2,350,880
Other mandatorily redeemable securities....	220,000	220,000	182,232	187,950

The tables below present the estimated fair value of contracts not settled at December 31, 2000.

The notional volumes and estimated fair values of the company's forward contracts and options for electricity positions are as follows at December 31:

	2000		1999	
	Notional Volumes (MWH's)	Estimated Fair Value	Notional Volumes (MWH's)	Estimated Fair Value
	(Dollars in Thousands)			
Forward contracts:				
Purchased. . . .	3,581,500	$264,488	1,137,600	$33,021
Sold.	3,713,248	269,731	1,088,800	32,395
Options:				
Purchased. . . .	647,600	$ 12,606	944,800	$ 5,524
Sold	387,200	11,976	754,200	8,458

The notional volumes and estimated fair values of the company's forward contract and options for gas positions are as follows at December 31:

	2000		1999	
	Notional Volumes (MMBtu's)	Estimated Fair Value	Notional Volumes (MMBtu's)	Estimated Fair Value
	(Dollars in Thousands)			
Forward contracts:				
Purchased. . . .	73,859,179	$283,453	13,010,000	$31,002

Sold	50,614,417	174,441	500,000	1,108
Options:				
Purchased. . . .	39,171,500	$21,887	6,000,000	$ 971
Sold	30,140,000	21,196	4,000,000	615

Under mark-to-market accounting, energy trading contracts with third parties are reflected at fair market value, net of reserves, with resulting unrealized gains and losses recorded as energy trading contract assets and liabilities. These assets and liabilities are affected by the actual timing of settlements related to these contracts and current period changes resulting primarily from newly originated transactions and the impact of price movements. These changes are recognized as revenues in the consolidated statements of income in the period the changes occur. As of December 31, 2000, the company had gross mark-to-market gains (asset position) and losses (liability position) on these energy trading contracts as follows:

	2000	1999
	(In Thousands)	
Current Assets - energy trading contracts...	$185,364	$ 16,370
Other Assets - other.......................	15,883	-
	$201,247	$ 16,370
Current Liabilities - energy trading contracts.	$191,673	$ 15,182
Long-term liabilities - other.................	1,096	-
	$192,769	$ 15,182
Net mark-to-market gains....................	$ 8,478	$ 1,188

These net mark-to-markets gains have been recognized in revenue. Included within these assets and liabilities is an unrealized gain of $31 million which will be recognized through revenue in 2001 as a cumulative effect of an accounting change upon adoption of SFAS 133.

8. MONITORED SERVICES BUSINESS

In 1999, Protection One sold the assets which comprised its Mobile Services Group. Cash proceeds of this sale approximated $20 million and Protection One recorded a pre-tax gain of approximately $17 million. This gain is reflected in other income (expense) - other on the statement of income.

Protection One acquired a significant number of security companies in 1998. All companies acquired have been accounted for using the purchase method. The principal assets acquired in the acquisitions are customer accounts. The excess of the purchase price over the estimated fair value of the net assets acquired is recorded as goodwill. The results of operations of each acquisition have been included in the consolidated results of operations of Protection One from the date of the acquisition.

The following table presents the unaudited pro forma financial information considering Protection One's monitored services acquisitions in 1998. The table assumes acquisitions in 1998 occurred as of January 1, 1998.

Year Ended December 31,	1998 (Unaudited) (In Thousands, Except Per Share Data)
Sales	$2,175,089
Earnings available for common stock . .	$21,449
Earnings per share.	$0.33

The unaudited pro forma financial information is not necessarily indicative of the results of operations had the entities been combined for the entire period nor do they purport to be indicative of results which will be obtained in the future.

9. MARKETABLE SECURITIES

During the fourth quarter of 1999, the company decided to sell its remaining marketable security investments in paging industry companies. These securities were classified as available-for-sale; therefore, changes in market value were historically reported as a component of other comprehensive income.

The market value for these securities declined during the last six to nine months of 1999. The company determined that the decline in value of these securities was other than temporary and a charge to earnings for the decline in value was required at December 31, 1999. Therefore, a non-cash charge of $76.2 million was recorded in the fourth quarter of 1999 and is presented separately in the accompanying Consolidated Statements of Income.

In February 2000, a paging company whose securities were included in the securities discussed in the paragraph above at December 31, 1999, made an announcement that significantly increased the market value of paging company securities generally in the public markets. During the first quarter of 2000, the remainder of these paging securities were sold and a gain of $24.9 million was realized.

During 2000, the company sold its equity investment in a gas compression company and realized a pre-tax gain of $91.1 million.

1O. CUSTOMER ACCOUNTS

The following is a rollforward of the investment in customer accounts (at cost) for the following years:

	December 31, 2000	December 31, 1999
	(In Thousands)	
Beginning customer accounts, net.	$1,122,585	$1,009,084
Acquisition of customer accounts.	54,993	337,464
Amortization of customer accounts	(163,297)	(185,974)
Non-cash charges against purchase holdbacks.	(8,776)	(37,989)
Ending customer accounts, net	$1,005,505	$1,122,585

Accumulated amortization of the investment in customer accounts at December 31, 2000 and 1999 was $493.4 million and $330.7 million.

11. INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

The company's investments which are accounted for by the equity method are as follows:

	Ownership at December 31, 2000	Investment at December 31, 2000	Investment at December 31, 1999	Equity Earnings, Year Ended December 31 2000	Equity Earnings, Year Ended December 31 1999
		(Dollars in Thousands)			
ONEOK (a).	45%	$591,173	$590,109	$ 8,213	$6,945
Affordable Housing Tax Credit limited partnerships (b)	13% to 29%	69,364	79,460	10,066	5,615
Paradigm Direct (c). . . .	-	-	35,385	3,006	1,254
International companies and joint ventures (d). .	9% to 50%	13,514	18,724	4,799	-

(a) The company also received approximately $40 million and $41 million of preferred and common dividends in 2000 and 1999.
(b) Investment is aggregated. Individual investments are not material. Based on an order received by the KCC, equity earnings from these investments are used to offset costs associated with post-retirement and post-employment benefits offered to the company's employees.
(c) The company sold this investment on December 15, 2000.
(d) Investment is aggregated. Individual investments are not material.

The following summarized unaudited financial information for the company's investment in ONEOK is as follows:

	As of December 31, 2000	As of December 31, 1999
	(In Thousands)	
Balance Sheet:		
Current assets	$3,324,959	$ 595,386
Non-current assets . . .	4,044,177	2,645,854
Current liabilities. . .	3,535,352	786,713
Non-current liabilities.	2,608,827	1,303,003
Equity	1,224,957	1,151,524

	For the Year Ended December 31, 2000	For the Year Ended December 31, 1999
	(In Thousands)	
Income Statement:		
Revenues	$6,642,858	$2,064,726
Gross profit.	797,132	632,350
Net income	145,607	106,873

At December 31, 2000, the company's ownership interest in ONEOK is comprised of approximately 2.2 million common shares and approximately 19.9 million convertible preferred shares. If all the preferred shares were converted, the company would then own approximately 45% of ONEOK's common shares outstanding.

12. EMPLOYEE BENEFIT PLANS

Pension: The company maintains qualified noncontributory defined benefit pension plans covering substantially all utility employees. Pension benefits are based on years of service and the employee's compensation during the five highest paid consecutive years out of ten before retirement. The company's policy is to fund pension costs accrued, subject to limitations set by the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code. The company also maintains a non-qualified Executive Salary Continuation Program for the benefit of certain management employees, including executive officers.

Postretirement Benefits: The company accrues the cost of postretirement benefits, primarily medical benefit costs, during the years an employee provides service.

The following tables summarize the status of the company's pension and other postretirement benefit plans:

	Pension Benefits		Postretirement Benefits	
December 31,	2000	1999	2000	1999
	(Dollars in Thousands)			
Change in Benefit Obligation:				
Benefit obligation, beginning of year	$350,749	$392,057	$ 79,287	$ 87,519
Service cost.	7,964	8,949	1,344	1,609
Interest cost	26,901	26,487	7,158	5,854
Plan participants' contributions. . .	-	-	1,130	784
Benefits paid.	(20,337)	(21,961)	(6,476)	(6,990)
Assumption changes	19,350	(49,499)	5,038	(9,458)
Actuarial losses (gains)	(2,491)	(4,608)	15,049	(31)
Acquisitions	-	(676)	-	-
Curtailments, settlements and special term benefits.	1,267	-	-	-
Benefit obligation, end of year. . .	$383,403	$350,749	$ 102,530	$ 79,287
Change in Plan Assets:				
Fair value of plan assets, beginning of year.	$506,995	$441,531	$ 261	$ 173
Actual return on plan assets. . . .	1,448	85,079	17	10
Acquisitions	-	-	-	-
Employer contribution.	1,927	2,882	5,177	6,284
Plan participants' contributions. . .	-	-	1,109	784
Benefits paid.	(20,197)	(22,497)	(6,170)	(6,990)
Fair value of plan assets, end of year	$490,173	$506,995	$ 394	$ 261
Funded status.	$106,770	$156,246	$(102,136)	$(79,026)
Unrecognized net (gain)/loss	(141,443)	(205,338)	11,904	(7,733)
Unrecognized transition obligation, net	174	209	48,183	52,171
Unrecognized prior service cost. . .	29,538	32,854	(3,264)	(3,730)
Accrued postretirement benefit costs	$ (4,961)	$(16,029)	$ (45,313)	$(38,318)
Actuarial Assumptions:				
Discount rate.	7.25-7.75%	7.75%	7.25-7.75%	7.75%
Expected rate of return.	9.00-9.25%	9.00%	9.00-9.25%	9.00%
Compensation increase rate	4.25-5.00%	4.50%	4.50-5.00%	4.50%
Components of net periodic (benefit) cost:				
Service cost	$ 7,972	$ 8,949	$ 1,344	$ 1,610
Interest cost	26,977	26,487	7,157	5,854

Expected return on plan assets . .	(39,143)	(34,393)	(24)	(16)
Amortization of unrecognized transition obligation, net. . . .	35	34	3,988	3,987
Amortization of unrecognized prior service costs	3,316	3,455	(466)	(466)
Amortization of (gain)/loss, net .	(9,427)	(3,477)	457	129
Other.	9	-	-	-
Net periodic (benefit) cost. . . .	$(10,261)	$ 1,055	$ 12,456	$ 11,098

For measurement purposes, an annual health care cost growth rate of 6.0% was assumed for 2000 decreasing to 5% in 2001 and thereafter. The health care cost trend rate has a significant effect on the projected benefit obligation. Increasing the trend rate by 1% each year would increase the present value of the accumulated projected benefit obligation by $2.5 million and the aggregate of the service and interest cost components by $0.2 million. A 1% decrease in the trend rate would decrease the present value of the accumulated projected benefit obligation by $2.3 million and the aggregate of the service and interest cost components by $0.2 million.

Savings Plans: The company maintains savings plans in which substantially all employees participate, with the exception of Protection One and Protection One Europe employees. The company matches employees' contributions up to specified maximum limits. The company's contribution to the plans are deposited with a trustee and are invested in one or more funds, including the company stock fund. The company's contributions were $3.9 million for 2000, $3.7 million for 1999 and $3.8 million for 1998.

In 1999, the company established a qualified employee stock purchase plan, the terms of which allow for full-time non-union employees to participate in the purchase of designated shares of the company's common stock at no more than a 15% discounted price. Western Resources' employees purchased 249,050 shares in 2000, pursuant to this plan, at an average price per share of $13.9984. In 1999, employees purchased 72,698 shares at an average price per share of $14.4234. A total of 1,250,000 shares of common stock have been reserved for issuance under this program.

Protection One also maintains a savings plan. Contributions, made at Protection One's election, are allocated among participants based upon the respective contributions made by the participants through salary reductions during the year. Protection One's matching contributions may be made in Protection One common stock, in cash or in a combination of both stock and cash. Protection One's matching cash contribution to the plan was approximately $0.7 million for 2000, $0.9 million for 1999 and $1.0 million for 1998.

Protection One maintains a qualified employee stock purchase plan that allows eligible employees to acquire shares of Protection One common stock at periodic intervals through their accumulated payroll deductions. A total of 2,650,000 shares of common stock have been reserved for issuance in this program and a total of 422,133 shares have been issued including the issuance of 145,523 shares in January 2001.

Stock Based Compensation Plans: The company, excluding Protection One and Protection One Europe, has a long-term incentive and share award plan (LTISA Plan), which is a stock-based compensation plan. The LTISA Plan was implemented as a means to attract, retain and motivate employees and board members (Plan Participants).

Under the LTISA Plan, the company may grant awards in the form of stock options, dividend equivalents, share appreciation rights, restricted shares, restricted share units (RSUs), performance shares and performance share units to Plan Participants. Up to five million shares of common stock may be granted under the LTISA Plan.

During 2000, 710,352 RSUs were granted to a broad-based group of over 900 non-union employees. Each RSU represents a right to receive one share of the company's common stock at the end of the restricted period. In addition, in 2000, current non-union employees were offered the opportunity to exchange their stock options for RSUs of approximately equal economic value. As a result, 2,246,865 stock options were canceled in 2000 in exchange for 614,741 RSUs. The grant of restricted stock is shown as a separate component of shareholders' equity. Unearned compensation is being amortized to expense over the vesting period. This compensation expense is shown as a separate component of shareholders' equity. The company granted a total of 152,000 restricted shares in 1999 and 136,500 in 1998.

Another component of the LTISA Plan is the Executive Stock for Compensation program where eligible employees are entitled to receive RSUs in lieu of cash compensation at the end of a deferral period. In 2000, 95,000 RSUs were deferred, representing $1.3 million in cash compensation. In 1999, 35,000 RSUs were deferred, representing $0.7 million of cash compensation. Dividend equivalents accrue on the deferred RSUs. Dividend equivalents are the right to receive cash equal to the value of dividends paid on the company's common stock.

Stock options and restricted shares under the LTISA plan are as follows:

	As of December 31,					
	2000		1999		1998	
	Shares (Thousands)	Weighted-Average Exercise Price	Shares (Thousands)	Weighted-Average Exercise Price	Shares (Thousands)	Weighted-Average Exercise Price
Outstanding, beginning of year	2,418.6	$ 34.139	1,590.7	$ 36.106	665.4	$ 30.282
Granted	1,953.1	15.513	981.6	30.613	925.3	40.293
Exercised	(0.5)	15.625	-	-	-	-
Forfeited	(2,265.6)	28.827	(153.7)	31.985	-	-
Outstanding, end of year	2,105.6	$ 22.583	2,418.6	$ 34.139	1,590.7	$ 36.106
Weighted-average fair value of awards granted during the year		$ 11.28		$ 8.22		$ 9.12

Stock options and restricted shares issued and outstanding at December 31, 2000 are as follows:

	Range of Exercise Price	Number Issued and Outstanding	Weighted-Average Contractual Life in Years	Weighted-Average Exercise Price
Options:				
2000.	$ 15.3125	17,690	10.0	$15.3125
1999.	27.8125-32.125	51,305	9.0	29.7357
1998.	38.625-43.125	222,720	8.0	40.986
1997.	30.750	137,740	7.0	30.750
1996.	29.250	68,870	5.7	29.250
		498,325		
Restricted shares:				
2000.	15.3125-19.875	1,319,083	6.3	15.6079
1999.	27.813-32.125	151,783	8.0	29.7587
1998.	38.625	136,500	7.0	38.625
		1,607,366		
Total issued.		2,105,691		

An equal amount of dividend equivalents is issued to recipients of stock options and RSUs. The weighted-average grant-date fair value of the dividend equivalent was $4.62 in 2000 and $3.28 in 1999. The value of each dividend equivalent is calculated by accumulating dividends that would have been paid or payable on a share of company common stock. The dividend equivalents, with respect to stock options, expire after nine years from date of grant.

The fair value of stock options and dividend equivalents were estimated on the date of grant using the Black-Scholes option-pricing model. The model assumed the following at December 31:

	2000	1999
Dividend yield.	6.32%	6.25%
Expected stock price volatility .	16.42%	16.56%
Risk-free interest rate	5.79%	6.05%

Protection One Stock Warrants and Options: Protection One has outstanding stock warrants and options which were considered reissued and exercisable upon the company's acquisition of Protection One on November 24, 1997. The 1997 Long-Term Incentive Plan (the LTIP), approved by the Protection One stockholders on November 24, 1997, provides for the award of incentive stock options to directors, officers and employees. Under the LTIP, 4.2 million shares are reserved for issuance. The LTIP provides for the granting of options that qualify as incentive stock options under the Internal Revenue Code and options that do not so qualify.

Options issued since 1997 have a term of 10 years and vest ratably over 3 years.

A summary of warrant and option activity for Protection One from December 31, 1998, through December 31, 2000, is as follows:

	December 31,					
	2000		1999		1998	
	Shares (Thousands)	Weighted-Average Exercise Price	Shares (Thousands)	Weighted-Average Exercise Price	Shares (Thousands)	Weighted-Average Exercise Price
Outstanding, beginning of year	3,788.1	$ 7.232	3,422.7	$ 7.494	2,366.4	$ 5.805
Granted.	922.5	1.436	1,092.9	7.905	1,246.5	11.033
Exercised.	(5.4)	3.89	-	-	(109.6)	5.564
Forfeited.	(300.6)	6.698	(727.5)	10.125	(117.4)	10.770
Adjustment to May 1995 warrants.	-	-	-	-	36.8	-

Outstanding, end of year .	4,404.6	$ 6.058	3,788.1	$ 7.232	3,422.7	$ 7.494
	=======		=======		=======	
Exercisable, end of year. . .	-	-	2,313.3	$ 6.358	2,263.2	$ 5.681
	=======		=======		=======	

(1) There were no outstanding stock or options prior to November 24, 1997.

Stock options and warrants of Protection One issued and outstanding at December 31, 2000, are as follows:

	Range of Exercise Price	Number Issued and Outstanding	Weighted-Average Contractual Life in Years	Weighted-Average Exercise Price
Exercisable:				
Fiscal 1995.........	$ 6.375-$ 6.500	100,800	4.0	$ 6.491
Fiscal 1996.........	8.000- 10.313	248,400	5.0	8.022
Fiscal 1996.........	13.750- 15.500	99,000	5.0	14.947
Fiscal 1997.........	9.500	110,500	6.0	9.500
Fiscal 1997.........	15.000	37,500	6.0	15.000
Fiscal 1997.........	14.268	50,000	1.0	14.268
Fiscal 1998.........	11.000	671,835	7.0	11.000
Fiscal 1998.........	8.5625	23,833	7.0	8.5625
Fiscal 1999.........	8.9275	248,297	8.0	8.9275
Fiscal 1999.........	5.250- 6.125	56,222	8.0	6.028
Fiscal 2000.........	1.438	5,000	9.0	1.438
1993 Warrants.......	0.167	428,400	3.0	0.167
1995 Note Warrants..	3.890	780,837	4.0	3.890

		2,860,624		
Not Exercisable:				
1998 options........	$ 11.000	112,165	7.0	$11.000
1998 options........	8.5625	11,917	7.0	8.5625
1999 options........	8.9275	410,403	8.0	8.9275
1999 options........	5.250- 6.125	112,444	8.0	6.028
2000 options........	1.313- 1.438	896,980	9.0	1.436

		1,543,909		

	Total outstanding	4,404,533		
		=========		

The weighted average fair value of options granted by Protection One during 2000, 1999 and 1998 estimated on the date of grant were $1.13, $5.41 and $6.87. The fair value was calculated using the following assumptions:

	Year Ended December 31,		
	2000	1999	1998
Dividend yield.	- %	- %	- %
Expected stock price volatility	92.97%	64.06%	61.72%
Risk free interest rate	4.87%	6.76%	5.50%
Expected option life.	6 years	6 years	6 years

Effect of Stock-Based Compensation on Earnings Per Share: The company accounts for both the company's and Protection One's plans under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and the related interpretations. Had compensation expense been determined pursuant to Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," the company would have recognized additional compensation costs during 2000, 1999 and 1998 as shown in the table below.

Year Ended December 31,	2000	1999	1998
	(In Thousands, Except Per Share Amounts)		
Earnings available for common stock:			
As reported	$135,352	$13,167	$32,058
Pro forma	134,274	10,699	42,640
Basic and diluted earnings per common share:			
As reported	$1.96	$0.20	$0.48
Pro forma	1.95	0.16	0.65

Split Dollar Life Insurance Program: The company has established a split dollar life insurance program for the benefit of the company and certain of its executives. Under the program, the company has purchased life insurance policies on which the executive's beneficiary is entitled to a death benefit in an amount equal to the face amount of the policy reduced by the greater of (i) all premiums paid by the company or (ii) the cash surrender value of the policy, which amount, at the death of the executive, will be returned to the company. The company retains an equity interest in the death benefit and cash surrender value of the policy to secure this repayment obligation.

Subject to certain conditions, each executive may transfer to the company their interest in the death benefit based on a predetermined formula, beginning no earlier than the first day of the calendar year following retirement or three years from the date of the policy. The liability associated with this program was $19.1 million as of December 31, 2000, and $31.9 million as of December 31, 1999. The obligations under this program can increase and decrease based on the company's total return to shareholders and payments to plan participants. This liability decreased approximately $12.8 million in 2000 due primarily to payments to plan participants and $10.5 million in 1999 based on the company's total return to shareholders. There was no change in the liability in 1998. Under current tax rules, payments to active employees in exchange for their interest in the death benefits may not be fully deductible by the company for income tax purposes.

13. COMMON STOCK, PREFERRED STOCK AND OTHER MANDATORILY REDEEMABLE SECURITIES

The company's Restated Articles of Incorporation, as amended, provide for 150,000,000 authorized shares of common stock. At December 31, 2000, 70,082,314 shares were issued and outstanding.

The company has a Direct Stock Purchase Plan (DSPP). Shares issued under the DSPP may be either original issue shares or shares purchased on the open market. During 2000, a total of 3,220,657 shares were purchased from the company made up of 1,440,000 treasury and 1,780,657 original issue shares. These shares were for DSPP, ESPP, 401K match and other stock based plans operated under the 1996 Long-term Incentive and Share Award Plan. Of the total shares purchased from the company in 2000, 2,750,457 were for the DSPP made up of 1,021,443 treasury and 1,729,014 original issue shares. During 2000 an additional 6,000,000 shares were registered to the DSPP. At December 31, 2000, 6,020,734 shares were available under the DSPP registration statement.

In 1999, the company purchased 900,000 shares of common stock at an average price of $17.55 per share. The purchased shares were purchased with short-term debt and available funds. These purchased shares are shown as $15.8 million in treasury stock on the accompanying Consolidated Balance Sheet. In 2000, the company purchased

540,000 shares of common stock at an average price of $17.01. All of these shares were reissued during the year.

Preferred Stock Not Subject to Mandatory Redemption: The cumulative preferred stock is redeemable in whole or in part on 30 to 60 days notice at the option of the company.

Rate	Principal Outstanding	Call Price	Premium	Total Amount to Redeem
4.500%	$13,857,600	108.00%	$ 1,108,608	$14,966,208
4.250%	6,000,000	101.50%	90,000	6,090,000
5.000%	5,000,000	102.00%	100,000	5,100,000
	$24,857,600		$ 1,298,608	$26,156,208

The provisions in the company's Articles of Incorporation contain restrictions on the payment of dividends or the making of other distributions on the company's common stock while any preferred shares remain outstanding unless certain capitalization ratios and other conditions are met.

Other Mandatorily Redeemable Securities: On December 14, 1995, Western Resources Capital I, a wholly owned trust, issued 4.0 million preferred securities of 7-7/8% Cumulative Quarterly Income Preferred Securities, Series A, for $100 million. The trust interests are redeemable at the option of Western Resources Capital I on or after December 11, 2000, at $25 per preferred security plus accrued interest and unpaid dividends. Holders of the securities are entitled to receive distributions at an annual rate of 7-7/8% of the liquidation preference value of $25. Distributions are payable quarterly and are tax deductible by the company. These distributions are recorded as interest expense. The sole asset of the trust is $103 million principal amount of 7-7/8% Deferrable Interest Subordinated Debentures, Series A due December 11, 2025.

On July 31, 1996, Western Resources Capital II, a wholly owned trust, of which the sole asset is subordinated debentures of the company, sold in a public offering, 4.8 million shares of 8-1/2% Cumulative Quarterly Income Preferred Securities, Series B, for $120 million. The trust interests are redeemable at the option of Western Resources Capital II, on or after July 31, 2001, at $25 per preferred security plus accumulated and unpaid distributions. Holders of the securities are entitled to receive distributions at an annual rate of 8-1/2% of the liquidation preference value of $25. Distributions are payable quarterly and are tax deductible by the company. These distributions are recorded as interest expense. The sole asset of the trust is $124 million principal amount of 8-1/2% Deferrable Interest Subordinated Debentures, Series B due July 31, 2036.

In addition to the company's obligations under the Subordinated Debentures discussed above, the company has agreed to guarantee, on a subordinated basis, payment of distributions on the preferred securities. These undertakings constitute a full and unconditional guarantee by the company of the trust's obligations under the preferred securities.

14. COMMITMENTS AND CONTINGENCIES

Efforts by Wichita to Equalize Electric Rates: In September 1999, the City of Wichita filed a complaint with FERC against KGE, alleging improper affiliate transactions between KGE and Western Resources' KPL division. The City of Wichita asked that FERC equalize the generation costs between KGE and KPL, in addition to other matters. On November 9, 2000, a FERC administrative law judge ruled in the company's favor that no change in rates was required. On December 13, 2000, the City of Wichita filed a brief with FERC asking that the Commission overturn the judge's decision. The company anticipates a decision by FERC in the second quarter of 2001. A decision requiring equalization of rates could have a material adverse effect on the company's operations and financial position.

Municipalization Efforts by Wichita: In December 1999, the City Council of Wichita, Kansas, authorized the hiring of an outside consultant to determine the feasibility of creating a municipal electric utility to replace KGE as the supplier of electricity in Wichita. The feasibility study was released in February 2001 and estimates that the City of Wichita would be required to pay KGE $145 million for its stranded costs if the City were to municipalize. However, the company estimates the amount to be substantially greater. In order to municipalize KGE's Wichita electric facilities, the City of Wichita would be required to purchase KGE's facilities or build a separate independent system and arrange for its own power supply. These costs are in addition to the stranded costs for which the city would be required to reimburse the company. On February 2, 2001, the City of Wichita announced its intention to proceed with its attempt to municipalize KGE's retail electric utility business in Wichita. KGE will oppose municipalization efforts by the City of Wichita. Should the city be successful in its municipalization efforts without providing the company adequate compensation for its assets and lost revenues, the adverse effect on the operations and financial position of the company could be material.

KGE's franchise with the City of Wichita to provide retail electric service expires in March 2002. There can be no assurance that this franchise can be successfully renegotiated with terms similar, or as favorable, as those in the current franchise. Under Kansas law, KGE will continue to have the right to serve the customers in Wichita following the expiration of the franchise, assuming the system is not municipalized. Customers within the Wichita metropolitan area account for approximately 25% of the company's total energy sales.

Purchase Orders and Contracts: As part of its ongoing operations and construction program, the company has commitments under purchase orders and contracts which have an unexpended balance of approximately $154.2 million at December 31, 2000.

Manufactured Gas Sites: The company has been associated with 15 former manufactured gas sites located in Kansas which may contain coal tar and other potentially harmful materials. The company and the Kansas Department of Health and Environment (KDHE) entered into a consent agreement governing all future work at the 15 sites. The terms of the consent agreement will allow the company to investigate these sites and set remediation priorities based on the results of the investigations and risk analysis. At December 31, 2000, the costs incurred for preliminary site investigation and risk assessment have been minimal. In accordance with the terms of the strategic alliance with ONEOK, ownership of twelve of these sites and the responsibility for clean-up of these sites were transferred to ONEOK. The ONEOK agreement limits the company's future liability associated with these sites to an immaterial amount. The company's investment earnings from ONEOK could be impacted by these costs.

Superfund Sites: In December 1999, the company was identified as one of more than 1,000 potentially responsible parties at an EPA Superfund site in Kansas City, Kansas (Kansas City site). The company has previously been associated with other Superfund sites for which the company's liability has been classified as de minimis and any potential obligations have been settled at minimal cost. Since 1993, the company has settled Superfund obligations at three sites for a total of $141,300. No Superfund obligations have been settled since 1994. The company's obligation, if any, at the Kansas City site is expected to be limited based upon previous experience and the limited nature of the company's business transactions with the previous owners of the site. In the opinion of the company's management, the resolution of this matter is not expected to have a material impact on the company's financial position or results of operations.

Clean Air Act: The company must comply with the provisions of The Clean Air Act Amendments of 1990 that require a two-phase reduction in certain emissions. The company has installed continuous monitoring and reporting equipment to meet the acid rain requirements. Material capital expenditures have not been required to meet Phase II sulfur dioxide and nitrogen oxide requirements.

Decommissioning: The company accrues decommissioning costs over the expected life of the Wolf Creek generating facility. The accrual is based on estimated unrecovered decommissioning costs which consider inflation over the remaining estimated life of the generating facility and are net of expected earnings on amounts recovered from customers and deposited in an external trust fund.

On September 1, 1999, Wolf Creek submitted the 1999 Decommissioning Cost Study to the KCC for approval. The KCC approved the 1999 Decommissioning Cost Study on April 26, 2000. Based on the study, the company's share of Wolf Creek's decommissioning costs, under the immediate dismantlement method, is estimated to be approximately $631 million during the period 2025 through 2034, or approximately $221 million in 1999 dollars. These costs include decontamination, dismantling and site restoration and were calculated using an assumed inflation rate of 3.6% over the remaining service life from 1999 of 26 years. The actual decommissioning costs may vary from the estimates because of changes in the assumed dates of decommissioning, changes in regulatory requirements, changes in technology and changes in costs of labor, materials and equipment. On May 26, 2000, the company filed an application with the KCC requesting approval of the funding of the company's decommissioning trust on this basis. Approval was granted by the KCC on September 20, 2000.

Decommissioning costs are currently being charged to operating expense in accordance with the prior KCC orders. Electric rates charged to customers provide for recovery of these decommissioning costs over the life of Wolf Creek. Amounts expensed approximated $4.0 million in 2000 and will increase annually to $5.5 million in 2024. These amounts are deposited in an external trust fund. The average after-tax expected return on trust assets is 5.8%.

The company's investment in the decommissioning fund, including reinvested earnings approximated $64.2 million at December 31, 2000 and $58.3 million at December 31, 1999. Trust fund earnings accumulate in the fund balance and increase the recorded decommissioning liability.

The FASB is reviewing the accounting for closure and removal costs, including decommissioning of nuclear power plants. The FASB has issued an Exposure Draft "Accounting for Obligations Associated with the Retirement of Long-Lived Assets." The FASB expects to issue a final statement of financial accounting standard in the second quarter of 2001. The proposed Exposure Draft contains an effective date of fiscal years beginning after June 15, 2001. However, the ultimate effective date has not been finalized. If current accounting practices for nuclear power plant decommissioning are changed, the following could occur:

- The company's annual decommissioning expense could be higher than in 2000
- The estimated cost for decommissioning could be recorded as a liability (rather than as accumulated depreciation)
- The increased costs could be recorded as additional investment in the Wolf Creek plant

The company does not believe that such changes, if required, would adversely affect its operating results due to its current ability to recover decommissioning costs through rates.

Nuclear Insurance: The Price-Anderson Act limits the combined public liability of the owners of nuclear power plants to $9.5 billion for a single nuclear incident. If this liability limitation is insufficient, the United States Congress will consider taking whatever action is necessary to compensate the public for valid claims. The Wolf Creek owners (Owners) have purchased the maximum available private insurance of $200 million. The remaining balance is provided by an assessment plan mandated by the Nuclear Regulatory Commission (NRC). Under this plan, the Owners are jointly and severally subject to a retrospective assessment of up to $88.1 million in the event there is a major nuclear incident involving any of the nation's licensed reactors. This assessment is subject to an inflation adjustment based on the Consumer Price Index and applicable premium taxes. There is a limitation of $10 million in retrospective assessments per incident, per year.

The Owners carry decontamination liability, premature decommissioning liability and property damage insurance for Wolf Creek totaling approximately $2.8 billion ($1.3 billion, company's share). This insurance is provided by Nuclear Electric Insurance Limited (NEIL). In the event of an accident, insurance proceeds must first be used for reactor stabilization and site decontamination in accordance with a plan mandated by the NRC. The company's share of any remaining proceeds can be used to pay for property damage or decontamination expenses or, if certain requirements are met including decommissioning the plant, toward a shortfall in the decommissioning trust fund.

The Owners also carry additional insurance with NEIL to cover costs of replacement power and other extra expenses incurred during a prolonged outage resulting from accidental property damage at Wolf Creek. If losses incurred at any of the nuclear plants insured under the NEIL policies exceed premiums, reserves and other NEIL resources, the company may be subject to retrospective assessments under the current policies of approximately $5.3 million per year.

Although the company maintains various insurance policies to provide coverage for potential losses and liabilities resulting from an accident or an extended outage, the company's insurance coverage may not be adequate to cover the costs that could result from a catastrophic accident or extended outage at Wolf Creek. Any substantial losses not covered by insurance, to the extent not recoverable through rates, would have a material adverse effect on the company's financial condition and results of operations.

Fuel Commitments: To supply a portion of the fuel requirements for its generating plants, the company has entered into various commitments to obtain nuclear fuel and coal. Some of these contracts contain provisions for price escalation and minimum purchase commitments. At December 31, 2000, WCNOC's nuclear fuel commitments (company's share) were approximately $7.3 million for uranium concentrates expiring in 2003, $1.1 million for conversion expiring in 2003, $16.1 million for enrichment expiring at various times through 2003 and $61.3 million for fabrication through 2025.

At December 31, 2000, the company's coal and transportation contract commitments in 2000 dollars under the remaining terms of the contracts were approximately $1.52 billion. The largest contract expires in 2020, with the remaining contracts expiring at various times through 2013.

At December 31, 2000, the company's natural gas transportation commitments in 2000 dollars under the remaining terms of the contracts were approximately $61.5 million. The natural gas transportation contracts provide firm service to several of the company's gas burning facilities and expire at various times through 2010, except for one contract which expires in 2016.

Energy Act: As part of the 1992 Energy Policy Act, a special assessment is being collected from utilities for an uranium enrichment decontamination and decommissioning fund. The company's portion of the assessment for Wolf Creek is approximately $9.6 million, payable over 15 years. Such costs are recovered through the ratemaking process.

15. LEGAL PROCEEDINGS

The SEC commenced a private investigation in 1997 relating to, among other things, the timeliness and adequacy of disclosure filings with the SEC by the company with respect to securities of ADT Ltd. The company is cooperating with the SEC staff in this investigation.

The company, its subsidiary Westar Industries, Protection One, its subsidiary Protection One Alarm Monitoring, Inc. (Monitoring), and certain present and former officers and directors of Protection One are defendants in a purported class action litigation pending in the United States District Court for the Central District of California, "Alec Garbini, et al v. Protection One, Inc., et al," No. CV 99-3755 DT (RCx). Pursuant to an Order dated August 2, 1999, four pending purported class actions were consolidated into a single action. On February 27, 2001, plaintiffs filed a Third Consolidated Amended Class Action Complaint ("Amended Complaint"). Plaintiffs purport to bring the action on behalf of a class consisting of all purchasers of publicly traded securities of Protection One, including common stock and notes, during the period of February 10, 1998 through February 2, 2001. The Amended Complaint asserts claims under Section 11 of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 against Protection One, Monitoring, and certain present and former officers and directors of Protection One based on allegations that various statements concerning Protection One's financial results and operations for 1997, 1998, 1999 and the first three quarters of 2000 were false and misleading and not in compliance with generally accepted accounting principles. Plaintiffs allege, among other things, that former employees of Protection One have reported that Protection One lacked adequate internal accounting controls and that certain accounting information was unsupported or manipulated by management in order to avoid disclosure of accurate information. The Amended Complaint further asserts claims against the company and Westar Industries as controlling persons under Sections 11 and 15 of the Securities Act of 1933 and Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. A claim is also asserted under Section 11 of the Securities Act of 1933 against Protection One's auditor, Arthur Andersen LLP. The Amended Complaint seeks an unspecified amount of compensatory damages and an award of fees and expenses, including attorneys' fees. Defendants have until April 9, 2001 to respond to the Amended Complaint. The company and Protection One intend to vigorously defend against all the claims asserted in the Amended Complaint. The company and Protection One cannot predict the impact of this litigation which could be material.

The company and its subsidiaries are involved in various other legal, environmental and regulatory proceedings. Management believes that adequate provision has been made and accordingly believes that the ultimate disposition of such matters will not have a material adverse effect upon the company's overall financial position or results of operations. See also Note 3 for discussion of regulatory proceedings and FERC proceedings including the City of Wichita and Note 14 for discussion of the City of Wichita municipalization efforts.

16. LEASES

At December 31, 2000, the company had leases covering various property and equipment.

Rental payments for operating leases and estimated rental commitments are as follows:

Year Ended December 31,	Leases
	(In Thousands)
Rental payments:	
1998	$ 70,796
1999	71,771
2000	71,232
Future commitments:	
2001	$ 71,280
2002	67,033
2003	62,270
2004	54,647
2005	55,931
Thereafter	558,754
Total future commitments	$869,915

In 1987, KGE sold and leased back its 50% undivided interest in the La Cygne 2 generating unit. The La Cygne 2 lease has an initial term of 29 years, with various options to renew the lease or repurchase the 50% undivided interest. KGE remains responsible for its share of operation and maintenance costs and other related operating costs of La Cygne 2. The lease is an operating lease for financial reporting purposes. The company recognized a gain on the sale which was deferred and is being amortized over the initial lease term.

In 1992, the company deferred costs associated with the refinancing of the secured facility bonds of the Trustee and owner of La Cygne 2. These costs are being amortized over the life of the lease and are included in operating expense.

Future minimum annual lease payments, included in the table above, required under the La Cygne 2 lease agreement are approximately $34.6 million for each year through 2002, $39.4 million in 2003, $34.6 million in 2004, $38.0 million in 2005, and $464.6 million over the remainder of the lease. KGE's lease expense, net of amortization of the deferred gain and refinancing costs, was approximately $28.9 million annually for 2000, 1999 and 1998.

17. INTERNATIONAL POWER DEVELOPMENT COSTS

During the fourth quarter of 1998, management decided to exit the international power development business. This business had been conducted by the company's wholly owned subsidiary, The Wing Group. The company recorded a $98.9 million charge to income in the fourth quarter of 1998 as a result of exiting this business.

During 1999, the company terminated the employment of all employees, closed offices, discontinued all development activities, and terminated all other matters related to the activity of The Wing Group in accordance with the terms of the exit plan. These activities were substantially completed by December 31, 1999. The actual costs incurred during 1999 to complete the exit plan approximated $16.9 million, which was $5.6 million less than the amount estimated at December 31, 1998. This was accounted for as a change in estimate in 1999.

18. INCOME TAXES

Income tax expense (benefit) is composed of the following components at December 31:

	2000	1999	1998
		(In Thousands)	
Currently payable:			
Federal.	$ 18,600	$ 13,907	$52,993
State.	10,131	9,622	10,881
Deferred:			
Federal.	13,790	(43,090)	(46,869)
State.	9,585	(6,582)	(4,185)
Amortization of investment tax credits	(6,045)	(6,054)	(6,065)
Total income tax expense (benefit)	$ 46,061	$(32,197)	$ 6,755

Under SFAS No. 109, "Accounting for Income Taxes," temporary differences gave rise to deferred tax assets and deferred tax liabilities as follows at December 31:

	2000	1999
	(In Thousands)	
Deferred tax assets:		
Deferred gain on sale-leaseback.	$ 82,013	$ 87,220
Monitored services deferred tax assets . . .	101,101	59,171
Other.	119,344	131,976
Total deferred tax assets.	$ 302,458	$ 278,367
Deferred tax liabilities:		
Accelerated depreciation and other	$ 609,396	$ 614,309
Acquisition premium.	275,159	283,157
Deferred future income taxes	188,006	218,937
Other.	58,158	40,508
Total deferred tax liabilities	$1,130,719	$1,156,911
Investment tax credits.	$ 91,546	$ 97,591
Accumulated deferred income taxes, net. . . .	$ 919,807	$ 976,135

In accordance with various rate orders, the company has not yet collected through rates certain accelerated tax deductions which have been passed on to customers. As management believes it is probable that the net future increases in income taxes payable will be recovered from customers, it has recorded a regulatory asset for these amounts. These assets also are a temporary difference for which deferred income tax liabilities have been provided. This liability is classified above as deferred future income taxes.

The effective income tax rates set forth below are computed by dividing total federal and state income taxes by the sum of such taxes and net income. The difference between the effective tax rates and the federal statutory income tax rates are as follows:

	For the Year Ended December 31,		
	2000	1999	1998
Effective income tax rate	33.6%	(108.6%)	16.6%
Effect of:			
State income taxes	(9.4)	(7.1)	(7.3)
Amortization of investment tax credits	4.4	20.4	14.9
Corporate-owned life insurance policies	8.4	28.0	22.4
Affordable housing tax credits.	7.8	31.3	3.1
Accelerated depreciation flow through and amortization, net	(4.9)	(12.2)	(4.4)
Adjustment to tax provision	-	4.3	(16.9)
Dividends received deduction.	7.1	34.3	23.9
Amortization of goodwill.	(13.0)	(19.3)	(17.0)
Other	1.0	(6.1)	(0.3)
Statutory federal income tax rate . .	35.0%	(35.0%)	35.0%

19. RELATED PARTY TRANSACTIONS

The company and ONEOK have shared services agreements in which facilities, utility field work, information technology, customer support, bill processing, and human resources services are provided to and billed to one another. Payments for these services are based on various hourly charges, negotiated fees and out-of-pocket expenses. ONEOK paid the company $5.0 million in 2000 and $5.6 million in 1999, net of what the company owed ONEOK, for services.

In 1999, the company sold 984,000 shares of ONEOK stock to ONEOK as a result of ONEOK's repurchase program. The company reduced its investment in ONEOK for proceeds received from this sale. All such shares were required to be sold to ONEOK in accordance with a shareholder agreement between the company and ONEOK. The company's ownership interest remains at approximately 45% as of December 31, 2000.

2O. PROPERTY, PLANT AND EQUIPMENT

The following is a summary of property, plant and equipment at December 31:

	2000	1999
	(In Thousands)	
Electric plant in service	$5,987,920	$5,769,401
Less - accumulated depreciation	2,274,940	2,141,037
	3,712,980	3,628,364
Construction work in progress	189,853	170,061
Nuclear fuel (net)	30,791	28,013
Net utility plant	3,933,624	3,826,438
Non-utility plant in service	113,040	92,872
Less - accumulated depreciation	53,226	29,866
Net property, plant and equipment	$3,993,438	$3,889,444

The company's depreciation expense on property, plant and equipment was $201.7 million in 2000, $186.1 million in 1999 and $168.9 million in 1998.

21. JOINT OWNERSHIP OF UTILITY PLANTS

		Company's Ownership at December 31, 2000				
		In-Service Dates	Invest-ment	Accumulated Depreciation	Net (MW)	Per-cent
			(Dollars in Thousands)			
La Cygne 1	(a)	Jun 1973	$ 182,794	$ 115,903	344.0	50
Jeffrey 1	(b)	Jul 1978	305,838	144,009	625.0	84
Jeffrey 2	(b)	May 1980	297,979	133,701	622.0	84
Jeffrey 3	(b)	May 1983	410,926	175,482	623.0	84
Jeffrey wind 1	(b)	May 1999	828	58	0.6	84
Jeffrey wind 2	(b)	May 1999	828	57	0.6	84
Wolf Creek	(c)	Sep 1985	1,381,656	491,978	550.0	47

(a) Jointly owned with Kansas City Power & Light Company (KCPL)

(b) Jointly owned with UtiliCorp United Inc.
(c) Jointly owned with KCPL and Kansas Electric Power Cooperative, Inc.

Amounts and capacity presented above represent the company's share. The company's share of operating expenses of the plants in service above, as well as such expenses for a 50% undivided interest in La Cygne 2 (representing 337 MW capacity) sold and leased back to KGE in 1987, are included in operating expenses on the Consolidated Statements of Income. The company's share of other transactions associated with the plants is included in the appropriate classification in the company's Consolidated Financial Statements.

22. SEGMENTS OF BUSINESS

In 1998, the company adopted SFAS 131, "Disclosures about Segments of an Enterprise and Related Information." This statement requires the company to define and report the company's business segments based on how management currently evaluates its business. Management has segmented its business based on differences in products and services, production processes, and management responsibility. Based on this approach, the company has identified four reportable segments: Fossil Generation, Nuclear Generation, Power Delivery and Monitored Services.

The first three segments comprise the company's electric utility business. Fossil Generation produces power for sale internally to the Power Delivery segment and externally to wholesale customers. A component of the company's Fossil Generation segment is power marketing which attempts to minimize market fluctuation risk associated with fuel and purchased power requirements and enhance system reliability. Nuclear Generation represents the company's 47% ownership in the Wolf Creek nuclear generating facility. This segment has only internal sales because it provides all of its power to its co-owners. The Power Delivery segment consists of the transmission and distribution of power to the company's retail customers in Kansas and the customer service provided to these customers and the transportation of wholesale energy. Monitored Services represents the company's security alarm monitoring business in North America, the United Kingdom and continental Europe. Other represents the company's non-utility operations and natural gas investment.

The accounting policies of the segments are substantially the same as those described in the summary of significant accounting policies. The company evaluates segment performance based on earnings before interest and taxes (EBIT). Unusual items, such as charges to income, may be excluded from segment performance depending on the nature of the charge or income. The company's ONEOK investment, marketable securities investments and other equity method investments do not represent operating segments of the company. The company has no single external customer from which it receives ten percent or more of its revenues.

Year Ended December 31, 2000:

	Fossil Generation	Nuclear Generation	Power Delivery	Monitored Services	Other(a)	Eliminating/ Reconciling Items (b)	Total
				(In Thousands)			
External sales. .	$ 705,536	$ -	$1,123,590	$ 537,859	$ 1,484	$ 7	$2,368,476
Internal sales. .	572,533	107,770	291,927	-	-	(972,230)	-
Depreciation and Amortization. .	60,331	40,052	75,419	248,414	2,116	37	426,369
Earnings before interest and taxes	202,744	(24,323)	171,872	(91,370)	189,289	(21,533)	426,679
Interest expense.							289,568

	Fossil Generation	Nuclear Generation	Power Delivery	Monitored Services	Other	Eliminating/ Reconciling Items (b)	Total
Earnings before income taxes . .							137,111
Identifiable assets	1,664,300	1,068,228	1,899,951	2,139,748	994,983	(2)	7,767,208

Year Ended December 31, 1999:

	Fossil Generation	Nuclear Generation	Power Delivery	Monitored Services	Other(c)	Eliminating/ Reconciling Items (b)	Total
				(In Thousands)			
External sales. .	$ 365,311	$ -	$1,064,385	$ 599,105	$ 1,284	$ 2	$2,030,087
Internal sales. .	546,683	108,445	293,522	-	-	(948,650)	-
Depreciation and amortization . .	55,320	39,629	71,717	235,465	1,448	90	403,669
Earnings before interest and taxes	219,087	(25,214)	145,603	(20,675)	(28,088)	(26,252)	264,461
Interest expense .							294,104
Earnings/(loss) before income taxes . . .							(29,643)
Identifiable assets	1,476,716	1,083,344	1,783,937	2,539,921	1,165,145	(59,171)	7,989,892

Year Ended December 31, 1998:

	Fossil Generation	Nuclear Generation	Power Delivery	Monitored Services	Other(d)	Eliminating/ Reconciling Items (b)	Total
				(In Thousands)			
External sales. .	$ 525,974	$ -	$1,085,711	$ 421,095	$ 1,342	$ (68)	$2,034,054
Internal sales. .	517,363	117,517	66,492	-	-	(701,372)	-
Depreciation and amortization. .	53,132	39,583	68,297	125,103	2,010	-	288,125
Earnings before interest and taxes	144,357	(20,920)	196,398	34,438	(99,608)	12,268	266,933
Interest expense. .							26,120
Earnings before income taxes . .							40,813
Identifiable assets	1,360,102	1,121,509	1,788,943	2,489,667	1,269,013	(99,458)	7,929,776

(a) EBIT includes the gain on the sale of the company's investment in a gas compression company of $91.1 million and the gain on the sale of other marketable securities of $24.9 million.
(b) Identifiable assets includes eliminating and reclassing balances to consolidate the monitored services business.
(c) EBIT includes investment earnings of $36.0 million, an impairment of marketable securities of $76.2 million and the write-off of deferred costs of $17.6 million.
(d) EBIT includes investment earnings of $21.7 million and the write-off of international power development costs of $98.9 million.

Geographic Information: Prior to 1998, the company did not have international sales or international property, plant and equipment. The company's sales and property, plant and equipment are as follows:

	For the Year Ended December 31,		
	2000	1999	1998
		(In Thousands)	
External sales:			
North America operations . .	$2,262,381	$1,867,081	$1,990,329
International operations . .	106,095	163,006	43,725
Total	$2,368,476	$2,030,087	$2,034,054

	As of December 31,		
	2000	1999	1998
		(In Thousands)	
Property, plant and equipment, net:			
North America operations . .	$3,985,331	$3,881,294	$3,792,645
International operations . .	8,107	8,150	7,271
Total	$3,993,438	$3,889,444	$3,799,916

23. QUARTERLY RESULTS (UNAUDITED)

The amounts in the table are unaudited but, in the opinion of management, contain all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the results of such periods. The electric business of the company is seasonal in nature and, in the opinion of management, comparisons between the quarters of a year do not give a true indication of overall trends and changes in operations.

	First	Second	Third	Fourth
	(In Thousands, Except Per Share Amounts)			
2000				
Sales	$481,699	$546,607	$759,562	$580,608
Gross profit	306,760	331,889	395,534	298,461
Net income before extraordinary gain and accounting change	39,801	23,565	53,991	(26,307)
Net income	54,483	40,912	60,707	(19,621)
Earnings per share available for common stock before extraordinary gain and accounting change				
Basic	$ 0.58	$ 0.34	$ 0.78	$ (0.40)
Diluted	$ 0.58	$ 0.34	$ 0.77	$ (0.39)
Cash dividend per common share	$ 0.535	$ 0.30	$ 0.30	$ 0.30
Market price per common share:				
High	$ 18.313	$ 17.813	$ 21.953	$ 25.875
Low	$ 15.313	$ 14.688	$ 15.375	$ 20.438
1999				
Sales	$460,582	$476,142	$646,740	$446,623
Gross profit	312,655	324,407	424,581	309,498
Net income before extraordinary gain and accounting change	19,980	17,722	53,203	(88,351)
Net income	19,980	17,722	53,203	(76,609)
Basic and fully diluted earnings per share available for common stock before extraordinary gain	$ 0.30	$ 0.26	$ 0.78	$ (1.32)
Cash dividend per common share	$ 0.535	$ 0.535	$ 0.535	$ 0.535
Market price per common share:				
High	$ 33.875	$ 29.375	$ 27.125	$ 23.8125
Low	$ 26.6875	$ 23.75	$ 20.375	$ 16.8125