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:

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

WRI's principal business consists of the generation, transmission, distribution and sale of electricity and the transportation and sale of natural gas. Currently, WRI provides retail electric service to approximately 322,000 industrial, commercial, and residential customers in 323 Kansas communities. WRI also provides wholesale electric generation and transmission services to numerous municipal customers located in Kansas and, through interchange agreements, to surrounding integrated systems. As a natural gas utility, WRI distributes gas in Kansas and northeastern Oklahoma. WRI provides natural gas service to approximately 641,000 retail customers.

WRI's subsidiaries are as follows:

Kansas Gas and Electric Company ("KGE") is a Kansas corporation with its principal offices at 120 East First Street, Wichita, Kansas, 67201. KGE provides electric services to customers in the southeastern portion of Kansas, including the Wichita metropolitan area. At December 31, 1993, it rendered electric services at retail to 269,446 residential, commercial and industrial customers and provides wholesale electric generation and transmission services to numerous municipal customers located in Kansas, and through interchange agreements, to surrounding integrated systems. KG&E does not own or operate any gas properties.

Astra Resources, Inc. ("Astra") is a Kansas corporation with principal offices at 1021 Main, Houston, Texas, 77002. Astra is a holding company for non-utility activities, concentrating in the areas of natural gas gathering, processing, compression and marketing.

KPL Funding, Inc. is a Kansas corporation established in connection with the acquisition of KG&E.

The Kansas Power and Light Company is a Kansas corporation established for the purpose of preserving the former corporate name of WRI in the state of Kansas.

2(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...................	447	
JEC Unit 2, near St. Marys...................	431	
JEC Unit 3, near St. Marys...................	448	
Lawrence Energy Center, near Lawrence........	538	
Tecumseh Energy Center, near Tecumseh........	230	
Subtotal..........................		2,094
Gas/Oil		
Hutchinson Energy Center, near Hutchinson....	513	
Abilene Energy Center, near Abilene..........	67	
Tecumseh Energy Center, near Tecumseh........	38	
Subtotal..........................		618
Total Accredited Capacity		2,712 MW

WRI maintains 19 interconnections with other public utilities to permit direct extra-high voltage interchange. It is a member of the MOKAN Power Pool consisting of eleven utilities in Kansas and western Missouri. 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. In addition, WRI owns and operates transmission, distribution and other facilities related to supplying natural gas service to its customers in Kansas and Oklahoma.

2(b). The principal electric generating stations of KG&E, all of which are located in Kansas, are as follows:

Name and Location	Accredited Capacity - MW (KG&E's Share)
Nuclear	
Wolf Creek, near Burlington	533
Coal	

LaCygne Unit 1, near LaCygne	342	
LaCygne Unit 2, near LaCygne	335	
JEC Unit 1, near St. Mary's	140	
JEC Unit 2, near St. Mary's	135	
JEC Unit 3, near St. Mary's	140	
Subtotal		1,092
Gas/Oil		
Gordon Evans, Wichita	517	
Murray Gill, Wichita	327	
Subtotal		844
Diesel		
Wichita, Wichita		3
Total Accredited Capacity		2,472 MW

KG&E maintains fifteen interconnections with other public utilities to permit direct extra-high voltage interchange. It is a member of the MOKAN Power Pool consisting of eleven utilities in Kansas and western Missouri. KG&E is also a member of the Southwest Power Pool, the regional coordinating council for electric utilities throughout the south-central United States.

KG&E 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. In addition KG&E owns 47% interest in Wolf Creek Nuclear Operating Corporation (WCNOC) a Delaware corporation. WCNOC operates the Wolf Creek Generating Station on behalf of and as agent for its owners. KG&E has reserved the right to assert that WCNOC is not a Public Utility for purposes of the Act, and that KG&E is not, by virtue of its ownership interest in WCNOC, required to seek or file an exemption under the Act as a public utility holding company.

3(a). For the year ended December 31, 1993, WRI sold 7,719,555,000 Kwh of electric energy at retail, 2,520,671,000 Kwh of electric energy at wholesale, and 159,078,000 Mcf of natural gas at retail. In early 1994, WRI sold its Missouri natural gas operations which accounted for 70,452,000 Mcf of such retail sales. For the year ended December 31, 1993, KG&E sold 7,744,969,000 Kwh of electric energy at retail and 2,004,107,000 Kwh of electric energy at wholesale. All of KG&E's sales were within the State of Kansas.

(b). During 1993, neither WRI nor its subsidiaries distributed or sold electric energy at retail outside the State of Kansas. During 1993, WRI distributed or sold at retail 4,465,000 Mcf of natural gas in the state of Oklahoma, representing 2.8% of the retail natural gas sales of WRI.

(c). During 1993, WRI sold, at wholesale, 249,665,600 Kwh of electric energy to adjoining public utilities through interconnections at the Kansas state line. During 1993, KG&E sold, at wholesale, 1,207,740,000 Kwh of electric energy to adjoining public utilities through interconnections at the Kansas state line. During 1993, neither WRI or KG&E sold natural or manufactured gas at wholesale outside the state of Kansas or at the Kansas state line.

(d). During 1993, WRI purchased 198,826,600 Kwh of electric energy from outside the State of Kansas or at the Kansas state line. During 1993, WRI purchased 68,080,665 Mcf of natural gas outside the state of Kansas or at the state line. During 1993, KG&E purchased 386,886,000 Kwh of electric energy from outside the State of Kansas or at the Kansas State line.

4. Neither WRI nor its subsidiaries hold, directly or indirectly, any interest in an EWG or a foreign company.

The above-named claimant has caused this statement to be duly executed on its behalf by its authorized officer on this 19th day of December, 1994.

Western Resources, Inc.

By: Richard D. Terrill
Richard D. Terrill
Secretary and Associate
General Counsel

Corporate Seal

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

Richard D. Terrill
Secretary and Associate General Counsel
Western Resources, Inc.
P.O. Box 889
818 Kansas Avenue
Topeka, Kansas 66601

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

WESTERN RESOURCES, INC.
CONSOLIDATING BALANCE SHEET
December 31, 1993
(Dollars in Thousands)

	Western Resources	Kansas Gas and Electric	KPL Funding	Astra Resources	Consolidating Adjustments	Western Resources Consolidated
ASSETS						
UTILITY PLANT:						
Electric plant in service	$1,770,785	$3,339,832	$ -	$ -	$ -	$5,110,617
Natural gas plant in service.	1,111,866	-	-	-	-	1,111,866
	2,882,651	3,339,832	-	-	-	6,222,483
Less - Accumulated depreciation	1,030,867	790,843	-	-	-	1,821,710
	1,851,784	2,548,989	-	-	-	4,400,773
Construction work in progress	51,756	28,436	-	-	-	80,192
Nuclear fuel (net).	-	29,271	-	-	-	29,271
Net utility plant.	1,903,540	2,606,696	-	-	-	4,510,236
OTHER PROPERTY AND INVESTMENTS:						
Net non-utility investments	1,274,122	506	-	60,970	(1,274,101)	61,497
Decommissioning trust	-	13,204	-	-	-	13,204
Other	223	10,435	-		-	10,658
	1,274,345	24,145	-	60,970	(1,274,101)	85,359
CURRENT ASSETS:						
Cash and cash equivalents	191	63	-	963	-	1,217
Accounts receivable and unbilled revenues (net)	208,164	11,112	-	18,861	-	238,137
Advances to parent company.	47,756	192,792	1	-	(240,549)	-
Fossil fuel, at average cost.	23,340	7,594	-	-	-	30,934
Gas stored underground (average cost) . . .	51,788	-	-	-	-	51,788
Materials and supplies (average cost) . . .	25,223	29,933	-	-	-	55,156
Prepayments and other current assets. . . .	6,524	14,995	3,942	8,667	-	34,128
	362,986	256,489	3,943	28,491	(240,549)	411,360
DEFERRED CHARGES AND OTHER ASSETS:						
Deferred future income taxes.	22,512	113,479	-	-	-	135,991
Deferred coal contract settlement costs.	-	21,247	-	-	-	21,247
Phase-in revenues	-	78,950	-	-	-	78,950
Corporate-owned life insurance (net). . . .	4,698	45	-	-	-	4,743
Other deferred plant costs.	-	32,008	-	-	-	32,008
Other	77,238	54,420	-	496	-	132,154
	104,448	300,149	-	496	-	405,093
TOTAL ASSETS	$3,645,319	$3,187,479	$ 3,943	$ 89,957	($1,514,650)	$5,412,048
CAPITALIZATION AND LIABILITIES						
CAPITALIZATION (see statement).	$2,467,478	$1,899,221	$ 2,411	$ 36,603	($1,284,692)	$3,121,021
CURRENT LIABILITIES:						
Short-term debt	285,095	155,800	-	-	-	440,895
Long-term debt due within one year.	2,966	238	-	-	-	3,204
Accounts payable.	106,491	51,095	-	14,752	-	172,338
Accounts payable - subsidiary	192,793	-	-	36,202	(228,995)	-
Accrued taxes	32,125	12,185	1,532	234	-	46,076
Accrued interest and dividends.	58,444	7,381	-	-	-	65,825
Other	54,862	9,427	-	2,166	(963)	65,492
	732,776	236,126	1,532	53,354	(229,958)	793,830
DEFERRED CREDITS AND OTHER LIABILITIES:						
Deferred income taxes	322,478	646,159	-	-	-	968,637
Deferred investment tax credits	72,241	78,048	-	-	-	150,289
Deferred gain from sale-leaseback	-	261,981	-	-	-	261,981
Other	50,346	65,944	-	-	-	116,290
	445,065	1,052,132	-	-	-	1,497,197
COMMITMENTS AND CONTINGENCIES						
TOTAL CAPITALIZATION AND LIABILITIES. . .	$3,645,319	$3,187,479	$ 3,943	$ 89,957	($1,514,650)	$5,412,048

/TABLE

Exhibit A

WESTERN RESOURCES, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 1993
(Dollars in Thousands,
except Per Share Amounts)

	Western Resources	Kansas Gas and Electric	KPL Funding	Astra Resources	Consolidating Adjustments	Western Resources Consolidated
OPERATING REVENUES:						
Electric.	$ 487,540	$ 616,997	$ -	$ -	$ -	$1,104,537
Natural gas	804,822	-	-	-	-	804,822
Total operating revenues.	1,292,362	616,997	-	-	-	1,909,359
OPERATING EXPENSES:						
Fuel used for generation:						
Fossil fuel	143,665	93,388	-	-	-	237,053
Nuclear fuel.	-	13,275	-	-	-	13,275
Power purchased	6,532	9,864	-	-	-	16,396
Natural gas purchases	500,189	-	-	-	-	500,189
Other operations.	230,212	118,948	-	-	-	349,160
Maintenance	71,103	46,740	-	-	-	117,843
Depreciation and amortization	88,834	75,530	-	-	-	164,364
Amortization of phase-in revenues	-	17,545	-	-	-	17,545
Taxes (see statement):						
Federal income.	22,867	39,553	-	-	-	62,420
State income.	5,988	9,570	-	-	-	15,558
General	78,290	45,203	-	-	-	123,493
Total operating expenses.	1,147,680	469,616	-	-	-	1,617,296
OPERATING INCOME.	144,682	147,381	-	-	-	292,063
OTHER INCOME AND DEDUCTIONS (net of taxes). .	114,246	19,339	194	1,161	(109,458)	25,482
INCOME BEFORE INTEREST CHARGES.	258,928	166,720	194	1,161	(109,458)	317,545
INTEREST CHARGES:						
Long-term debt.	69,643	53,908	-	-	-	123,551
Other	13,180	6,075	-	-	-	19,255
Allowance for borrowed funds used during construction (credit)	(1,265)	(1,366)	-	-	-	(2,631)
Total interest charges.	81,558	58,617	-	-	-	140,175
NET INCOME.	177,370	108,103	194	1,161	(109,458)	177,370
PREFERRED AND PREFERENCE DIVIDENDS.	13,506	-	-	-	-	13,506
EARNINGS APPLICABLE TO COMMON STOCK	$ 163,864	$ 108,103	$ 194	$ 1,161	$ (109,458)	$ 163,864
AVERAGE COMMON SHARES OUTSTANDING	59,294,091					59,294,091
EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING	$ 2.76					$ 2.76

For information related to the sale of the Missouri natural gas distribution properties, see Notes 2 and 13 of the Notes to Consolidated Financial Statements.
/TABLE

Exhibit A

WESTERN RESOURCES, INC.
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
December 31, 1993
(Dollars in Thousands)

	Western Resources	Kansas Gas and Electric	KPL Funding	Astra Resources	Consolidating Adjustments	Western Resources Consolidated
BALANCE AT BEGINNING OF PERIOD.	$ 398,503	$ 71,941	$ 2,216	$ (700)	$ (73,457)	$ 398,503
ADD:						
Net income.	177,370	108,103	194	1,161	(109,458)	177,370
Total	575,873	180,044	2,410	461	(182,915)	575,873
DEDUCT:						
Cash dividends:						
Preferred and preference stock.	13,506	-	-	-	-	13,506
Common stock, $1.94 per share	116,019	-	-	-	-	116,019
Total	129,525	-	-	-	-	129,525
BALANCE AT END OF PERIOD.	$ 446,348	$ 180,044	$ 2,410	$ 461	$(182,915)	$ 446,348

/TABLE

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: The consolidated financial statements of Western Resources, Inc. (the Company, Western Resources), include the accounts of its wholly-owned subsidiaries, Astra Resources, Inc., Kansas Gas and Electric Company (KG&E) since March 31, 1992 (see Note 3), and KPL Funding Corporation (KFC). KG&E owns 47 percent of Wolf Creek Nuclear Operating Corporation (WCNOC), the operating company for Wolf Creek Generating Station (Wolf Creek). The Company records its proportionate share of all transactions of WCNOC as it does other jointly-owned facilities. All significant intercompany transactions have been eliminated. The operations of Astra Resources, Inc., and KFC are not material to the Company's results of operations. The accounting policies of the Company are in accordance with generally accepted accounting principles as applied to regulated public utilities. The accounting and rates of the Company are subject to requirements of certain state regulatory commissions and the Federal Energy Regulatory Commission (FERC). The Company is doing business as KPL, Gas Service, and, through its wholly-owned subsidiary, KG&E.

Utility Plant: Utility plant is stated at cost. For constructed 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). The AFUDC rate was 4.10% in 1993, 5.99% in 1992, and 6.25% in 1991. The cost of additions to utility plant and replacement units of property is capitalized. Maintenance costs and replacement of minor items of property are charged to expense as incurred. When units of depreciable property are retired, they are removed from the plant accounts and the original cost plus removal charges less salvage are charged to accumulated depreciation.

Depreciation: Depreciation is provided on the straight-line method based on estimated useful lives of property. Composite provisions for book depreciation approximated 3.02% during 1993, 3.03% during 1992, and 3.34% during 1991 of the average original cost of depreciable property.

Cash and Cash Equivalents: For purposes of the Consolidated Statements of Cash Flows, cash and cash equivalents include cash on hand and highly liquid collateralized debt instruments purchased with maturities of three months or less.

Income Taxes: Income tax expense includes provisions for income taxes currently payable and deferred income taxes calculated in conformance with income tax laws, regulatory orders, and Statement of Financial Accounting Standards No. 109 (SFAS 109) (see Note 12).

Investment tax credits are deferred as realized and amortized to income over the life of the property which gave rise to the credits.

Revenues: Effective January 1, 1991, the Company changed its method of accounting for recognizing electric and natural gas revenues to provide for the accrual of estimated unbilled revenues. The accounting change provides a better matching of revenues with costs of services provided to customers and also serves to conform the Company's accounting treatment of unbilled revenues with the tax treatment of such revenues. Unbilled revenues represent the estimated amount customers will be billed for service provided from the time meters were last read to the end of the accounting period. Meters are read and services are billed on a cycle basis and, prior to the accounting change, revenues were recognized in the accounting period during which services were billed.

The after-tax effect of the change in accounting method for the year ended December 31, 1991, was an increase in net income of $15.9 million or $0.46 per share. This increase was a combination of an increase of $17.3 million or $0.50 per share, attributable to the cumulative effect of the accounting change prior to January 1, 1991, and a decrease of $1.4 million or $0.04 per share in the 1991 income before cumulative effect of a change in accounting principle. Unbilled revenues of $99 and $86 million are recorded as a component of accounts receivable on the consolidated balance sheets as of December 31, 1993 and 1992, respectively. Certain amounts of unbilled revenues have been sold (see Note 8).

The Company had reserves for doubtful accounts receivable of $4.3 and $3.3 million at December 31, 1993 and 1992, respectively.

Fuel Costs: 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 expense based upon the quantity of heat produced for the generation of electricity. The accumulated amortization of nuclear fuel in the reactor at December 31, 1993 and 1992, was $17.4 million and $26.0 million, respectively.

Cash Surrender Value of Life Insurance Contracts: The following amounts related to corporate-owned life insurance contracts (COLI), primarily with one highly rated major insurance company, are recorded on the consolidated balance sheets (millions of dollars):

	1993	1992
Cash surrender value of contracts. . .	$ 326.3	$ 256.3
Prepaid COLI	11.9	7.0
Borrowings against contracts	(321.5)	(109.6)
COLI (net).	$ 16.7	$ 153.7

The decrease in COLI (net) is a result of increased borrowings against the accumulated cash surrender value of the COLI policies. The COLI borrowings will be repaid with proceeds from death benefits. Management expects to realize increases in the cash surrender value of contracts resulting from premiums and investment earnings on a tax free basis upon receipt of proceeds from death benefits under the contracts. Interest expense included in other income and deductions, net of taxes, related to KG&E's COLI for 1993 and the nine months ended December 31, 1992, was $11.9 and $5.3 million, respectively.

As approved by the Kansas Corporation Commission (KCC) and Missouri Public Service Commission (MPSC), the Company is using a portion of the net income stream generated by COLI policies purchased in 1993 and 1992 by the Company (see Note 6) to offset Statement of Financial Accounting Standards No. 106 (SFAS 106) expenses.

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

2. SALE OF MISSOURI NATURAL GAS DISTRIBUTION PROPERTIES

On January 31, 1994, the Company sold substantially all of its Missouri natural gas distribution properties and operations to Southern Union Company (Southern Union). The Company sold the remaining Missouri properties to United Cities Gas Company (United Cities) on February 28, 1994. The properties sold to Southern Union and United Cities are referred to herein as the "Missouri Properties." With the sales the Company is no longer operating as a utility in the State of Missouri.

The portion of the Missouri Properties purchased by Southern Union was sold for an estimated sale price of $400 million, in cash, based on a calculation as of December 31, 1993. The final sale price will be calculated as of January 31, 1994, within 120 days of closing. Any difference between the estimated and final sale price will be adjusted through a payment to or from the Company.

United Cities purchased the Company's natural gas distribution system in and around the City of Palmyra, Missouri, for $665,000 in cash.

The operating revenues and operating income (unaudited) related to the Missouri Properties approximated $350 million and $21 million representing approximately 18 percent and seven percent, respectively, of the Company's total for 1993, and $299 million and$11 million representing approximately 19 percent and five percent, respectively, of the Company's total for 1992. Net utility plant (unaudited) for the Missouri Properties, at December 31, 1993, approximated $296 million and $272 million at December 31, 1992. This represents approximately seven percent at December 31, 1993, and six percent at December 31, 1992, of the total Company net utility plant. Separate audited financial information was not kept by the Company for the Missouri Properties. This unaudited financial information is based on assumptions and allocations of expenses of the Company as a whole.

3. ACQUISITION AND MERGER

On March 31, 1992, the Company, through its wholly-owned subsidiary KCA Corporation (KCA), acquired all of the outstanding common and preferred stock of Kansas Gas and Electric Company for $454 million in cash and 23,479,380 shares of common stock (the Merger). The Company also paid $20 million in costs to complete the Merger. Simultaneously, KCA and Kansas Gas and Electric Company merged and adopted the name of Kansas Gas and Electric Company (KG&E). The Merger was accounted for as a purchase. For income tax purposes the tax basis of the KG&E assets was not changed by the Merger.

As the Company acquired 100 percent of the common and preferred stock of KG&E, the Company recorded an acquisition premium of $490 million on the consolidated balance sheet for the difference in purchase price and book value. This acquisition premium and related income tax requirement of $294 million under SFAS 109 have been classified as plant acquisition adjustment in electric plant in service on the consolidated balance sheets. The total cost of the acquisition was $1.066 billion. Under the provisions of orders of the KCC and the MPSC the acquisition premium is recorded as an acquisition adjustment and not allocated to the other assets and liabilities of KG&E.

In the November 1991 KCC order approving the Merger, a mechanism was approved to share equally between the shareholders and ratepayers the cost savings generated by the Merger in excess of the revenue requirement needed to allow recovery of the amortization of a portion of the acquisition adjustment, including income tax, calculated on the basis of a purchase price of KG&E's common stock at $29.50 per share. The order provides an amortization period for the acquisition adjustment of 40 years commencing in August 1995, at which time the full amount of cost savings is expected to have been implemented. Merger savings will be measured by application of an inflation index to certain pre-merger operating and maintenance costs at the time of the next Kansas rate case. While the Company has achieved savings from the Merger, there is no assurance that the savings achieved will be sufficient to, or the cost savings sharing mechanism will operate as to fully offset the amortization of the acquisition adjustment. The order further provides a moratorium on increases, with certain exceptions, in the Company's Kansas electric and natural gas rates until August 1995. The KCC ordered refunds totalling $32 million to the combined companies' customers to share with customers the Merger-related cost savings achieved during the moratorium period. The first refund was made in April 1992 and amounted to $8.5 million. A refund of the same amount was made in December 1993 and an additional refund of $15 million will be made in September 1994.

The KCC order approving the Merger requires the legal reorganization of KG&E so that it is no longer held as a separate subsidiary after January 1, 1995, unless good cause is shown why such separate existence should be maintained. The Securities and Exchange Commission order relating to the Merger granted the Company an exemption under the Public Utilities Holding Company Act until January 1, 1995. In connection with a requested ruling that a merger of KG&E into Western Resources would not adversely affect the tax structure of the merger, KG&E received a response from the Internal Revenue Service that the IRS would not issue the requested ruling. In light of the IRS response, KG&E withdrew its request for a ruling. The Company will consider alternative forms of combination or seek regulatory approvals to waive the requirements for a combination. There is no certainty as to whether a combination will occur or as to the form or timing thereof.

As the Merger did not occur until March 31, 1992, the twelve months ended December 31, 1992, results of operations for the Company reported in its statements of income, cash flows, and common stock equity reflect KG&E's results of operations for only the nine months ended December 31, 1992. The pro forma combined revenues, operating income, net income, and earnings per common share of the Company presented below give effect to the Merger as if it had occurred at January 1, 1991. This pro forma information is not necessarily indicative of the results of operations that would have occurred had the Merger been consummated for the period for which it is being given effect nor is it necessarily indicative of future operating results.

Year Ended December 31,	1992	1991
(Dollars in Thousands, except per share amounts)		
Revenues.	$1,684,885	$1,748,844
Operating Income.	268,772	279,458
Net Income.	131,524	110,290(1)
Earnings Per Common	$ 2.03	$ 1.72(1)

(1) Reflects information before the cumulative effect of the January 1, 1991 change in accounting method of recognizing revenues.

4. COMMITMENTS AND CONTINGENCIES

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 $86 million at December 31, 1993. Approximately $36 million is attributable to modifications to upgrade the turbines at Jeffrey Energy Center to be completed by December 31, 1998. Plans for future construction of utility plant are discussed in the "Management's Discussion and Analysis" section.

Environmental: The Company has been associated with 28 (20 in Kansas and 8 in Missouri) former manufactured gas sites which may contain coal tar and other potentially harmful materials. These sites were operated decades ago by other companies, and were acquired by the Company after they had ceased operation. The Environmental Protection Agency (EPA) has performed preliminary assessments of eleven of these sites (EPA sites), six of which are under site investigation. The Company has not received any indication from the EPA that further action will be taken at the EPA sites, nor does the Company have reason to believe there will be any fines or penalties assessed related to these sites. The Company and the Kansas Department of Health and Environment (KDHE) entered into a consent agreement to conduct separate preliminary assessments of the 20 former manufactured gas sites located in Kansas. The preliminary assessments of these 20 sites have been completed at a total cost of approximately $500,000. The Company plans to initiate site investigation and risk assessments at the two highest priority sites in 1994 at a total cost of approximately $500,000. Until such time that risk assessments are completed at these or the remaining sites, it will be impossible to predict the cost of remediation. However, the Company is aware of other utilities in Region VII of the EPA (Kansas, Missouri, Nebraska, and Iowa) which have incurred remediation costs for such sites ranging between $500,000 and $10 million, depending on the site. The Company is also aware that the KCC has permitted another Kansas utility to recover a portion of the remediation costs through rates. To the extent that such remediation costs are not recovered through rates, the costs could be material to the Company's financial position or results of operations depending on the degree of remediation and number of years over which the remediation must be completed.

The Company has been identified as one of numerous potentially responsible parties in four hazardous waste sites listed by the EPA as Superfund sites. One site is a groundwater contamination site in Wichita, Kansas, and one is an oil soil contamination site in Springfield, Missouri. The other two sites are solid waste land fills located in Edwardsville and Hutchinson, Kansas. The Company's obligation at these sites appears to be limited, and it is the opinion of the Company's management that the resolution of these matters will not have a material impact on the Company's financial position or results of operations.

As part of the sale of the Company's Missouri Properties to Southern Union, Southern Union assumed responsibility under an agreement for any environmental matters now pending or that may arise after closing. For any environmental matters now pending or discovered within two years of the date of the agreement, and after pursuing several other potential recovery options, the Company may be liable for up to a maximum of $7.5 million under a sharing arrangement with Southern Union provided for in the agreement.

Spent Nuclear Fuel Disposal: Under the Nuclear Waste Policy Act of 1982, the U.S. Department of Energy (DOE) is responsible for the ultimate storage and disposal of spent nuclear fuel removed from nuclear reactors. Under a contract with the DOE for disposal of spent nuclear fuel, the Company pays a quarterly fee to DOE of one mill per kilowatthour on net nuclear generation. These fees are included as part of nuclear fuel expense and amounted to $3.5 million for 1993 and $1.6 million for 1992.

Decommissioning: The Company's share of Wolf Creek decommissioning costs, currently authorized in rates, was estimated to be approximately $97 million in 1988 dollars. Decommissioning costs are being charged to operating expenses. Amounts so expensed are deposited in an external trust fund and will be used solely for the physical decommissioning of the plant. Electric rates charged to customers provide for recovery of these decommissioning costs over the estimated life of Wolf Creek. At December 31, 1993, and December 31, 1992, $13.2 and $9.3 million, respectively, were on deposit in the decommissioning fund. On September 1, 1993, WCNOC filed an application with the KCC for an order approving a 1993 Wolf Creek Decommissioning Cost Study which estimates the Company's share of Wolf Creek decommissioning costs at approximately $174 million in 1993 dollars. If approved by the KCC, management expects substantially all such cost increases to be recovered through the ratemaking process.

The Company carries $164 million in premature decommissioning insurance in the event of a shortfall in the trust fund. The insurance coverage has several restrictions. One of these is that it can only be used if Wolf Creek incurs an accident exceeding $500 million in expenses to safely stabilize the reactor, to decontaminate the reactor and reactor station site in accordance with a plan approved by the Nuclear Regulatory Commission (NRC), and to pay for on-site property damages. If the amount designated as decommissioning insurance is needed to implement the NRC-approved plan for stabilization and decontamination, it would not be available for decommissioning purposes.

Nuclear Insurance: The Price-Anderson Act limits the combined public liability of the owners of nuclear power plants to $9.4 billion for a single nuclear incident. The Wolf Creek owners (Owners) have purchased the maximum available private insurance of $200 million and the balance is provided by an assessment plan mandated by the NRC. Under this plan, the Owners are jointly and severally subject to a retrospective assessment of up to $79.3 million ($37.3 million, Company's share) in the event there is a nuclear incident involving any of the nation's licensed reactors. This assessment is subject to an inflation adjustment based on the Consumer Price Index. There is a limitation of $10 million ($4.7 million, Company's share) in retrospective assessments per incident per year.

The Owners carry decontamination liability, premature decommissioning liability, and property damage insurance for Wolf Creek totalling approximately $2.8 billion ($1.3 billion, Company's share). This insurance is provided by a combination of "nuclear insurance pools" ($1.3 billion) and Nuclear Electric Insurance Limited (NEIL) ($1.5 billion). In the event of an accident, insurance proceeds must first be used for reactor stabilization and site decontamination. The remaining proceeds from the $2.8 billion insurance coverage ($1.3 billion, Company's share), if any, can be used for property damage up to $1.1 billion (Company's share) and premature decommissioning costs up to $117.5 million (Company's share) in excess of funds previously collected for decommissioning (as discussed under "Decommissioning"), with the remaining $47 million (Company's share) available for either property damage or premature decommissioning costs.

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 of approximately $9 million per year.

There can be no assurance that all potential losses or liabilities will be insurable or that the amount of insurance will be sufficient to cover them. Any substantial losses not covered by insurance, to the extent not recoverable through rates, could have a material adverse effect on the Company's financial condition and results of operations.

Clean Air Act: The Clean Air Act Amendments of 1990 (the Act) require a two-phase reduction in sulfur dioxide and nitrous oxide emissions effective in 1995 and 2000 and a probable reduction in toxic emissions. To meet the monitoring and reporting requirements under the acid rain program, the Company is installing continuous monitoring and reporting equipment at a total cost of approximately $10 million. At December 31, 1993, the Company had completed approximately $4 million of these capital expenditures with the remaining $6 million of capital expenditures to be completed in 1994 and 1995. The Company does not expect additional equipment to reduce sulfur emissions to be necessary under Phase II. The Company currently has no Phase I affected units.

The nitrous oxide and toxic limits, which were not set in the law, will be specified in future EPA regulations. The EPA has issued for public comment preliminary nitrous oxide regulations for Phase I group 1 units. Nitrous oxide regulations for Phase II units and Phase I group 2 units are mandated in the Act to be promulgated by January 1, 1997. Although the Company has no Phase I units, the final nitrous oxide regulations for Phase I group 1 may allow for early compliance for Phase II group 1 units. Until such time as the Phase I group 1 nitrous oxide regulations are final, the Company will be unable to determine its compliance options or related compliance costs.

Federal Income Taxes: During 1991, the Internal Revenue Service (IRS) completed an examination of KG&E's federal income tax returns for the years 1984 through 1988. In April 1992, KG&E received the examination report and upon review filed a written protest in August 1992. In October 1993, KG&E received another examination report for the years 1989 and 1990 covering the same issues identified in the previous examination report. Upon review of this report, KG&E filed a written protest in November 1993. The most significant proposed adjustments reduce the depreciable basis of certain assets and investment tax credits generated. Management believes there are significant questions regarding the theory, computations, and sampling techniques used by the IRS to arrive at its proposed adjustments, and also believes any additional tax expense incurred or loss of investment tax credits will not be material to the Company's financial position and results of operations. Additional income tax payments, if any, are expected to be offset by investment tax credit carryforwards, alternative minimum tax credit carryforwards, or deferred tax provisions.

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, coal, and natural gas. Some of these contracts contain provisions for price escalation and minimum purchase commitments. At December 31, 1993, WCNOC's nuclear fuel commitments (Company's share) were approximately $18.0 million for uranium concentrates expiring at various times through 1997, $123.6 million for enrichment expiring at various times through 2014, and $45.5 million for fabrication through 2012. At December 31, 1993, the Company's coal and natural gas contract commitments in 1993 dollars under the remaining term of the contracts were $2.8 billion and $20.4 million, respectively. The largest coal contract was renegotiated early in 1993 and expires in 2020, with the remaining coal contracts expiring at various times through 2013. The majority of natural gas contracts continue through 1995 with automatic one-year extension provisions. In the normal course of business, additional commitments and spot market purchases will be made to obtain adequate fuel supplies.

Energy Act: As part of the 1992 Energy Policy Act, a special assessment is being collected from utilities for a uranium enrichment, decontamination, and decommissioning fund. The Company's portion of the assessment for Wolf Creek is approximately $7 million, payable over 15 years. Management expects such costs to be recovered through the ratemaking process.

5. RATE MATTERS AND REGULATION

The Company, under rate orders from certain state regulatory commissions and the FERC, recovers increases in fuel and natural gas costs through fuel adjustment clauses for wholesale and certain retail electric customers and various purchased gas adjustment clauses (PGA) for natural gas customers. Certain state regulatory commissions require the annual difference between actual gas cost incurred and cost recovered through the application of the PGA be deferred and amortized through rates in subsequent periods.

Elimination of the Energy Cost Adjustment Clause (ECA): On March 26, 1992, in connection with the Merger, the KCC approved the elimination of the ECA for most Kansas retail electric customers of both the Company and KG&E effective April 1, 1992. The provisions for fuel costs included in base rates were established at a level intended by the KCC to equal the projected average cost of fuel through August 1995, and to include recovery of costs provided by previously issued orders relating to coal contract settlements. Any increase or decrease in fuel costs from the projected average will be absorbed by the Company.

MPSC Rate Proceedings: On October 5, 1993, the MPSC approved an agreement among the Company, the MPSC staff, and intervenors to increase natural gas rates $9.75 million annually, effective October 15, 1993. Also on October 15, 1993, the Company discontinued the deferral of service line replacement program costs deferred since July 1, 1991, and began amortizing the balance to expense over twenty years. At December 31, 1993, approximately $8.3 million of these deferrals have been included in other deferred charges on the consolidated balance sheet.

On January 22, 1992, the MPSC issued an order authorizing the Company to increase natural gas rates $7.3 million annually.

KCC Rate Proceedings: On January 24, 1992, the KCC issued an order allowing the Company to continue the deferral of service line replacement program costs incurred since January 1, 1992, including depreciation, property taxes, and carrying costs for recovery in the next general rate case. At

December 31, 1993, approximately $2.9 million of these deferrals have been included in other deferred charges on the consolidated balance sheet.

On December 30, 1991, the KCC approved a permanent natural gas rate increase of $39 million annually and the Company discontinued the deferral of accelerated line survey costs on January 1, 1992. Approximately $8.3 million of deferred costs remain in other deferred charges on the consolidated balance sheet at December 31, 1993, with the balance being included in rates and amortized to expense during a 43-month period, commencing January 1, 1992.

Gas Transportation Charges: On September 12, 1991, the KCC authorized the Company to begin recovering, through the PGA, deferred supplier gas transportation costs of $9.9 million incurred through December 31, 1990, based on a three-year amortization schedule. On December 30, 1991, the KCC authorized the Company to recover deferred transportation costs of approximately $2.8 million incurred subsequent to December 31, 1990, through the PGA over a 32-month period. At December 31, 1993, approximately $4.8 million of these deferrals remain in other deferred charges on the consolidated balance sheet.

Tight Sands: In December 1991, the KCC, MPSC, and Oklahoma Corporation Commission (OCC) approved agreements authorizing the Company to refund to customers approximately $40 million of the proceeds of the Tight Sands antitrust litigation settlement to be collected on behalf of Western Resources' natural gas customers. To secure the refund of settlement proceeds, the Commissions authorized the establishment of an independently administered trust to collect and maintain cash receipts received under Tight Sands settlement agreements and provide for the refunds made. The trust has a term of ten years.

Rate Stabilization Plan: In 1988, the KCC issued an order requiring that the accrual of phase-in revenues be discontinued by KG&E effective December 31, 1988. Effective January 1, 1989, KG&E began amortizing the phase-in revenue asset on a straight-line basis over 9 1/2 years.

Coal Contract Settlements: In March 1990, the KCC issued an order allowing KG&E to defer its share of a 1989 coal contract settlement with the Pittsburgh and Midway Coal Mining Company amounting to $22.5 million. This amount was recorded as a deferred charge on the consolidated balance sheets. The settlement resulted in the termination of a long-term coal contract. The KCC permitted KG&E to recover this settlement as follows: 76 percent of the settlement plus a return over the remaining term of the terminated contract (through 2002) and 24 percent to be amortized to expense with a deferred return equivalent to the carrying cost of the asset.

In February 1991, KG&E paid $8.5 million to settle a coal contract lawsuit with AMAX Coal Company and recorded the payment as a deferred charge on the consolidated balance sheet. The KCC approved the recovery of the settlement plus a return, equivalent to the carrying cost of the asset, over the remaining term of the terminated contract (through 1996).

FERC Order No. 528: In 1990, the FERC issued Order No. 528 which authorized new methods for the allocation and recovery of take-or-pay settlement costs by natural gas pipelines from their customers. Settlements have been reached between the Company's two largest gas pipelines and their customers in FERC proceedings related to take-or-pay issues. The settlements address the allocation of take-or-pay settlement costs between the pipelines and their customers. However, the amount which one of the pipelines will be allowed to recover is yet to be determined. Litigation continues between the Company and a former upstream pipeline supplier to one of the Company's pipeline suppliers concerning the amount of such costs which may ultimately be allocated to the Company's pipeline supplier. A portion of any costs allocated to the Company's pipeline supplier will be charged to the Company. Due to the uncertainty concerning the amount to be recovered by the Company's current suppliers and of the outcome of the litigation between the Company and its current pipeline's upstream supplier, the Company is unable to estimate its future liability for take-or-pay settlement costs. However, the KCC and MPSC have approved mechanisms which are expected to allow the Company to recover these take-or-pay costs from its customers.

6. EMPLOYEE BENEFIT PLANS

Pension: The Company maintains noncontributory defined benefit pension plans covering substantially all 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 following tables provide information on the components of pension cost, funded status, and actuarial assumptions for the Company's pension plans:

Year Ended December 31,	1993	1992	1991
	(Dollars in Thousands)		
Pension Cost:			
Service cost..................	$ 9,778	$ 9,847	$ 6,589
Interest cost on projected benefit obligation..........	35,688	29,457	20,985
Return on plan assets..........	(64,113)	(38,967)	(59,161)
Deferred gain on plan assets...	29,190	7,705	38,015
Net amortization..............	(669)	(948)	(131)
Net pension cost..........	$ 9,874	$ 7,094	$ 6,297

December 31,	1993	1992	1991
	(Dollars in Thousands)		
Funded Status:			
Actuarial present value of benefit obligations:			
Vested	$353,023	$316,100	$200,435
Non-vested	26,983	19,331	13,935
Total.	$380,006	$335,431	$214,370
Plan assets (principally debt and equity securities) at fair value	$490,339	$452,372	$324,780
Projected benefit obligation . . .	468,996	424,232	282,062
Plan assets in excess of projected benefit obligation . .	21,343	28,140	42,718
Unrecognized transition asset. . .	(2,756)	(3,092)	(1,253)
Unrecognized prior service costs .	64,217	55,886	27,216
Unrecognized net gain.	(108,783)	(106,486)	(69,494)
Accrued pension costs.	$(25,979)	$(25,552)	$ (813)

Year Ended December 31,	1993	1992	1991
Actuarial Assumptions:			
Discount rate.	7.0-7.75%	8.0-8.5%	8.0%
Annual salary increase rate. . .	5.0 %	6.0%	6.0%
Long-term rate of return	8.0-8.5 %	8.0-8.5%	8.0%

Retirement and Voluntary Separation Plans: In January 1992, the Board of Directors approved early retirement plans and voluntary separation programs. The voluntary early retirement plans were offered to all vested participants in the Company's defined pension plan who reached the age of 55 with 10 or more years of service on or before May 1, 1992. Certain pension plan improvements were made, including a waiver of the actuarial reduction factors for early retirement and a cash incentive payable as a monthly supplement up to 60 months or as a lump sum payment. Of the 738 employees eligible for the early retirement option, 531, representing ten percent of the combined Company's work force, elected to retire on or before the May 1, 1992, deadline. Seventy-one of those electing to retire were employees of KG&E acquired March 31, 1992 (see Note 3). Another 67 employees, with 10 or more years of service, elected to participate in the voluntary separation program. Of those, 29 were employees of KG&E. In addition, 68 employees received Merger-related severance benefits, including 61 employees of KG&E. The actuarial cost, based on plan provisions for early retirement and voluntary separation programs, and Merger-related severance benefits for the KG&E employees, were considered in purchase accounting for the Merger. The actuarial cost of the former Kansas Power and Light Company employees, of approximately $11 million, was expensed in 1992.

Postretirement: The Company adopted the provisions of Statement of Financial Accounting Standards No. 106 (SFAS 106) in the first quarter of 1993. This statement requires the accrual of postretirement benefits other than pensions, primarily medical benefit costs, during the years an employee provides service.

Based on actuarial projections and adoption of the transition method of implementation which allows a 20-year amortization of the accumulated benefit obligation, the annual expense under SFAS 106 was approximately $26.5 million in 1993 (as compared to approximately $9.6 million on a cash basis) and the Company's total obligation was approximately $166.5 million at December 31, 1993. To mitigate the impact of SFAS 106 expense, the Company has implemented programs to reduce health care costs. In addition, the Company has received orders from the KCC and MPSC permitting the initial deferral of SFAS 106 expense. To mitigate the impact SFAS 106 expense will have on rate increases, the Company will include in the future computation of cost of service the actual SFAS 106 expense and an income stream generated from corporate-owned life insurance (COLI). To the extent SFAS 106 expense exceeds income from the COLI program, this excess will be deferred (as allowed by the FASB Emerging Issues Task Force Issue No. 92-12) and offset by income generated through the deferral period by the COLI program. The OCC is reviewing the Company's application for similar treatment in Oklahoma. Should the OCC require recognition of postretirement benefit costs for regulatory purposes under a different method than that proposed under the Company's application, the impact on earnings would not be material. Should the income stream generated by the COLI program not be sufficient to offset the deferred SFAS 106 expense, the KCC and MPSC orders allow recovery of such deficit through the ratemaking process.

Prior to the adoption of SFAS 106 the Company's policy was to recognize the cost of retiree health care and life insurance benefits as expense when claims and premiums for life insurance policies were paid. The cost of providing health care and life insurance benefits to 2,928 retirees was $8.1 million in 1992.

The following table summarizes the status of the Company's postretirement plans for financial statement purposes and the related amount included in the consolidated balance sheet:

December 31,	1993
	(Dollars in Thousands)
Actuarial present value of postretirement benefit obligations:	
Retirees	$ 111,499
Active employees fully eligible	11,848
Active employees not fully eligible	43,109
Unrecognized prior service cost	18,195
Unrecognized transition obligation	(160,731)
Unrecognized net loss	(7,100)
Balance sheet liability	$ 16,820

For measurement purposes, an annual health care cost growth rate of 13% was assumed for 1994, decreasing to 6% by 2002 and thereafter. The accumulated post retirement benefit obligation was calculated using a weighted-average discount rate of 7.75%, a weighted-average compensation increase rate of 5.0%, and a weighted-average expected rate of return of 8.5%. 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 $11.1 million and the aggregate of the service and interest cost components by $1.5 million.

Postemployment: The FASB has issued Statement of Financial Accounting Standards No. 112 (SFAS 112), which establishes accounting and reporting standards for postemployment benefits. The new statement will require the Company to recognize the liability to provide postemployment benefits when the liability has been incurred. The Company adopted SFAS 112 effective January 1, 1994. To mitigate the impact adopting SFAS 112 will have on rate increases, the Company will file applications with the KCC and OCC for orders permitting the initial deferral of SFAS 112 transition costs and expenses and its inclusion in the future computation of cost of service net of an income stream generated from COLI. However, if the state regulatory commissions were to recognize postemployment benefit costs under a different method, 1994 earnings could be impacted negatively. At December 31, 1993, the Company estimates SFAS 112 liability to total approximately $11 million.

Savings: The Company maintains savings plans in which substantially all employees participate. The Company matches employees' contributions up to specified maximum limits. The funds of the plans are deposited with a trustee and invested at each employee's option in one or more investment funds, including a Company stock fund. The Company's contributions were $5.4, $5.4, and $3.3 million for 1993, 1992, and 1991, respectively.

Missouri Property Sale: Effective January 31, 1994, the Company transferred a portion of the assets and liabilities of the Company's pension plan to a pension plan established by Southern Union. The amount of assets transferred equal the projected benefit obligation for employees and retirees associated with Southern Union's portion of the Missouri Properties plus an additional $9 million.

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:

Cash and Cash Equivalents-
The carrying amount approximates the fair value because of the short-term maturity of these investments.

Decommissioning Trust-
The fair value of the decommissioning trust is based on quoted market prices at December 31, 1993 and 1992.

Variable-rate Debt-
The carrying amount approximates the fair value because of the short-term variable rates of these debt instruments.

Fixed-rate Debt-
The fair value of the fixed-rate debt is based on the sum of the estimated value of each issue taking into consideration the interest rate, maturity, and redemption provisions of each issue.

Redeemable Preference Stock-
The fair value of the redeemable preference stock is based on the sum of the estimated value of each issue taking into consideration the dividend rate, maturity, and redemption provisions of each issue.

The estimated fair values of the Company's financial instruments are as follows:

	Carrying Value		Fair Value	
December 31,	1993	1992	1993	1992

	(Dollars in Thousands)			
Cash and cash equivalents.	$ 1,217	$ 875	$ 1,217	$ 875
Decommissioning trust. . .	13,204	9,272	13,929	9,500
Variable-rate debt	931,352	758,449	931,352	758,449
Fixed-rate debt.	1,364,886	1,508,077	1,473,569	1,563,375
Redeemable preference stock.	150,000	152,733	160,780	161,733

8. LONG-TERM DEBT

The amount of first mortgage bonds authorized by the Western Resources Mortgage and Deed of Trust, dated July 1, 1939, as supplemented, is unlimited. The amount of first mortgage bonds authorized by the KG&E Mortgage and Deed of Trust, dated April 1, 1940, as supplemented, is limited to a maximum of $2 billion. Amounts of additional bonds which may be issued are subject to property, earnings, and certain restrictive provisions of each Mortgage.

On January 20, 1994, KG&E issued $100 million of First Mortgage Bonds, 6.20% Series due January 15, 2006.

On January 31, 1994, the Company redeemed the remaining $2,466,000 principal amount of Gas Service Company (GSC) 8 1/2% Series First Mortgage Bonds due 1997. In addition, the Company took measures to have the GSC Mortgage and Deed of Trust discharged.

Debt discount and expenses are being amortized over the remaining lives of each issue. The Western Resources and KG&E improvement and maintenance fund requirements for certain first mortgage bond series can be met by bonding additional property. The sinking fund requirements for certain Western Resources and KG&E pollution control series bonds can be met only through the acquisition and retirement of outstanding bonds. Bonds maturing and acquisition and retirement of bonds for sinking fund requirements for the five years subsequent to December 31, 1993, are as follows:

Year	Maturing Bonds	Retiring Bonds
	(Dollars in Thousands)	
1994.	$ 2,466	$ 738
1995.	-	753
1996.	16,000	770
1997.	-	1,333
1998.	-	1,550

Long-term debt outstanding at December 31, 1993 and 1992, was as follows:

	1993	1992
	(Dollars in Thousands)	
Western Resources		
First mortgage bond series:		
9.35 % due 1998.	$ -	$ 75,000
7 1/4% due 1999.	125,000	125,000
7 5/8% due 1999.	19,000	19,000
8 3/4% due 2000.	-	20,000
8 7/8% due 2000.	75,000	75,000
7 1/4% due 2002.	100,000	100,000
8 5/8% due 2005.	-	35,000
8 1/8% due 2007.	30,000	30,000
8 3/4% due 2008.	-	35,000
8 5/8% due 2017.	50,000	50,000
8 1/2% due 2022.	125,000	125,000
7.65% due 2023.	100,000	-
	624,000	689,000
Pollution control bond series:		
5.90 % due 2007.	31,000	31,500
6 3/4% due 2009.	45,000	45,000
9 5/8% due 2013.	-	58,500
6% due 2033.	58,500	-
	134,500	135,000
KG&E		
First mortgage bond series:		
5 5/8% due 1996.	16,000	16,000
8 1/8% due 2001.	-	35,000
7 3/8% due 2002.	-	25,000
7.60% due 2003.	135,000	135,000
6 1/2% due 2005.	65,000	-
8 3/8% due 2006.	-	25,000
8 1/2% due 2007.	-	25,000
8 7/8% due 2008.	-	30,000
	216,000	291,000
Pollution control bond series:		
6.80% due 2004.	14,500	14,500
5 7/8% due 2007.	21,940	21,940
6% due 2007.	10,000	10,000
7.0% due 2031.	327,500	327,500
	373,940	373,940
GSC		
First mortgage bond series:		
8 1/2% due 1997.	2,466	4,932
	2,466	4,932
Bank term loan	-	230,000
Other pollution control obligations. . . .	13,980	14,205
Revolving credit agreement	115,000	150,000
Other long term agreement.	53,913	46,640
Less:		
Unamortized debt discount.	6,607	6,730
Long-term debt due within one year . . .	3,204	1,961
	$1,523,988	$1,926,026

In January 1993, the Company renegotiated its $600 million bank term loan and revolving credit facility used to finance the Merger into a $350 million revolving credit facility, secured by KG&E common stock. The revolver has an initial term of three years with options to renew for an additional two years with the consent of the banks. The unused portion of the revolving credit facility may be used to provide support for outstanding short-term debt. At December 31, 1993, $115 million was outstanding under the facility.

On September 20, 1993, KG&E terminated a long-term revolving credit agreement which provided for borrowings of up to $150 million. The loan agreement, which was effective through October 1994, was repaid without penalty.

KG&E has a long-term agreement, expiring in 1995, which contains provisions for the sale of accounts receivable and unbilled revenues (receivables) and phase-in revenues up to a total of $180 million. Amounts related to receivables are accounted for as sales while those related to phase-in revenues are accounted for as collateralized borrowings. Additional receivables are continually sold to replace those collected. At December 31, 1993 and 1992, outstanding receivables amounting to $56.8 and $47.7 million, respectively, were considered sold under the agreement. The credit risk associated with the sale of customer accounts receivable is considered minimal. The weighted average interest rate, including fees, was 3.7% for the year ended December 31, 1993, and 6.6% for the nine months ended December 31, 1992. At December 31, 1993, an additional $16.4 million was available under the agreement.

9. SHORT-TERM DEBT

The Company's short-term financing requirements are satisfied, as needed, through the sale of commercial paper, short-term bank loans and borrowings under other unsecured lines of credit maintained with banks. Information concerning these arrangements for the years ended December 31, 1993, 1992, and 1991, is set forth below:

Year Ended December 31,	1993	1992	1991
		(Dollars in Thousands)	
Lines of credit at year end. . . .	$145,000	$250,000(1)	$185,000(2)
Short-term debt outstanding at year end	440,895	222,225	135,800
Weighted average interest rate on debt outstanding at year end (including fees)	3.67%	4.70%	5.07%
Maximum amount of short-term debt outstanding during the period.	$443,895	$263,900	$175,000
Monthly average short-term debt. .	347,278	179,577	125,968
Weighted daily average interest rates during the year (including fees)	3.44%	4.90%	6.69%

(1) Decreased to $155 million in January 1993.
(2) Increased to $200 million in January 1992.

In connection with the commitments, the Company has agreed to pay certain fees to the banks. Available lines of credit and the unused portion of the revolving credit facility are utilized to support the Company's outstanding short-term debt.

10. LEASES

At December 31, 1993, the Company had leases covering various property and equipment. Certain lease agreements meet the criteria, as set forth in Statement of Financial Accounting Standards No. 13, for classification as capital leases.

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

Year Ending December 31,	Capital Leases	Operating Leases
	(Dollars in Thousands)	
1991	$ 1,217	$21,501
1992	2,426	52,701
1993	3,272	55,011
Future Commitments:		
1994	$ 4,002	$47,729
1995	3,752	45,825
1996	3,627	44,176
1997	1,209	41,644
1998	-	41,019
Thereafter	-	771,157
Total	$12,590	$ 991,550
Less Interest	1,466	
Net obligation	$11,124	

In 1987, KG&E sold and leased back its 50 percent undivided interest in La Cygne 2. The lease has an initial term of 29 years, with various options to renew the lease or repurchase the 50 percent undivided interest. KG&E 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.

As permitted under the lease agreement, the Company in 1992 requested the Trustee Lessor to refinance $341.1 million of secured facility bonds of the Trustee and owner of La Cygne 2. The transaction was requested to reduce recurring future net lease expense. In connection with the refinancing on September 29, 1992, a one-time payment of approximately $27 million was made by the Company which has been deferred and is being amortized over the remaining life of the lease and included in operating expense as part of the future lease expense.

Future minimum annual lease payments, included in the table above, required under the lease agreement are approximately $34.6 million for each year through 1998 and $715 million over the remainder of the lease.

The gain of approximately $322 million realized at the date of the sale has been deferred for financial reporting purposes, and is being amortized over the initial lease term in proportion to the related lease expense. KG&E's lease expense, net of amortization of the deferred gain and a one-time payment, was approximately $22.5 million for the year ended December 31, 1993, and $20.6 million for the nine months ended December 31, 1992.

11. JOINT OWNERSHIP OF UTILITY PLANTS

	Company's Ownership at December 31, 1993				
	In-Service Dates	Invest- ment	Accumulated Depreciation	Net (MW)	Per- cent
		(Dollars in Thousands)			
La Cygne 1 (a)	Jun 1973	$ 150,265	$ 91,175	342	50
Jeffrey 1 (b)	Jul 1978	277,087	116,526	587	84
Jeffrey 2 (b)	May 1980	274,018	106,301	566	84
Jeffrey 3 (b)	May 1983	386,925	124,158	588	84
Wolf Creek (c)	Sep 1985	1,366,387	281,819	533	47

(a) Jointly owned with Kansas City Power & Light Company (KCPL)
(b) Jointly owned with UtiliCorp United Inc. and a third party
(c) Jointly owned with KCPL and Kansas Electric Power Cooperative, Inc.

Amounts and capacity 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 percent undivided interest in La Cygne 2 (representing 335 MW capacity) sold and leased back to the Company in 1987, are included in operating expenses in the 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.

12. INCOME TAXES

The Company adopted the provisions of SFAS 109 in the first quarter of 1992. KG&E adopted the provisions of SFAS 96 in 1987 and SFAS 109 in 1992. These statements require the Company to establish deferred tax assets and liabilities, as appropriate, for all temporary differences, and to adjust deferred tax balances to reflect changes in tax rates expected to be in effect during the periods the temporary differences reverse.

In accordance with various rate orders received from the KCC, the MPSC, and the OCC, the Company has not yet collected through rates the amounts necessary to pay a significant portion of the net deferred income tax liabilities. As management believes it is probable that the net future increases in income taxes payable will be recovered from customers through future rates, it has recorded a deferred asset for these amounts. These assets are also a temporary difference for which deferred income tax liabilities have been provided. Accordingly, the adoption of SFAS 109 did not have a material impact on the Company's results of operations.

At December 31, 1993, KG&E has unused investment tax credits of approximately $7.1 million available for carryforward which, if not utilized, will expire in the years 2000 through 2002. In addition, the Company has alternative minimum tax credits generated prior to April 1, 1992, which carryforward without expiration, of $57.2 million which may be used to offset future regular tax to the extent the regular tax exceeds the alternative minimum tax. These credits have been applied in determining the Company's net deferred income tax liability and corresponding deferred future income taxes at December 31, 1993.

Deferred income taxes result from temporary differences between the financial statement and tax basis of the Company's assets and liabilities. The sources of these differences and their cumulative tax effects are as follows:

December 31,	1993		
	Debits	Credits	Total
	(Dollars in Thousands)		
Sources of Deferred Income Taxes:			
Accelerated depreciation and other property items	$ -	$ (647,202)	$ (647,202)
Energy and purchased gas adjustment clauses	2,452	-	2,452
Phase-in revenues	-	(35,573)	(35,573)
Natural gas line survey and replacement program	-	(7,721)	(7,721)
Deferred gain on sale-leaseback	116,186	-	116,186
Alternative minimum tax credits	39,882	-	39,882
Deferred coal contract settlements	-	(14,980)	(14,980)
Deferred compensation/pension liability	11,301	-	11,301
Acquisition premium	-	(301,394)	(301,394)
Deferred future income taxes	-	(117,549)	(117,549)
Other	-	(14,039)	(14,039)
Total Deferred Income Taxes	$ 169,821	$(1,138,458)	$ (968,637)

December 31,	1992		
	Debits	Credits	Total
	(Dollars in Thousands)		
Sources of Deferred Income Taxes:			
Accelerated depreciation and other property items	$ -	$ (607,303)	$ (607,303)
Energy and purchased gas adjustment clauses	-	(7,717)	(7,717)
Phase-in revenues	-	(37,564)	(37,564)
Natural gas line survey and replacement program	-	(7,473)	(7,473)
Deferred gain on sale-leaseback	104,573	-	104,573
Alternative minimum tax credits	39,882	-	39,882
Deferred coal contract settlements	-	(9,318)	(9,318)
Deferred compensation/pension liability	8,488	-	8,488
Acquisition premium	-	(314,241)	(314,241)
Deferred future income taxes	-	(158,102)	(158,102)
Other	-	(1,380)	(1,380)
Total Deferred Income Taxes	$ 152,943	$(1,143,098)	$ (990,155)

13. SEGMENTS OF BUSINESS

The Company is a public utility engaged in the generation, transmission, distribution, and sale of electricity in Kansas and the transportation, distribution, and sale of natural gas in Kansas, Missouri, and Oklahoma.

Year Ended December 31,	1993	1992(1)	1991
	(Dollars in Thousands)		
Operating revenues:			
Electric.	$1,104,537	$ 882,885	$ 471,839
Natural gas	804,822	673,363	690,339
	1,909,359	1,556,248	1,162,178
Operating expenses excluding income taxes:			
Electric.	791,563	632,169	337,150
Natural gas	747,755	642,910	664,825
	1,539,318	1,275,079	1,001,975
Income taxes:			
Electric.	73,425	41,184	32,239
Natural gas	4,553	816	(1,657)
	77,978	42,000	30,582
Operating income:			
Electric.	239,549	209,532	102,450
Natural gas	52,514	29,637	27,171
	$ 292,063	$ 239,169	$ 129,621
Identifiable assets at December 31:			
Electric.	$4,231,277	$4,390,117	$1,196,023
Natural gas	1,040,513	918,729	840,692
Other corporate assets(2) . .	140,258	130,060	75,798
	$5,412,048	$5,438,906	$2,112,513
Other Information-- Depreciation and amortization:			
Electric.	$ 126,034	$ 105,842	$ 53,632
Natural gas	38,330	38,171	32,103
	$ 164,364	$ 144,013	$ 85,735
Maintenance:			
Electric.	$ 87,696	$ 73,104	$ 34,240
Natural gas	30,147	28,507	26,275
	$ 117,843	$ 101,611	$ 60,515
Capital expenditures:			
Electric.	$ 137,874	$ 95,465	$ 43,714
Nuclear fuel.	5,702	15,839	-
Natural gas	94,055	91,189	81,961
	$ 237,631	$ 202,493	$ 125,675

(1)Information reflects the merger with KG&E on March 31, 1992.
(2)Principally cash, temporary cash investments, non-utility assets, and deferred charges.

The portion of the table above related to the Missouri Properties is as follows (unaudited):

	1993
	(Dollars in Thousands)
Natural gas revenues.	$ 349,749
Operating expenses excluding income taxes.	326,329
Income taxes.	2,672
Operating income.	20,748
Identifiable assets	398,464
Depreciation and amortization	12,668
Maintenance	10,504
Capital expenditures.	38,821

14. COMMON STOCK AND CUMULATIVE PREFERRED AND PREFERENCE STOCK

The Company's Restated Articles of Incorporation, as amended, provides for 85,000,000 authorized shares of common stock. During 1993, the Company issued 3,572,323 shares of common stock and at December 31, 1993, 61,617,873 shares were outstanding.

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.

Subject to mandatory redemption: On October 1, 1993, the Company redeemed the remaining 22,000 shares of the 8.70% Series preference stock.

The mandatory sinking fund provisions of the 8.50% Series preference stock require the Company to redeem 50,000 shares annually beginning on July 1, 1997, at $100 per share. The Company may, at its option, redeem up to an additional 50,000 shares on each July 1, at $100 per share. The 8.50% Series also is redeemable in whole or in part, at the option of the Company, subject to certain restrictions on refunding, at a redemption price of $107.37, $106.80, and $106.23 per share beginning July 1, 1993, 1994, and 1995, respectively.

The mandatory sinking fund provisions of the 7.58% Series preference stock require the Company to redeem 25,000 shares annually beginning on April 1, 2002, and each April 1 through 2006 and the remaining shares on April 1, 2007, all at $100 per share. The Company may, at its option, redeem up to an additional 25,000 shares on each April 1 at $100 per share. The 7.58% Series also is redeemable in whole or in part, at the option of the Company, subject to certain restrictions on refunding, at a redemption price of $106.82, $106.06, and $105.31 per share beginning April 1, 1993, 1994, and 1995, respectively.

15. LEGAL PROCEEDINGS

The Company and its subsidiaries are involved in various legal and environmental proceedings. Management believes that adequate provision has been made within the consolidated financial statements for these matters and accordingly believes their ultimate dispositions will not have a material adverse effect upon the business, financial position, or results of operations of the Company.

16. 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 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
	(Dollars in Thousands, except Per Share Amounts)			
1993				
Operating revenues.	$579,581	$400,411	$419,018	$510,349
Operating income.	85,950	60,282	81,225	64,606
Net income.	54,814	30,723	56,807	35,026
Earnings applicable to				
common stock.	51,468	27,320	53,405	31,671
Earnings per share.	$ 0.89	$ 0.47	$ 0.90	$ 0.51
Dividends per share	$ 0.485	$ 0.485	$ 0.485	$ 0.485
Average common shares				
outstanding	58,046	58,046	59,441	61,603
Common stock price:				
High.	$ 35 3/4	$ 36 1/8	$ 37 1/4	$ 37
Low	$ 30 3/8	$ 32 3/4	$ 35	$ 32 3/4
1992(1)				
Operating revenues.	$373,620	$341,715	$380,745	$460,168
Operating income.	42,684	45,830	77,010	73,645
Net income.	27,984	18,434	42,185	39,281
Earnings applicable to				
common stock.	25,472	15,113	38,726	35,822
Earnings per share.	$ 0.74	$ 0.26	$ 0.67	$ 0.62
Dividends per share	$ 0.475	$ 0.475	$ 0.475	$ 0.475
Average common shares				
outstanding	34,566	58,046	58,046	58,046
Common stock price:				
High.	$ 29 1/2	$ 26 7/8	$ 30 1/2	$ 32 5/8
Low	$ 25 3/8	$ 25 1/4	$ 26 3/4	$ 28 1/2

(1) Information reflects the merger with KG&E on March 31, 1992.

Exhibit B

Financial Data Schedule

[ARTICLE] OPUR3
[MULTIPLIER] 1,000

[PERIOD-TYPE]	YEAR
[FISCAL-YEAR-END]	DEC-31-1993
[PERIOD-END]	DEC-31-1993
[BOOK-VALUE]	PER-BOOK
[TOTAL-ASSETS]	5,412,048
[TOTAL-OPERATING-REVENUES]	1,909,359
[NET-INCOME]	177,370