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 1999, WRI's principal business consisted of the production, purchase, transmission, distribution and sale of electricity. WRI provided retail electric service to approximately 341,000 industrial, commercial and residential customers in 324 Kansas communities. 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, 1999, KGE rendered electric services at retail to approximately 287,000 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. 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 WRI, is a developer of international power generation projects. The Wing Group, Limited Co.'s subsidiary is as follows:

1. 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.

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

1. 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 Capital, Inc. owns approximately 35.5% of Onsite common and convertible preferred stock.

2. Protection One, Inc., a Delaware corporation, with principal offices at 6011 Bristol Parkway, Culver City, California 90230. Protection One, Inc. is a holding company for monitored security alarm businesses. Westar Capital, Inc. owns approximately 85% of Protection One, Inc. Protection One, Inc.'s subsidiaries are as follows:

   a. 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 investments. (Note: Protection One Investments, Inc. was acquired by Westar Capital, Inc. on 2/29/2000.)

   b. Protection One Alarm Monitoring, Inc., a Delaware corporation with principal offices at 6011 Bristol Parkway, Culver City, California 90230. 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 Delaware corporation with principal offices at 6011 Bristol Parkway, Culver City, California 90230. 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.

v. 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. (Note: Protection One (UK) plc was acquired by Westar Capital, Inc. on 2/29/2000.)

vi. 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. (Note: Protection One International, Inc. was acquired by Westar Capital, Inc. on 2/29/2000.) Protection One International, Inc.'s subsidiaries are as follows:

(1) 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:

(a) 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:

(i) 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.

(ii) 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. CET Benelux S.A. is 90% owned by CET. 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.

(iii) 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.

(iv) 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.

(v) 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 92.4% owned by CET.

(vi) 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.

(vii) 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.

(viii) 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.

(ix) 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.

(x) 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.

3. 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.

4. Westar Communications, Inc., a Kansas corporation, with principal offices at 1324 S. Kansas Avenue, Topeka, Kansas 66612. Westar Communications, Inc. operates a paging system in Kansas.

5. 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 Capital, Inc.

6. Westar Limited Partners II, 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 Capital, Inc.

7. 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.

8. Westar Financial Services, Inc., a Kansas corporation, with principal offices at 818 South Kansas Avenue, Topeka, Kansas 66612. Westar Financial Services, Inc. holds certain investments of Westar Capital, Inc.

   a. Paradigm Direct, L.L.C., a Delaware limited liability company, with principal offices at Two Executive Drive, Fort Lee, New Jersey 07024, develops and manages marketing programs and strategies. Westar Financial Services, Inc. owns approximately 40% of Paradigm Direct, L.L.C.

D. 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 potential international projects. Western Resources (Bermuda) Ltd.'s subsidiaries are as follows:

1. 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 develops power generation projects in China. CPI-Western Power Holdings Ltd.'s subsidiaries are as follows:

   a. 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.

      i. Zhengzhou Dengwai 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.

      ii. 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.

      iii. 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.

      iv. 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.

2. 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:

   a. 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.

E. 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.

F. 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 potential power projects in Turkey. Wing Turkey, Inc.'s subsidiaries are as follows:

   1. 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:

      a. 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.

G. 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.

H. 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.

I. Dormant subsidiaries of WRI:

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

   2. Gas Service Energy Corporation, a Delaware corporation.

   3. KPL Funding, Inc., a Kansas corporation.

   4. Rangeline, Inc., a Kansas corporation.

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

   6. The Comfort Zone, Inc., a Kansas corporation.

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

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

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

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

J. Dormant subsidiary of The Wing Group, Limited Co.:

1. Wing Thailand, Inc., a Delaware corporation.

K. Dormant subsidiaries of Protection One, Inc.:

1. Protection One Acquisition Holding Corporation, a Delaware corporation.

   a. P-1 Merger Sub., Inc. (Delaware), a Delaware corporation.

   b. P-1 Merger Sub., Inc. (Mass.), a Massachusetts corporation.

L. Dormant subsidiary of Protection One Alarm Monitoring, Inc.:

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

M. 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......	415
Abilene Energy Center, near Abilene............	70
Tecumseh Energy Center, near Tecumseh..........	41
Subtotal...........................	526
Diesel	
Hutchinson Energy Center	86
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......................	2,853 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	527
Murray Gill, Wichita...............................	332
Neosho, Neosho....................................	67
Subtotal	926
Diesel	
Wichita, Wichita..................................	3
Wind	
JEC Wind Turbine 1, near St. Marys.................	(a)
JEC Wind Turbine 2, near St. Marys.................	(a)
Total Accredited Capacity	2,605 MW

(a) KGE's share is less than 0.5 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, 1999, WRI sold 8,996,335,000 KWH of electric energy at retail, 3,785,226,000 KWH of electric energy at wholesale. For the year ended December 31, 1999, KGE sold 8,607,403,000 KWH of electric energy at retail and 1,831,943,000 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 1999, 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 1999, WRI sold, at wholesale, 1,358,147,000 KWH of electric energy to adjoining public utilities through interconnections at the Kansas state line. During 1999, KGE sold, at wholesale, 1,068,313,000 KWH of electric energy to adjoining public utilities through interconnections at the Kansas state line. During 1999, 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 1999, WRI purchased 148,516,000 KWH of electric energy from outside the State of Kansas or at the Kansas state line. During 1999, KGE purchased 230,192,000 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 Capital, Inc., 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 - $6,446,844 TLC - US $37,480,213
Earnings:	$640,000

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:	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:	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:	$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:	$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 Capital, Inc. has issued standby letters of credit totaling $3,651,150.
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:	None

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 28th day of April, 2000

Western Resources, Inc.

By: /s/ Richard D. Terrill
Richard D. Terrill
Executive Vice President,
General Counsel, and
Corporate Secretary

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 and Corporate Secretary
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, 1999
(Dollars in Thousands)

	Western Resources	Kansas Gas and Electric	Westar Capital Consolidated	Westar Generating I
ASSETS			(Exhibit A-2)	
CURRENT ASSETS:				
Cash and cash equivalents	$ 2,203	$ 37	$ 11,432	$ -
Accounts receivable (net)	85,326	178,957	118,558	-
Inventories and supplies (net). . . .	53,258	46,179	12,955	-
Marketable securities	-	-	177,128	-
Prepaid expenses and other.	17,971	19,103	31,093	-
Total Current Assets.	158,758	244,276	351,166	-
PROPERTY, PLANT AND EQUIPMENT (NET) . .	1,254,583	2,480,696	62,777	23,612
OTHER ASSETS:				
Investment in ONEOK	590,109	-	-	-
Customer accounts (net)	-	-	1,138,902	-
Goodwill (net).	-	-	1,102,157	-
Regulatory assets	133,596	232,408	-	-
Other	2,890,293	106,449	31,292	-
Total Other Assets.	3,613,998	338,857	2,272,351	-
TOTAL ASSETS.	$ 5,027,339	$ 3,063,829	$ 2,686,294	$ 23,612
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Current maturities of long-term debt.	$ 78,657	$ -	$ 33,010	$ -
Short-term debt	705,421	-	-	-
Accounts payable.	370,302	76,996	23,298	-
Accrued liabilities	115,849	28,052	82,901	-
Accrued income taxes.	(35,184)	70,878	15,937	-
Deferred security revenues.	-	-	61,148	-
Other	29,622	6,615	35,231	-
Total Current Liabilities	1,264,667	182,541	251,525	-
LONG-TERM LIABILITIES:				
Long-term debt (net).	1,424,613	684,271	762,264	-
Western Resources obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely company subordinated debentures	-	-	-	-
Deferred income taxes and credits . .	304,197	774,961	(82,797)	-
Minority interests.	-	-	193,499	-
Deferred gain from sale/leaseback . .	-	198,123	-	-
Other	133,538	101,428	44,485	-
Total Long-Term Liabilities	1,862,348	1,758,783	917,451	-
COMMITMENTS AND CONTINGENCIES				
SHAREHOLDERS' EQUITY:				
Cumulative preferred stock.	24,858	-	-	-
Common stock, par value $5 per share, 150,000,000 authorized shares, 67,401,657 outstanding shares	341,508	1,065,634	1	1
Paid-in capital	820,945	-	1,241,370	23,611
Retained earnings	691,016	56,871	238,159	-
Accumulated other comprehensive income .	37,788	-	37,788	-
Treasury stock, at cost, 900,000 shares .	(15,791)	-	-	-
Total Shareholders' Equity.	1,900,324	1,122,505	1,517,318	23,612
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY. .	$ 5,027,339	$ 3,063,829	$ 2,686,294	$ 23,612

Exhibit A-1

WESTERN RESOURCES, INC.
CONSOLIDATING BALANCE SHEET
December 31, 1999
(Dollars in Thousands)
(Continued)

	Westar Generating II	WR Bermuda	The Wing Group	Wing Turkey
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ -	$ 1,996	$ 159	$ -
Accounts receivable (net)	-	(4)	-	1
Inventories and supplies (net).	-	-	-	-
Marketable securities	-	-	-	-
Prepaid expenses and other.	-	1	-	253
Total Current Assets.	-	1,993	159	254
PROPERTY, PLANT AND EQUIPMENT (NET)	67,776	-	-	-
OTHER ASSETS:				
Investment in ONEOK	-	-	-	-
Customer accounts (net)	-	-	-	-
Goodwill (net).	-	-	-	-
Regulatory assets	-	-	-	-
Other	-	6,801	(36)	7,386
Total Other Assets.	-	6,801	(36)	7,386
TOTAL ASSETS.	$ 67,776	$ 8,794	$ 123	$ 7,640
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Current maturities of long-term debt. . .	$ -	$ -	$ -	$ -
Short-term debt	-	-	-	-
Accounts payable.	-	-	260	-
Accrued liabilities	-	-	(16)	-
Accrued income taxes.	-	1,302	(12,380)	(225)
Deferred security revenues.	-	-	-	-
Other	-	1,163	380	-
Total Current Liabilities	-	2,465	(11,756)	(225)
LONG-TERM LIABILITIES:				
Long-term debt (net).	-	-	-	11,918
Western Resources obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely company subordinated debentures	-	-	-	-
Deferred income taxes and credits	-	(11,163)	(1,616)	(1,035)
Minority interests.	-	-	-	-
Deferred gain from sale/leaseback	-	-	-	-
Other	-	-	-	-
Total Long-Term Liabilities	-	(11,163)	(1,616)	10,883
COMMITMENTS AND CONTINGENCIES				
SHAREHOLDERS' EQUITY:				
Cumulative preferred stock.	-	-	-	-
Common stock, par value $5 per share, 150,000,000 authorized shares, 67,401,657 outstanding shares	1	-	-	-
Paid-in capital	67,775	32,422	50,620	2,925
Retained earnings	-	(14,930)	(37,125)	(5,943)
Accumulated other comprehensive income .	-	-	-	-
Treasury stock, at cost, 900,000 shares .	-	-	-	-
Total Shareholders' Equity	67,776	17,492	13,495	(3,018)
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY. .	$ 67,776	$ 8,794	$ 123	$ 7,640

Exhibit A-1

WESTERN RESOURCES, INC.
CONSOLIDATING BALANCE SHEET
December 31, 1999
(Dollars in Thousands)
(Continued)

	Western Resources Capital I & II	Consolidating Entries	Western Resources Consolidated
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ -	$ -	$ 15,827
Accounts receivable (net)	226,804	(380,442)	229,200
Inventories and supplies (net).	-	-	112,392
Marketable securities	-	-	177,128
Prepaid expenses and other.	-	-	68,421
Total Current Assets.	226,804	(380,442)	602,968
PROPERTY, PLANT AND EQUIPMENT (NET)	-	-	3,889,444
OTHER ASSETS:			
Investment in ONEOK	-	-	590,109
Customer accounts (net)	-	-	1,138,902
Goodwill (net).	-	-	1,102,157
Regulatory assets	-	-	366,004
Other	-	(2,723,563)	318,622
Total Other Assets.	-	(2,723,563)	3,515,794
TOTAL ASSETS.	$ 226,804	$(3,104,005)	$ 8,008,206
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current maturities of long-term debt. . .	$ -	$ -	$ 111,667
Short-term debt	-	-	705,421
Accounts payable.	-	(338,022)	132,834
Accrued liabilities	-	-	226,786
Accrued income taxes.	-	-	40,328
Deferred security revenues.	-	-	61,148
Other	-	-	73,011
Total Current Liabilities	-	(338,022)	1,351,195
LONG-TERM LIABILITIES:			
Long-term debt (net).	-	-	2,883,066
Western Resources obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely company subordinated debentures	220,000	-	220,000
Deferred income taxes and credits	-	1	982,548
Minority interests.	-	-	193,499
Deferred gain from sale/leaseback	-	-	198,123
Other	-	-	279,451
Total Long-Term Liabilities	220,000	1	4,756,687
COMMITMENTS AND CONTINGENCIES			
SHAREHOLDERS' EQUITY:			
Cumulative preferred stock.	-	-	24,858
Common stock, par value $5 per share, 150,000,000 authorized shares, 67,401,657 outstanding shares	6,804	(1,072,441)	341,508
Paid-in capital	-	(1,418,723)	820,945
Retained earnings	-	(237,032)	691,016
Accumulated other comprehensive income .	-	(37,788)	37,788
Treasury stock, at cost, 900,000 shares .	-	-	(15,791)
Total Shareholders' Equity	6,804	(2,765,984)	1,900,324
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY .	$ 226,804	$(3,104,005)	$ 8,008,206

Exhibit A-1

WESTERN RESOURCES, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 1999
(Dollars in Thousands,
except Per Share Amounts)

	Western Resources	Kansas Gas and Electric	Westar Capital Consolidated (Exhibit A-2)	Westar Generating I
SALES:				
Energy	$ 791,358	$ 638,340	$ 1,284	$ -
Security	-	-	605,176	-
Total Sales	791,358	638,340	606,460	-
COST OF SALES:				
Energy	341,360	137,478	144	-
Security	-	-	184,005	-
Total Cost of Sales	341,360	137,478	184,149	-
GROSS PROFIT	449,998	500,862	422,311	-
OPERATING EXPENSES:				
Operating and maintenance expense	147,567	161,953	27,548	-
Depreciation and amortization	65,595	101,160	239,988	-
Selling, general and administrative expense	91,710	65,900	198,762	-
International power development costs	-	-	-	-
Deferred merger costs	-	-	-	-
Total Operating Expenses	304,872	329,013	466,298	-
INCOME (LOSS) FROM OPERATIONS	145,126	171,849	(43,987)	-
OTHER INCOME (EXPENSE):				
Impairment of marketable securities	-	-	(76,166)	-
ONEOK investment income	44,444	-	-	-
Investment earnings	(24,271)	10	(11,529)	-
Minority interest	-	-	12,934	-
Other	3,811	(3,093)	13,356	-
Total Other Income (Expense)	23,984	(3,083)	(61,405)	-
EARNINGS BEFORE INTEREST AND TAXES	169,110	168,766	(105,392)	-
INTEREST EXPENSE:				
Interest expense on long-term debt	105,925	45,920	84,572	-
Interest expense on short-term debt and other	54,057	3,598	-	-
Total Interest Expense	159,982	49,518	84,572	-
(LOSS) EARNINGS BEFORE INCOME TAXES	9,128	119,248	(189,964)	-
INCOME TAX (BENEFIT) EXPENSE	(3,331)	34,987	(66,516)	-
INCOME BEFORE EXTRAORDINARY GAIN	12,459	84,261	(123,448)	-
EXTRAORDINARY GAIN, NET OF TAX	-	-	11,742	-
NET INCOME (LOSS)	12,459	84,261	(111,706)	-
PREFERRED AND PREFERENCE DIVIDENDS	1,129	-	-	-
EARNINGS AVAILABLE FOR COMMON STOCK	$ 11,330	$ 84,261	$ (111,706)	$ -

Exhibit A-1

WESTERN RESOURCES, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 1999
(Dollars in Thousands,
except Per Share Amounts)
(Continued)

	Westar Generating II	WR Bermuda	The Wing Group	Wing Turkey
SALES:				
Energy	$ -	$ -	$ -	$ -
Security	-	-	-	-
Total Sales	-	-	-	-
COST OF SALES:				
Energy	-	-	-	-
Security	-	-	-	-
Total Cost of Sales	-	-	-	-
GROSS PROFIT.	-	-	-	-
OPERATING EXPENSES:				
Operating and maintenance expense . . .	-	-	-	-
Depreciation and amortization	-	264	-	-
Selling, general and administrative expense.	-	-	(4,695)	2,943
International power development costs .	-	-	-	-
Deferred merger costs	-	-	-	-
Total Operating Expenses.	-	264	(4,695)	2,943
INCOME (LOSS) FROM OPERATIONS	-	(264)	4,695	(2,943)
OTHER INCOME (EXPENSE):				
Impairment of marketable securities . .	-	-	-	-
ONEOK investment income	-	-	-	-
Investment earnings	-	2,373	(32)	(2,844)
Minority interest	-	-	-	-
Other	-	-	160	-
Total Other Income (Expense).	-	2,373	128	(2,844)
EARNINGS BEFORE INTEREST AND TAXES. . . .	-	2,109	4,823	(5,787)
INTEREST EXPENSE:				
Interest expense on long-term debt. . .	-	-	-	-
Interest expense on short-term debt and other.	-	-	-	591
Total Interest Expense.	-	-	-	591
(LOSS) EARNINGS BEFORE INCOME TAXES . . .	-	2,109	4,823	(6,378)
INCOME TAX (BENEFIT) EXPENSE.	-	839	1,770	(1,113)
INCOME BEFORE EXTRAORDINARY GAIN	-	1,270	3,053	(5,265)
EXTRAORDINARY GAIN, NET OF TAX	-	-	-	-
NET INCOME (LOSS)	-	1,270	3,053	(5,265)
PREFERRED AND PREFERENCE DIVIDENDS. . . .	-	-	-	-
EARNINGS AVAILABLE FOR COMMON STOCK . . .	$ -	$ 1,270	$ 3,053	$ (5,265)

Exhibit A-1

WESTERN RESOURCES, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 1999
(Dollars in Thousands,
except Per Share Amounts)
(Continued)

	Western Resources Capital I&II	Consolidating Entries	Western Resources Consolidated
SALES:			
Energy	$ -	$ -	$ 1,430,982
Security	-	-	605,176
Total Sales	-	-	2,036,158
COST OF SALES:			
Energy	-	-	478,982
Security	-	-	184,005
Total Cost of Sales	-	-	662,987
GROSS PROFIT	-	-	1,373,171
OPERATING EXPENSES:			
Operating and maintenance expense	-	-	337,068
Depreciation and amortization	-	-	407,007
Selling, general and administrative expense	-	(11,968)	342,652
International power development costs	-	(5,632)	(5,632)
Deferred merger costs	-	17,600	17,600
Total Operating Expenses	-	-	1,098,695
INCOME (LOSS) FROM OPERATIONS	-	-	274,476
OTHER INCOME (EXPENSE):			
Impairment of marketable securities	-	-	(76,166)
ONEOK investment income	-	(44,444)	-
Investment earnings	18,634	53,638	35,979
Minority interest	-	-	12,934
Other	-	-	14,234
Total Other Income (Expense)	18,634	9,194	(13,019)
EARNINGS BEFORE INTEREST AND TAXES	18,634	9,194	261,457
INTEREST EXPENSE:			
Interest expense on long-term debt	-	-	236,417
Interest exp. on short-term debt and other	-	(559)	57,687
Total Interest Expense	-	(559)	294,104
(LOSS) EARNINGS BEFORE INCOME TAXES	18,634	9,753	(32,647)
INCOME TAX (BENEFIT) EXPENSE	-	-	(33,364)
INCOME BEFORE EXTRAORDINARY GAIN	18,634	9,753	717
EXTRAORDINARY GAIN, NET OF TAX	-	-	11,742
NET INCOME (LOSS)	18,634	9,753	12,459
PREFERRED AND PREFERENCE DIVIDENDS	18,075	(18,075)	1,129
EARNINGS AVAILABLE FOR COMMON STOCK	$ 559	$ 27,828	$ 11,330
AVERAGE COMMON SHARES OUTSTANDING			67,080,281
BASIC EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING:			
EARNINGS AVAILABLE FOR COMMON STOCK BEFORE EXTRAORDINARY GAIN			$ (0.01)
EXTRAORDINARY GAIN			$ 0.18
EARNINGS AVAILABLE FOR COMMON STOCK			$ 0.17

Exhibit A-1

WESTERN RESOURCES, INC.
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
December 31, 1999
(Dollars in Thousands)

	Western Resources	Kansas Gas and Electric	Westar Capital Consolidated (Exhibit A-2)	Westar Generating I
BALANCE AT BEGINNING OF PERIOD.	$ 823,590	$ 72,611	$ 349,865	$ -
ADD:				
Net income (loss)	12,459	84,261	(111,706)	-
Realignment of subsidiaries	-	(1)	-	-
Total	836,049	156,871	238,159	-
DEDUCT:				
Cash dividends:				
Preferred and preference stock.	1,129	-	-	-
Common stock.	143,904	100,000	-	-
Total	145,033	100,000	-	-
BALANCE AT END OF PERIOD.	$ 691,016	$ 56,871	$ 238,159	$ -

	Westar Generating II	WR Bermuda	The Wing Group	Wing Turkey
BALANCE AT BEGINNING OF PERIOD.	$ -	$ (16,200)	$ (40,179)	$ (679)
ADD:				
Net income (loss)	-	1,270	3,053	(5,265)
Realignment of subsidiaries	-	-	1	1
Total	-	(14,930)	(37,125)	(5,943)
DEDUCT:				
Cash dividends:				
Preferred and preference stock.	-	-	-	-
Common stock.	-	-	-	-
Total	-	-	-	-
BALANCE AT END OF PERIOD.	$ -	$ (14,930)	$ (37,125)	$ (5,943)

	Western Resources Capital I & II	Consolidating Entries	Western Resources Consolidated
BALANCE AT BEGINNING OF PERIOD.	$ -	$ (365,418)	$ 823,590
ADD:			
Net income (loss)	18,634	9,753	12,459
Realignment of subsidiaries	-	(1)	-
Total	18,634	(355,666)	836,049
DEDUCT:			
Cash dividends:			
Preferred and preference stock.	18,075	(18,075)	1,129
Common stock.	559	(100,559)	143,904
Total	18,634	(118,634)	145,033
BALANCE AT END OF PERIOD.	$ -	$ (237,032)	$ 691,016

Exhibit A-2

WESTAR CAPITAL, INC.
CONSOLIDATING BALANCE SHEET
December 31, 1999
(Dollars in Thousands)

	Westar Capital	Protection One Consolidated	Westar Limited Partners	Westar Financial Services
ASSETS		(Exhibit A-3)		
CURRENT ASSETS:				
Cash and cash equivalents.	$ 3,885	$ 7,658	$ -	$ -
Restricted cash	-	11,175	-	-
Accounts receivable (net).	7,339	71,716	557	23
Inventories and supplies (net)	-	12,908	-	-
Marketable securities.	170,464	6,664	-	-
Deferred tax asset	-	28,400	-	-
Tax receivable	-	31,056	-	-
Prepaid expenses and other	50	16,803	-	-
Total Current Assets	181,738	186,380	557	23
PROPERTY, PLANT AND EQUIPMENT (NET). . .	-	60,912	-	-
OTHER ASSETS:				
Investment in Protection One	1,158,821	-	-	-
Note receivable in Protection One. . .	224,545	-	-	-
Customer accounts (net)	-	1,139,066	-	-
Goodwill (net)	-	1,101,788	-	-
Deferred tax asset	-	30,771	-	-
Other	13,305	39,318	326	35,384
Total Other Assets	1,396,671	2,310,943	326	35,384
TOTAL ASSETS	$ 1,578,409	$ 2,558,235	$ 883	$ 35,407
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Current maturities of long-term debt .	$ -	$ 35,498	$ -	$ -
Accounts payable	-	23,205	73	-
Accrued liabilities	9,997	74,248	-	-
Accrued income taxes	20,656	-	(2,591)	498
Deferred security revenues	-	61,149	-	-
Other	12,479	20,213	-	-
Total Current Liabilities	43,132	214,313	(2,518)	498
LONG-TERM LIABILITIES:				
Long-term debt (net)	-	1,077,152	-	-
Deferred income taxes and credits . .	(22,353)	-	(1,253)	8
Minority interests	-	-	-	-
Other	40,312	4,173	-	-
Total Long-Term Liabilities	17,959	1,081,325	(1,253)	8
COMMITMENTS AND CONTINGENCIES				
SHAREHOLDERS' EQUITY:				
Common stock, par value $1 per share .	1	1,269	1	1
Paid-in capital	1,241,370	1,392,750	6,720	33,911
Retained earnings	238,159	(129,617)	(2,067)	989
Accumulated other comprehensive income	37,788	(1,805)	-	-
Total Shareholders' Equity	1,517,318	1,262,597	4,654	34,901
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$ 1,578,409	$ 2,558,235	$ 883	$ 35,407

Exhibit A-2

WESTAR CAPITAL, INC.
CONSOLIDATING BALANCE SHEET
December 31, 1999
(Dollars in Thousands)
(Continued)

	Westar Communica-tions	Westar Aviation	Consolidating Entries	Westar Capital Consolidated
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents.	$ 6	$ (117)	$ -	$ 11,432
Restricted cash	-	-	(11,175)	-
Accounts receivable (net).	156	-	38,767	118,558
Inventories and supplies (net)	47	-	-	12,955
Marketable securities.	-	-	-	177,128
Deferred tax asset	-	-	(28,400)	-
Tax receivable	-	-	(31,056)	-
Prepaid expenses and other	54	3,011	11,175	31,093
Total Current Assets	263	2,894	(20,689)	351,166
PROPERTY, PLANT AND EQUIPMENT (NET). . .	204	1,661	-	62,777
OTHER ASSETS:				
Investment in Protection One	-	-	(1,158,821)	-
Note receivable from Protection One. .	-	-	(224,545)	-
Customer accounts (net)	-	-	(164)	1,138,902
Goodwill (net)	369	-	-	1,102,157
Deferred tax asset	-	-	(30,771)	-
Other	-	250	(57,291)	31,292
Total Other Assets	369	250	(1,471,592)	2,272,351
TOTAL ASSETS	$ 836	$ 4,805	$ (1,492,281)	$ 2,686,294
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Current maturities of long-term debt .	$ -	$ -	$ (2,488)	$ 33,010
Accounts payable	37	(17)	-	23,298
Accrued liabilities	43	9	(1,396)	82,901
Accrued income taxes	(5)	(2,621)	-	15,937
Deferred security revenues	-	-	(1)	61,148
Other	50	-	2,489	35,231
Total Current Liabilities	125	(2,629)	(1,396)	251,525
LONG-TERM LIABILITIES:				
Long-term debt (net)	-	-	(314,888)	762,264
Deferred income taxes and credits . .	(26)	(2)	(59,171)	(82,797)
Minority interests	-	-	193,499	193,499
Other	-	-	-	44,485
Total Long-Term Liabilities	(26)	(2)	(180,560)	917,451
COMMITMENTS AND CONTINGENCIES				
SHAREHOLDERS' EQUITY:				
Common stock, par value $1 per share .	1	1	(1,273)	1
Paid-in capital	690	11,407	(1,445,478)	1,241,370
Retained earnings	46	(3,972)	134,621	238,159
Accumulated other comprehensive income.	-	-	1,805	37,788
Total Shareholders' Equity	737	7,436	(1,310,325)	1,517,318
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$ 836	$ 4,805	$ (1,492,281)	$ 2,686,294

Exhibit A-2

WESTAR CAPITAL, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 1999
(Dollars in Thousands)

	Westar Capital	Protection One Consolidated (Exhibit A-3)	Westar Limited Partners	Westar Financial Services
SALES:				
Energy	$ -	$ -	$ -	$ -
Security	-	605,176	-	-
Total Sales	-	605,176	-	-
COST OF SALES:				
Energy	-	-	-	-
Security	-	184,006	-	-
Total Cost of Sales	-	184,006	-	-
GROSS PROFIT	-	421,170	-	-
OPERATING EXPENSES:				
Operating and maintenance expense	5	27,451	2	-
Depreciation and amortization	1,071	237,243	-	-
Selling, general and administrative expense	1,804	185,989	6	-
Other monitored services charge	-	5,809	-	-
Total Operating Expenses	2,880	456,492	8	-
INCOME (LOSS) FROM OPERATIONS	(2,880)	(35,322)	(8)	-
OTHER INCOME (EXPENSE):				
Investment earnings	(158,300)	-	(51)	1,253
Minority interest	-	-	-	-
Other	-	12,869	-	-
Total Other Income (Expense)	(158,300)	12,869	(51)	1,253
(LOSS) EARNINGS BEFORE INTEREST AND TAXES	(161,180)	(22,453)	(59)	1,253
INTEREST EXPENSE:				
Interest expense on long-term debt	-	87,037	-	-
Interest expense on short-term debt and other	-	-	-	-
Total Interest Expense	-	87,037	-	-
(LOSS) EARNINGS BEFORE INCOME TAXES	(161,180)	(109,490)	(59)	1,253
INCOME TAX (BENEFIT) EXPENSE	(36,041)	(28,276)	(348)	498
INCOME BEFORE EXTRAORDINARY GAIN	(125,139)	(81,214)	289	755
EXTRAORDINARY GAIN (LOSS) NET OF TAX	13,433	(1,691)	-	-
NET INCOME (LOSS)	(111,706)	(82,905)	289	755
PREFERRED AND PREFERENCE DIVIDENDS	-	-	-	-
EARNINGS AVAILABLE FOR COMMON STOCK	$ (111,706)	$ (82,905)	$ 289	$ 755

Exhibit A-2

WESTAR CAPITAL, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 1999
(Dollars in Thousands)
(Continued)

	Westar Communications	Westar Aviation	Consolidating Entries	Westar Capital Consolidated
SALES:				
Energy	$ 1,284	$ -	$ -	$ 1,284
Security	-	-	-	605,176
Total Sales	1,284	-	-	606,460
COST OF SALES:				
Energy	144	-	-	144
Security	-	-	(1)	184,005
Total Cost of Sales	144	-	(1)	184,149
GROSS PROFIT	1,140	-	1	422,311
OPERATING EXPENSES:				
Operating and maintenance expense	44	46	-	27,548
Depreciation and amortization	113	-	1,561	239,988
Selling, general and administrative expense	1,060	4,094	5,809	198,762
Other monitored services charge	-	-	(5,809)	-
Total Operating Expenses	1,217	4,140	1,561	466,298
INCOME (LOSS) FROM OPERATIONS	(77)	(4,140)	(1,560)	(43,987)
OTHER INCOME (EXPENSE):				
Investment earnings	12	-	69,391	(87,695)
Minority interest	-	-	12,934	12,934
Other	-	-	487	13,356
Total Other Income (Expense)	12	-	82,812	(61,405)
EARNINGS BEFORE INTEREST AND TAXES	(65)	(4,140)	81,252	(105,392)
INTEREST EXPENSE:				
Interest expense on long-term debt	-	-	(2,465)	84,572
Interest exp. on short-term debt and other	-	-	-	-
Total Interest Expense	-	-	(2,465)	84,572
(LOSS) EARNINGS BEFORE INCOME TAXES	(65)	(4,140)	83,717	(189,964)
INCOME TAX (BENEFIT) EXPENSE	(25)	(1,647)	(677)	(66,516)
INCOME BEFORE EXTRAORDINARY GAIN	(40)	(2,493)	84,394	(123,448)
EXTRAORDINARY GAIN, NET OF TAX	-	-	-	11,742
NET INCOME (LOSS)	(40)	(2,493)	84,394	(111,706)
PREFERRED AND PREFERENCE DIVIDENDS	-	-	-	-
EARNINGS AVAILABLE FOR COMMON STOCK	$ (40)	$ (2,493)	$ 84,394	$ (111,706)

Exhibit A-2

WESTAR CAPITAL, INC.
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
December 31, 1999
(Dollars in Thousands)

	Westar Capital	Protection One Consolidated	Westar Limited Partners
BALANCE AT BEGINNING OF PERIOD.	$ 349,865	$ (45,829)	$ (2,356)
ADD:			
Net income (loss)	(111,706)	(82,905)	289
Realignment of subsidiaries	-	(883)	-
Total	238,159	(129,617)	(2,067)
DEDUCT:			
Cash dividends:			
Preferred and preference stock.	-	-	-
Common stock.	-	-	-
Total	-	-	-
BALANCE AT END OF PERIOD.	$ 238,159	$ (129,617)	$ (2,067)

	Westar Financial Services	Westar Communica- tions	Westar Aviation
BALANCE AT BEGINNING OF PERIOD.	$ 234	$ 86	$ (1,479)
ADD:			
Net income (loss)	755	(40)	(2,493)
Realignment of subsidiaries	-	-	-
Total	989	46	(3,972)
DEDUCT:			
Cash dividends:			
Preferred and preference stock.	-	-	-
Common stock.	-	-	-
Total	-	-	-
BALANCE AT END OF PERIOD.	$ 989	$ 46	$ (3,972)

	Consolidating Entries	Westar Capital Consolidated
BALANCE AT BEGINNING OF PERIOD.	$ 49,344	$ 349,865
ADD:		
Net income (loss)	84,394	(111,706)
Realignment of subsidiaries	883	-
Total	134,621	238,159
DEDUCT:		
Cash dividends:		
Preferred and preference stock.	-	-
Common stock.	-	-
Total	-	-
BALANCE AT END OF PERIOD.	$ 134,621	$ 238,159

Exhibit A-3

PROTECTION ONE, INC.
CONSOLIDATING BALANCE SHEET
December 31, 1999
(Dollars in Thousands)

	Protection One Alarm Monitoring, Inc.	Network Multi-Family Security Corp.	Protection One International, Inc.
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents.	$ 5,780	$ -	$ 2,660
Restricted cash	9,770	-	-
Accounts receivable (net).	46,556	3,291	16,679
Inventories and supplies (net)	4,160	4,551	3,216
Marketable securities.	6,664	-	-
Deferred tax asset	28,400	-	-
Tax receivable	31,056	-	-
Prepaid expenses and other	8,018	195	7,606
Total Current Assets	140,404	8,037	30,161
PROPERTY, PLANT AND EQUIPMENT (NET). . .	51,395	1,367	4,987
OTHER ASSETS:			
Customer accounts (net)	985,551	41,913	86,267
Goodwill (net).	772,560	174,234	130,525
Deferred tax asset	64,793	-	27,143
Other	142,397	126,216	111,630
Total Other Assets.	1,965,301	342,363	355,565
TOTAL ASSETS.	$ 2,157,100	$ 351,767	$ 390,713
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current maturities of long-term debt.	$ 780	$ -	$ 32,510
Accounts payable.	6,240	3,501	11,014
Accrued liabilities	52,375	1,973	15,795
Deferred security revenues.	55,037	878	1,251
Other	20,213	-	-
Total Current Liabilities	134,645	6,352	60,570
LONG-TERM LIABILITIES:			
Long-term debt (net).	741,226	151,849	120,305
Deferred tax liability (net).	17,985	10,854	32,620
Other	647	-	32,128
Total Long-Term Liabilities	759,858	162,703	185,053
COMMITMENTS AND CONTINGENCIES			
SHAREHOLDERS' EQUITY:			
Common stock, par value $.01 per share. .	1,269	1	-
Paid-in capital	1,392,750	201,744	143,551
Retained earnings	(129,617)	(19,033)	1,858
Accumulated other comprehensive income .	(1,805)	-	(319)
Total Shareholders' Equity.	1,262,597	182,712	145,090
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY. .	$ 2,157,100	$ 351,767	$ 390,713

Exhibit A-3

PROTECTION ONE, INC.
CONSOLIDATING BALANCE SHEET
December 31, 1999
(Dollars in Thousands)
(Continued)

	Protection One UK, Inc.	Consolidating Entries	Protection One Consolidated
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents.	$ (782)	$ -	$ 7,658
Restricted cash	1,405	-	11,175
Accounts receivable (net).	5,190	-	71,716
Inventories and supplies (net)	981	-	12,908
Marketable securities.	-	-	6,664
Deferred tax asset	-	-	28,400
Tax receivable	-	-	31,056
Prepaid expenses and other	984	-	16,803
Total Current Assets	7,778	-	186,380
PROPERTY, PLANT AND EQUIPMENT (NET).	3,163	-	60,912
OTHER ASSETS:			
Customer accounts (net)	25,335	-	1,139,066
Goodwill (net)	24,469	-	1,101,788
Deferred tax asset	294	(61,459)	30,771
Other	29,191	(370,116)	39,318
Total Other Assets	79,289	(431,575)	2,310,943
TOTAL ASSETS	$ 90,230	$ (431,575)	$ 2,558,235
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current maturities of long-term debt . . .	$ 2,212	$ (4)	$ 35,498
Accounts payable	2,450	-	23,205
Accrued liabilities	4,105	-	74,248
Deferred security revenues	3,983	-	61,149
Other	-	-	20,213
Total Current Liabilities	12,750	(4)	214,313
LONG-TERM LIABILITIES:			
Long-term debt (net)	35,166	28,606	1,077,152
Deferred tax liability (net)	-	(61,459)	-
Other	-	(28,602)	4,173
Total Long-Term Liabilities	35,166	(61,455)	1,081,325
COMMITMENTS AND CONTINGENCIES			
SHAREHOLDERS' EQUITY:			
Common stock, par value $.01 per share . .	-	(1)	1,269
Paid-in capital	50,911	(396,206)	1,392,750
Retained earnings	(8,156)	25,331	(129,617)
Accumulated other comprehensive income . .	(441)	760	(1,805)
Total Shareholders' Equity	42,314	(370,116)	1,262,597
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY . .	$ 90,230	$ (431,575)	$ 2,558,235

Exhibit A-3

PROTECTION ONE, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 1999
(Dollars in Thousands)

	Protection One Alarm Monitoring, Inc.	Network Multi-Family Security Corp.	Protection One International, Inc.
SALES:			
Energy.	$ -	$ -	$ -
Security.	403,269	38,901	137,178
Total Sales	403,269	38,901	137,178
COST OF SALES:			
Energy.	-	-	-
Security.	121,521	11,014	38,325
Total Cost of Sales	121,521	11,014	38,325
GROSS PROFIT.	281,748	27,887	98,853
OPERATING EXPENSES:			
Operating and maintenance expense	26,405	313	-
Depreciation and amortization	198,264	9,507	25,129
Selling, general and administrative expense	106,482	11,338	56,387
Other monitored services charge	5,809	-	-
Total Operating Expenses.	336,960	21,158	81,516
(LOSS) INCOME FROM OPERATIONS	(55,212)	6,729	17,337
OTHER INCOME (EXPENSE):			
Investment earnings	(12,455)	-	-
Other	12,659	-	210
Total Other Income (Expense).	204	-	210
(LOSS) EARNINGS BEFORE INTEREST AND TAXES .	(55,008)	6,729	17,547
INTEREST EXPENSE:			
Interest expense on long-term debt. . . .	76,128	-	10,686
Interest expense on short-term debt and other	(21,646)	11,280	8,156
Total Interest Expense.	54,482	11,280	18,842
(LOSS) EARNINGS BEFORE INCOME TAXES	(109,490)	(4,551)	(1,295)
INCOME TAX (BENEFIT) EXPENSE.	(28,276)	3,971	1,432
INCOME BEFORE EXTRAORDINARY GAIN	(81,214)	(8,522)	(2,727)
EXTRAORDINARY GAIN (LOSS), NET OF TAX . . .	(1,691)	-	-
NET INCOME (LOSS)	(82,905)	(8,522)	(2,727)
PREFERRED AND PREFERENCE DIVIDENDS.	-	-	-
EARNINGS AVAILABLE FOR COMMON STOCK	$ (82,905)	$ (8,522)	$ (2,727)

Exhibit A-3

PROTECTION ONE, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 1999
(Dollars in Thousands)
(Continued)

	Protection One U.K., Inc.	Consolidating Entries	Protection One Consolidated
SALES:			
Energy.	$ -	$ -	$ -
Security.	25,828	-	605,176
Total Sales	25,828	-	605,176
COST OF SALES:			
Energy.	-	-	-
Security.	13,146	-	184,006
Total Cost of Sales	13,146	-	184,006
GROSS PROFIT.	12,682	-	421,170
OPERATING EXPENSES:			
Operating and maintenance expense	733	-	27,451
Depreciation and amortization	4,343	-	237,243
Selling, general and administrative expense.	11,782	-	185,989
Other monitored services charge	-	-	5,809
Total Operating Expenses.	16,858	-	456,492
(LOSS) INCOME FROM OPERATIONS	(4,176)	-	(35,322)
OTHER INCOME (EXPENSE):			
Investment earnings	-	12,455	-
Other	-	-	12,869
Total Other Income (Expense).	-	12,455	12,869
(LOSS) EARNINGS BEFORE INTEREST AND TAXES . . .	(4,176)	12,455	(22,453)
INTEREST EXPENSE:			
Interest expense on long-term debt.	223	-	87,037
Interest expense on short-term debt and other	2,210	-	-
Total Interest Expense.	2,433	-	87,037
(LOSS) EARNINGS BEFORE INCOME TAXES	(6,609)	12,455	(109,490)
INCOME TAX (BENEFIT) EXPENSE.	-	(5,403)	(28,276)
INCOME BEFORE EXTRAORDINARY GAIN	(6,609)	17,858	(81,214)
EXTRAORDINARY GAIN (LOSS) NET OF TAX.	-	-	(1,691)
NET INCOME (LOSS)	(6,609)	17,858	(82,905)
PREFERRED AND PREFERENCE DIVIDENDS.	-	-	-
EARNINGS AVAILABLE FOR COMMON STOCK	$ (6,609)	$ 17,858	$ (82,905)

Exhibit A-3

PROTECTION ONE, INC.
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
December 31, 1999
(Dollars in Thousands)

	Protection One Alarm Monitoring, Inc.	Network Multi-Family Security Corp.	Protection One International, Inc.
BALANCE AT BEGINNING OF PERIOD.	$ (38,570)	$ (9,629)	$ 4,078
ADD:			
Net income (loss)	(65,047)	(8,522)	(2,727)
Realignment of subsidiaries	(669)	(882)	507
Total	(104,286)	(19,033)	1,858
DEDUCT:			
Cash dividends:			
Preferred and preference stock.	-	-	-
Common stock.	-	-	-
Total	-	-	-
BALANCE AT END OF PERIOD.	$ (104,286)	$ (19,033)	$ 1,858

	Protection One U.K., Inc.	Consolidating Entries	Protection One Consolidated
BALANCE AT BEGINNING OF PERIOD.	$ -	$ (1,708)	$ (45,829)
ADD:			
Net income (loss)	(6,609)	-	(82,905)
Realignment of subsidiaries	(1,547)	1,708	(883)
Total	(8,156)	-	(129,617)
DEDUCT:			
Cash dividends:			
Preferred and preference stock.	-	-	-
Common stock.	-	-	-
Total	-	-	-
BALANCE AT END OF PERIOD.	$ (8,156)	$ -	$ (129,617)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business: Western Resources, Inc. (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 628,000 customers in Kansas and providing monitored services to approximately 1.6 million customers in North America, the United Kingdom and continental 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 services are provided by Protection One, Inc. (Protection One), a publicly-traded, approximately 85%-owned subsidiary. In addition, through the company's 45% ownership interest in ONEOK, Inc. (ONEOK), natural gas transmission and distribution services are provided to approximately 1.4 million customers in Oklahoma and Kansas. Our investments in Protection One and ONEOK are owned by Westar Capital, Inc. (Westar Capital), a wholly-owned subsidiary.

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.

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 require 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.

Consolidated Statements of Cash Flows: For purposes of the Consolidated Statements of Cash Flows, the company considers highly liquid collateralized debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash paid for interest and income taxes for each of the years ended December 31, are as follows:

	1999	1998	1997
	(Dollars in Thousands)		
Interest on financing activities (net of amount capitalized)	$298,802	$220,848	$193,468
Income taxes.	784	47,196	404,548

During 1997, the company contributed the net assets of its natural gas business totaling approximately $594 million to ONEOK in exchange for an ownership interest of 45% in ONEOK.

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.

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

		Gross Unrealized		
	Cost	Gains	Losses	Fair Value
1999:	(Dollars in Thousands)			
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
1998:				
Equity securities.	$ 94,369	$45,685	$(10,182)	$129,872
Debt securities.	172,129	-	(13,924)	158,205
Total.	$266,498	$45,685	$(24,106)	$288,077

Proceeds from the sales of equity and debt securities were $73.5 million in 1999 and $27.9 million in 1998. In 1997, the only available-for-sale security sold was an investment in Tyco International common stock (See Note 18). The gross realized gains from sales of equity and debt investments were $12.6 million in 1999 and $2.0 million in 1998. The gross realized losses from sales of equity and debt investments were $38.8 million in 1999 and $16.1 million in 1998.

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). The AFUDC rate was 6.00% in 1999, 6.00% in 1998 and 5.80% in 1997. The cost of additions to utility plant and replacement units of property are capitalized. Maintenance costs and replacement of minor items of property are charged to expense as incurred. 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 $88.1 million as of December 31, 1999, and $68 million as of December 31, 1998.

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 2.92% during 1999, 2.88% during 1998 and 2.89% during 1997. Nonutility property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the related assets.

Inventories and Supplies: Inventories and supplies for the company's utility business are stated at average cost. 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 expense based upon the quantity of heat produced for the generation of electricity. The accumulated amortization of nuclear fuel in the reactor was $29.3 million at December 31, 1999, and $39.5 million at December 31, 1998.

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 historically amortized the costs it allocated to its customer accounts by using the straight-line method over a ten-year life. The straight-line method, indicated in Accounting Principles Board Opinion No. 17 as the appropriate method for such assets, has been the predominant method used to amortize customer accounts in the monitored services industry. Protection One's management is not aware of whether the economic life or the rate of realization for Protection One's customer accounts differ materially from other monitored services companies.

The choice of a ten-year life was based on Protection One's estimates and judgments about the amounts and timing of expected future revenues from these assets, the rate of attrition of such revenue over customer life, and average customer account life. Ten years was used because, in Protection One's opinion, it would adequately match amortization cost with anticipated revenue from those assets even though many accounts were expected to produce revenue over periods substantially longer than ten years. Effectively, it expensed the asset ratably over an "expected average customer life" that was shorter than the expected life of the revenue stream, thus implicitly giving recognition to projected revenues for a period beyond ten years.

Protection One conducted a comprehensive review of its 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 correspond 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 has elected to change to that method. No change was made in the method used for the Multifamily pool.

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

Pool	Average Estimated Remaining Life (Years)	Method
North America	8-10	Ten-year 130% declining balance
Europe	10	Ten-year 125% declining balance
Multifamily	12	Ten-year straight-line

Adoption of the declining balance method effectively shortens the estimated expected average customer life for these two 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. Accordingly, the effect of the change in accounting principle increased Protection One's amortization expense reported in the third quarter of 1999 by $47 million. Protection One's accumulated amortization recorded on its balance sheet would have been approximately $41 million higher, through the end of the second quarter of 1999, if it had historically used the declining balance method.

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 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 goodwill.

Due to the high level of customer attrition experienced in 1999 and the decline in market value of Protection One's publicly traded equity and debt securities, Protection One performed an impairment test on its customer account asset in the fourth quarter and concluded that no impairment has occurred. Protection One also reevaluated its amortization estimates and concluded no change was needed.

Goodwill: Goodwill represents the excess of the purchase price over the fair value of net assets acquired by Protection One. Protection One has historically amortized goodwill on a straight-line basis over 40 years. The carrying value of goodwill was included in Protection One's evaluation of recoverability of customer accounts. No reduction in the carrying value was necessary at December 31, 1999.

In conjunction with the impairment test for customer accounts, Protection One re-evaluated the original assumptions and rationale utilized in the establishment of the carrying value and estimated useful life of goodwill. Protection One concluded that due to continued losses and increased levels of attrition experienced in 1999, the estimated useful life of goodwill should be reduced from 40 years to 20 years. As of January 1, 2000, the remaining goodwill, net of accumulated amortization, will be amortized over its remaining useful life based on a 20-year life. On Protection One's existing account base, Protection One anticipates that this will result in an increase in annual goodwill amortization of approximately $34 million prospectively. Accumulated amortization was $62.7 million and $31.1 million at December 31, 1999 and December 31, 1998.

Regulatory Assets and Liabilities: Regulatory assets represent probable future revenue associated with certain costs that will be recovered from customers through the ratemaking 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:

December 31,	1999	1998
	(Dollars in Thousands)	
Recoverable taxes.	$218,239	$205,416
Debt issuance costs.	68,239	73,635
Deferred employee benefit costs. . . .	36,251	36,128
Deferred plant costs	30,306	30,657
Coal contract settlement costs	7,957	12,259
Other regulatory assets.	5,012	6,118
Total regulatory assets.	$366,004	$364,213

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 are expected to be recovered from income generated through the company's Affordable Housing Tax Credit investment program.

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

Coal contract settlement costs: The company deferred costs associated with the termination of certain coal purchase contracts. These costs are being amortized over periods ending in 2002 and 2013.

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 $49.1 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.

Sales: 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 of $44 million at December 31, 1999, and $38.8 million at December 31, 1998, are recorded as a component of accounts receivable (net) on the Consolidated Balance Sheets.

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

The company's allowance for doubtful accounts receivable totaled $35.8 million at December 31, 1999, and $29.5 million at December 31, 1998.

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.

The company has a tax sharing agreement with Protection One. This pro rata tax sharing agreement allows Protection One to be reimbursed for tax benefits utilized in the company's consolidated tax return.

Risk Management: The company is involved in trading activities primarily to minimize risk from market fluctuations, maintain a market presence and to 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 which require payments (or receipt of payments) from counterparties based on the differential between specified prices for the related commodity and futures traded on electricity and natural gas. The change in market value of these energy trading contracts is recorded on the Consolidated Balance Sheet, and included in earnings.

The company is also exposed to commodity price changes outside of trading activities. The company uses derivatives for non-trading purposes primarily to reduce exposure relative to the volatility of cash market prices. The company currently records the change in market value of these cash flow hedges on its Consolidated Balance Sheet. The company does not recognize gains and losses in net income until the period these options and forwards are settled.

The company has considered a number of risks and costs associated with the future contractual commitments included in the company's energy portfolio. These risks include credit risks associated with the financial condition of counterparties, product location (basis) differentials and other risks which management policy dictates. The counterparties in the company's portfolio are primarily large energy marketers and major utility companies. The creditworthiness of the company's counterparties could positively or negatively impact the company's overall exposure to credit risk. The company maintains credit policies with regard to its counterparties that, in management's view, minimize overall credit risk.

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:

	1999	1998
	(Dollars in Millions)	
Cash surrender value of policies (1). .	$642.4	$587.5
Borrowings against policies	(608.3)	(558.5)
COLI (net).	$ 34.1	$ 29.0

(1) 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, 1999 and 1998.

Income was 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 $1.4 million in 1999, $13.7 million in 1998 and $0.6 in 1997.

New Pronouncements: In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133). In June 1999, the FASB issued Statement No. 137 "Accounting for Derivative Instruments and Hedging Activities-Deferral of the Effective Date of FASB Statement No. 133." SFAS 133 establishes accounting and reporting standards requiring that every derivative instrument, including certain derivative instruments embedded in hybrid contracts, be recorded in the balance sheet as either an asset or liability measured at its fair value. With respect to hybrid contracts, a company may elect to apply SFAS 133, as amended, to (1) all hybrid contracts, (2) only those hybrid contracts that were issued, acquired, or substantively modified after December 31, 1997, or (3) only those hybrid contracts that were issued, acquired, or substantively modified after December 31, 1998.

SFAS 133 requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met and that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. SFAS 133, in part, allows special hedge accounting for fair value and cash flow hedges. The company had no fair value hedges as of December 31, 1999. SFAS 133 provides that the effective portion of the gain or loss on a derivative instrument designated and qualifying as a cash flow hedging instrument be reported as a component of other comprehensive income and be reclassified into earnings in the same period or periods during which the hedged forecasted transaction affects earnings. The remaining gain or loss on the derivative instrument, if any, must be recognized currently in earnings. If SFAS 133 were required to be applied to cash flow hedges in place at December 31, 1999, changes in the fair value of options and forwards would contribute approximately $1.3 million of additional loss to other comprehensive income for the twelve months ended December 31, 1999, if these hedges were 100% effective. The company is still in the process of evaluating the effectiveness of these hedges.

SFAS 133, as amended, is effective for fiscal years beginning after June 15, 2000. SFAS 133 cannot be applied retroactively. The company is currently evaluating commodity contracts and financial instruments to determine what, if any, effect of adopting SFAS 133 might have on its financial statements. The company has not yet quantified all effects of adopting SFAS 133 on its financial statements; however, SFAS 133 could increase volatility in earnings and other comprehensive income. The company plans to adopt SFAS 133 as of January 1, 2001.

On January 1, 1999, the company adopted Emerging Issues Task Force Issue No. 98-10, "Accounting for Contracts Involved in Energy Trading and Risk Management Activities" (EITF Issue 98-10). EITF Issue 98-10 requires energy trading contracts to be recorded at fair value on the balance sheet, with the changes in the fair value included in earnings.

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

2. MONITORED SERVICES BUSINESS

Protection One acquired a significant number of security companies in 1998 and 1997. The largest acquisitions included Protection One in November 1997, Network Multifamily, Inc. (Multifamily) in January 1998, Multimedia Security Services, Inc. in March 1998, and Compagnie Europeenne de Telesecurite (CET) in October 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 and 1997. The pro forma information reflects the actual operating results of each company prior to its acquisition and includes adjustments to interest expense, intangible amortization, and income taxes. The table assumes acquisitions in 1998 and 1997 occurred as of January 1, 1997.

Year Ended December 31,	1998	1997
	(Unaudited) (Dollars in Thousands, Except Per Share Data)	
Sales	$2,175,089	$2,462,849
Earnings available for common stock . .	33,556	463,264
Earnings per share.	$0.51	$7.11

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.

During 1999, Protection One completed four acquisitions, all in the United Kingdom, for a combined purchase price of approximately $32 million. Protection One's purchase price allocations for the 1999 acquisitions are preliminary and may be adjusted as additional information is obtained.

During the third quarter of 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 $17.3 million.

In December 1997, Protection One incurred charges of $12.8 million to write down the value of the customer account base due to excessive losses associated with a specific acquisition and $11.5 million to reflect the closing of business activities that were no longer of continuing value to the combined operations.

3. MARKETABLE SECURITIES

During the fourth quarter of 1999, the company decided to sell its remaining marketable security investments in paging industry companies. These securities have been classified as available-for-sale; therefore, changes in market value have been 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, the company recorded a non-cash charge of $76.2 million in the fourth quarter of 1999. This charge to earnings has been presented separately in the accompanying Consolidated Statements of Income. See also Note 24 for subsequent events.

4. CUSTOMER ACCOUNTS

The following is a rollforward of the investment in customer accounts (at cost) at December 31:

	1999	1998
	(Dollars in Thousands)	
Beginning customer accounts, net.	$1,031,956	$ 530,312
Acquisition of customer accounts.	333,195	601,063
Amortization of customer accounts	(189,214)	(89,893)
Non-cash charges against purchase holdbacks.	(37,035)	(9,526)
Ending customer accounts, net	$1,138,902	$1,031,956

Accumulated amortization of the investment in customer accounts at December 31, 1999 and 1998 was $307.6 million and $118.4 million.

In conjunction with certain purchases of customer accounts, Protection One withholds a portion of the purchase price as a reserve to offset qualifying losses of the acquired customer accounts for a specified period as provided for in the purchase agreements, and as a reserve for purchase price settlements of assets acquired and liabilities assumed. The estimated expected amount to be paid at the end of the holdback period is capitalized and an equivalent current liability established at the time of purchase.

The following is a rollforward of purchase holdbacks at December 31:

	1999	1998
	(Dollars in Thousands)	
Balance, beginning of year.	$42,303	$11,444
Additions	26,663	72,673
Non-cash charges against customer accounts	(37,035)	(9,526)
Cash payments to sellers.	(11,718)	(32,288)
Balance, end of year.	$20,213	$42,303

Purchase holdback periods are negotiated between Protection One and sellers or dealers, but typically range from zero to 12 months. At the end of the period prescribed by the purchase holdback, Protection One verifies customer losses experienced during the period and calculates a final payment to the seller or dealer. The purchase holdback is extinguished at the time of final payment and a corresponding adjustment is made in the customer intangible to the extent the final payment varies from the estimated liability established at the time of purchase.

5. PROPERTY, PLANT AND EQUIPMENT

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

	1999	1998
	(Dollars in Thousands)	
Electric plant in service.	$5,769,401	$5,646,176
Less - accumulated depreciation. . . .	2,141,037	2,015,880
	3,628,364	3,630,296
Construction work in progress.	170,061	82,700
Nuclear fuel (net)	28,013	39,497
Net utility plant.	3,826,438	3,752,493
Non-utility plant in service	92,872	62,324
Less - accumulated depreciation. . . .	29,866	14,901
Net property, plant and equipment. .	$3,889,444	$3,799,916

6. JOINT OWNERSHIP OF UTILITY PLANTS

		Company's Ownership at December 31, 1999				
		In-Service Dates	Invest- ment	Accumulated Depreciation	Net (MW)	Per- cent
			(Dollars in Thousands)			
La Cygne 1	(a)	Jun 1973	$ 174,450	$ 113,415	344.0	50
Jeffrey 1	(b)	Jul 1978	302,452	138,934	625.0	84
Jeffrey 2	(b)	May 1980	294,502	128,865	622.0	84
Jeffrey 3	(b)	May 1983	407,864	166,298	623.0	84
Jeffrey wind 1	(b)	May 1999	855	17	0.5	84
Jeffrey wind 2	(b)	May 1999	854	16	0.5	84
Wolf Creek	(c)	Sep 1985	1,378,238	460,880	550.0	47

(a) Jointly owned with 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 the company 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.

7. 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, 1999	Investment at December 31, 1999	1998	Equity Earnings, Year Ended December 31 1999	1998
		(Dollars in Thousands)			
ONEOK, Inc. (1).	45%	$590,109	$615,094	$6,945	$6,064
Affordable Housing Tax Credit limited partnerships (2).	13% to 29%	79,460	85,461	-	-
Paradigm Direct.	40%	35,385	-	1,254	-
International companies and joint ventures (3). .	9% to 50%	18,724	10,500	-	-

(1) The company also received approximately $41 million of preferred and common dividends in 1999.
(2) 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 postretirement and postemployment benefits offered to the company's employees.
(3) Investment is aggregated. Individual investments are not material. During 1998, the company recognized an other than temporary decline in value of its foreign equity investments as discussed in Note 16.

The following summarized financial information for the company's investment in ONEOK is presented as of and for the periods ended December 31, 1999, and November 30, 1998, the most recent periods for which public information is available.

	December 31, 1999	November 30, 1998
	(Dollars in Thousands)	
Balance Sheet:		
Current assets	$ 593,721	$ 404,358
Non-current assets . . .	2,645,854	2,091,797
Current liabilities. . .	786,713	338,466
Non-current liabilities.	1,301,338	993,668
Equity	1,151,524	1,164,021

Twelve Months Ended	December 31, 1999	November 30, 1998
	(Dollars in Thousands)	
Income Statement:		
Revenues	$2,070,983	$1,896,178
Gross profit.	760,209	645,606
Net income	106,873	103,525

At December 31, 1999, the company's ownership interest in ONEOK is comprised of approximately 2.3 million common shares and approximately 19.9 million convertible preferred shares. If all the preferred shares were converted, the company would own approximately 45% of ONEOK's common shares presently outstanding.

8. SHORT-TERM DEBT

The company has arrangements with certain banks to provide unsecured short-term lines of credit on a committed basis totaling approximately $1.1 billion. 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 unused portion of these lines of credit are used to provide support for commercial paper, which is used to fund its short-term borrowing requirements.

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

December 31,	1999	1998
	(Dollars in Thousands)	
Borrowings outstanding at year end:		
Credit agreement.	$ 50,000	$ -
Bank loans.	120,000	164,700
Commercial paper notes.	535,421	147,772
Total	$ 705,421	$312,472
Weighted average interest rate on debt outstanding at year end (including fees).	6.96%	5.94%
Weighted average short-term debt outstanding during the year . . .	$ 455,184	$529,255
Weighted daily average interest rates during the year (including fees).	5.76%	5.93%
Unused lines of credit supporting commercial paper notes.	$1,021,000	$820,900

The company borrowed $225 million in short-term debt in 1999 to fund Westar Capital's revolving credit agreement to Protection One.

The company's interest expense on short-term debt was $57.7 million in 1999, $55.3 million in 1998 and $73.8 million in 1997.

The unsecured short-term lines of credit included three revolving credit facilities with various banks as follows:

Amount	Facility	Termination Date
$300 million	364-day	March 15, 2000
500 million	5-year	March 17, 2003
250 million	6 1/2-month	June 30, 2000

In March 2000, the company amended the $300 million facility to reduce the commitment to $242 million and to extend the maturity date to June 30, 2000. The company also amended all of these credit facilities to reflect the possibility of borrowing from them rather than using them to provide support for commercial paper borrowings.

Amendments to the credit facilities include increased pricing to reflect credit quality and the potential drawn nature of credit facilities rather than support for commercial paper, redefinition of the total debt to capital financial covenant, limitation on use of proceeds from sale of first mortgage bonds to pay off debt outstanding under the credit facilities before proceeds may be used for other purposes, and a commitment to use the company's "best efforts" to pledge first mortgage bonds to support its credit facilities if our senior unsecured credit rating drops below "investment grade" (bonds rated below BBB by S&P and Fitch and below Baa by Moody's as determined by Standard & Poor's Ratings Group (S&P) and Moody's Investors Service (Moody's).

9. LONG-TERM DEBT

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

	1999	1998
	(Dollars in Thousands)	
Western Resources		
First mortgage bond series:		
7 1/4% due 1999	$ -	$ 125,000
8 7/8% due 2000	75,000	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
	400,000	525,000
Pollution control bond series:		
Variable due 2032, 4.80% at December 31, 1999	45,000	45,000
Variable due 2032, 4.54% at December 31, 1999	30,500	30,500
6% due 2033	58,420	58,420
	133,920	133,920
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	13,653	13,673
Variable due 2027, 4.25% at December 31, 1999	21,940	21,940
7.0% due 2031	327,500	327,500
Variable due 2032, 4.199% at December 31, 1999	14,500	14,500
Variable due 2032, 4.30% at December 31, 1999	10,000	10,000
	387,593	387,613
Western Resources		
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	29,783	29,985
6.25% unsecured senior notes due 2018, putable/callable 2003	400,000	400,000
	949,783	949,985
Protection One		
Senior credit facility due 2001, 6.8% at December 31, 1998	-	42,417
Convertible senior subordinated notes due 2003, fixed rate 6.75%	53,950	53,950
Senior subordinated discount notes due 2005, effective rate of 6.4%	87,038	125,590
Senior unsecured notes due 2005, fixed rate 7.375%	250,000	250,000
Senior subordinated notes due 2009, fixed rate 8.125%	341,415	350,000
CET recourse financing agreements, average effective rate 18% and 15%, respectively	60,838	93,541
Other	2,033	2,574
	795,274	918,072
Other long-term agreements	21,895	8,325
Unamortized debt premium	13,726	13,918
Less:		
Unamortized debt discount	(7,458)	(7,931)
Long-term debt due within one year	(111,667)	(165,838)
Long-term debt (net)	$2,883,066	$3,063,064

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. 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.

In December 1998, Protection One entered into a revolving credit facility which provided for borrowings of up to $500 million, subsequently decreased to $250 million, and was to expire in December 2001. As a result of Protection One not meeting its debt covenants under this facility, in December 1999, Westar Capital acquired the debt and assumed the lenders' obligations.

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 this facility increased to 8.625% in June 1999. If the exchange offer is completed, the interest rate will revert back to 8.125%. Interest on this facility 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 5/8%. 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%. This 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. The revaluation has no impact on the expected cash flow to existing noteholders.

In 1998, Protection One redeemed notes with a book value of $69.4 million and recorded an extraordinary gain on the extinguishment of $1.6 million, net of tax. The remaining notes are redeemable at Protection One's option in whole or in part, at anytime on or after June 30, 2000, at a predefined price.

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.

Protection One's subsidiary CET 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. A liability has been recorded for the proceeds of these sales as the finance company has recourse to CET in the event of nonpayment by customers of their equipment rental obligations. The average implicit interest rate in the financing is 18% at December 31, 1999. Accordingly, the liability is reduced, rental revenue is recognized, and interest expense is being recorded as these recourse obligations are reduced through the cash receipts paid to the financing company over the term of the related equipment rental agreements which averages four years. The liability is increased as new security monitoring equipment and equipment rental agreements are sold to the finance company that have recourse provisions.

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. From September 30, 1999 through December 31, 1999, Protection One received waivers from compliance with the then-applicable leverage and interest coverage ratio covenants under the senior credit facility. At December 31, 1999 Protection One was in compliance with all financial covenants governing its debt securities.

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

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

Maturities of long-term debt through 2004 are as follows:

Year	Principal Amount
(Dollars in Thousands)	
2000	$111,667
2001	32,246
2002	106,472
2003	240,568
2004	370,457

The company's interest expense on long-term debt was $236.4 million in 1999, $170.9 million in 1998 and $120 million in 1997.

10. 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,	1999	1998	1999	1998
	(Dollars in Thousands)			
Change in Benefit Obligation:				
Benefit obligation, beginning of year.	$392,057	$462,964	$ 87,519	$ 83,673
Service cost	8,949	7,952	1,609	1,405
Interest cost.	26,487	31,278	5,854	5,763
Plan participants' contributions . . .	-	-	784	858
Benefits paid.	(21,961)	(24,682)	(6,990)	(5,630)
Assumption changes	(49,499)	36,268	(9,458)	6,801
Actuarial losses (gains)	(4,608)	10,095	(31)	(5,351)
Acquisitions	(676)	-	-	-
Plan amendments.	-	-	-	-
Curtailments, settlements and special term benefits (1)	-	(131,818)	-	-
Benefit obligation, end of year. . . .	$350,749	$392,057	$ 79,287	$ 87,519
Change in Plan Assets:				
Fair value of plan assets, beginning of year	$441,531	$584,792	$ 173	$ 118
Actual return on plan assets	85,079	66,106	10	6
Acquisitions	-	-	-	-
Employer contribution.	2,882	2,197	6,284	5,679
Plan participants' contributions . . .	-	-	784	-
Benefits paid.	(22,497)	(23,910)	(6,990)	(5,630)
Settlements (1).	-	(187,654)	-	-
Fair value of plan assets, end of year	$506,995	$441,531	$ 261	$ 173
Funded status.	$156,246	$ 49,474	$(79,026)	$(87,346)
Unrecognized net (gain)/loss	(205,338)	(104,023)	(7,733)	1,814
Unrecognized transition obligation, net	209	244	52,171	56,159
Unrecognized prior service cost. . . .	32,854	36,309	(3,730)	(4,131)
Accrued postretirement benefit costs .	$(16,029)	$(17,996)	$(38,318)	$(33,504)
Actuarial Assumptions:				
Discount rate.	7.75%	6.75%	7.75%	6.75%
Expected rate of return.	9.0%	9.0%	9.0%	9.0%
Compensation increase rate	4.5%	4.75%	4.5%	4.75%
Components of net periodic benefit cost:				
Service cost	$ 8,949	$ 7,952	$ 1,610	$ 1,405
Interest cost.	26,487	31,278	5,854	5,763
Expected return on plan assets	(34,393)	(39,069)	(16)	(11)
Amortization of unrecognized transition obligation, net.	34	(32)	3,987	3,988
Amortization of unrecognized prior service costs	3,455	3,455	(466)	(461)
Amortization of (gain)/loss, net . . .	(3,477)	(5,885)	129	(396)
Other.	-	-	-	-
Net periodic benefit cost.	$ 1,055	$ (2,301)	$ 11,098	$ 10,288

(1) In July 1998, pension plan assets were transferred to ONEOK resulting in a settlement loss.

For measurement purposes, an annual health care cost growth rate of 7.0% was assumed for 1999, decreasing 1% per year 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 $2.0 million and the aggregate of the service and interest cost components by $0.2 million.

In accordance with an order from the KCC, the company has deferred postretirement and postemployment expenses in excess of actual costs paid. In 1997, the company received authorization from the KCC to invest in AHTC investments. Income from the AHTC investments will be used to offset the deferred and incremental costs associated with postretirement and postemployment benefits offered to the company's employees. The income generated from the AHTC investments replaces the income stream from corporate-owned life insurance contracts purchased in 1993 and 1992 which was used for the same purpose.

Savings: The company maintains savings plans in which substantially all employees participate, with the exception of Protection One employees. The company matches employees' contributions up to specified maximum limits. The funds of the plans are deposited with a trustee and invested in the company stock fund. The company's contributions were $3.7 million for 1999, $3.8 million for 1998, and $5.0 million for 1997.

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 contribution to the plan was $802,251 for 1999 and $992,000 for 1998.

Protection One maintains a qualified employee stock purchase plan that allows eligible employees to acquire shares of Protection One common shares at 85% of fair market value of the common stock. A total of 650,000 shares of common stock have been reserved for issuance in this program.

Stock Based Compensation Plans: The company, excluding Protection One, 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, performance shares and performance share units to Plan Participants. Up to five million shares of common stock may be granted under the LTISA Plan.

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

December 31,	1999 Shares	1999 Weighted-Average Exercise Price	1998 Shares	1998 Weighted-Average Exercise Price	1997 Shares	1997 Weighted-Average Exercise Price
Outstanding, beginning of year	1,590,700	$ 36.106	665,400	$30.282	205,700	$29.250
Granted.	981,625	30.613	925,300	40.293	459,700	30.750
Exercised.	-	-	-	-	-	-
Forfeited.	(153,690)	31.985	-	-	-	-
Outstanding, end of year . . .	2,418,635	$34.139	1,590,700	$36.106	665,400	$30.282
Weighted-average fair value of options granted during the year		$ 8.22		$ 9.12		$ 3.00

Stock options and restricted shares issued and outstanding at December 31, 1999, are as follows:

	Range of Exercise Price	Number Issued and Outstanding	Weighted-Average Contractual Life in Years	Weighted-Average Exercise Price
Options:				
1999.	$27.813-32.125	800,995	10.0	$30.815
1998.	38.625-43.125	763,000	9.0	40.538
1997.	30.750	414,520	8.0	30.750
1996.	29.250	138,620	6.7	29.250
		2,117,135		
Restricted shares:				
1999.	27.813-32.125	165,000	9.0	29.616
1998.	38.625	136,500	8.0	38.625
Total issued.		301,500		

An equal amount of dividend equivalents is issued to recipients of stock options. The weighted-average grant-date fair value of the dividend equivalent was $3.28 in 1999, and $6.88 in 1998. 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 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:

	1999	1998
Dividend yield.	6.25%	6.32%
Expected stock price volatility .	16.56%	15.95%
Risk-free interest rate	6.05%	5.67%

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 ptions to directors, officers and key employees. Under the LTIP, 4.2 million shares are reserved for issuance subject to such adjustment as may be necessary to reflect changes in the number or kinds of shares of common stock or other securities of Protection One. 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.

A summary of options issued under the Plan by fiscal year is as follows:

	Shares Granted to Officers	Total Shares Granted
1998 . . .	690,000	1,246,500
1999 . . .	399,700	1,092,908

Each option has a term of 10 years and vests ratably over three years. The purchase price of the shares issuable pursuant to the options is equal to (or greater than) the fair market value of the common stock at the date of the option grant.

A summary of warrant and option activity for Protection One from November 1997 through December 31, 1999, is as follows:

December 31,	1999		1998		1997	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding, beginning of year(1)	3,422,739	$ 7.494	2,366,435	$ 5.805	2,366,741	$5.805
Granted.	1,092,908	7.905	1,246,500	11.033	-	-
Exercised.	-	-	(109,595)	5.564	(306)	0.050
Forfeited.	(956,511)	10.124	(117,438)	10.770	-	-
Adjustment to May 1995 warrants	-	-	36,837	-	-	-
Outstanding, end of year . . .	3,559,136	$12.252	3,422,739	$ 7.494	2,366,435	$5.805

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

Stock options and warrants issued and outstanding at December 31, 1999, 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-$ 9.125	64,800	5.0	$ 6.491
Fiscal 1996	8.000- 10.313	178,400	6.0	8.031
Fiscal 1996	13.750- 15.500	69,000	6.0	14.924
Fiscal 1997	9.500	136,000	7.0	9.500
Fiscal 1997	15.000	25,000	7.0	15.000
Fiscal 1997	14.268	50,000	2.0	14.268
Fiscal 1998	11.000	367,499	8.0	11.000
Fiscal 1998	8.563	16,331	8.0	8.563
Fiscal 1999	8.928	87,600	9.0	8.928
KOP Warrants	3.633	103,697	1.0	3.633
1993 Warrants	0.167	428,400	4.0	0.167
1995 Note Warrants	3.890	786,277	5.0	3.890
Other	0.050	305	7.0	0.050
		2,313,309		
Not Exercisable:				
1998 options	$ 11.000	333,001	8.0	$11.000
1998 options	8.563	32,660	8.0	8.563
1999 options	8.928	686,500	9.0	8.928
1999 options	3.875- 6.125	193,666	9.0	5.855
		1,245,827		
	Total outstanding	3,559,136		

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

	Year Ended December 31, 1999	1998
Dividend yield.	0.00%	0.00%
Expected stock price volatility	64.06%	61.72%
Risk free interest rate	6.76%	5.50%
Expected option life.	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 1999, 1998 and 1997 as shown in the table below.

Year Ended December 31,	1999	1998	1997
	(Dollars in Thousands, Except Per Share Amounts)		
Earnings available for common stock:			
As reported	$11,330	$44,165	$494,599
Pro forma	8,204	42,640	494,436
Earnings per common share (basic and diluted):			
As reported	$0.17	$0.67	$7.59
Pro forma	0.12	0.65	7.59

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 $31.9 million as of December 31, 1999, and $57.9 million as of December 31, 1998. The obligations under this program can increase and decrease based on the company's total return to shareholders. This liability decreased approximately $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.

11. COMMON STOCK, PREFERRED STOCK, PREFERENCE 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, 1999, 67,401,657 shares were 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. The company issued original issue shares under DSPP from January 1, 1995, until October 15, 1997. Between November 1, 1997 and March 16, 1998, shares for DSPP were satisfied on the open market. All other shares have been original issue shares. During 1998, a total of 653,570 shares were issued under DSPP including 499,839 original issue shares and 153,731 shares purchased on the open market. During 1999, a total of 1,819,856 original issue shares were purchased from the company. At December 31, 1999, 2,771,191 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. The purchased shares are held in treasury and are available for general corporate purposes, resale or retirement. These purchased shares are shown as $15.8 million in treasury stock on the accompanying Consolidated Balance Sheet.

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.

Preference Stock Subject to Mandatory Redemption: On April 1, 1998, the company redeemed the 7.58% Preference Stock due 2007 at a premium, including dividends, for $53 million. At December 31, 1999, and 1998, the company had no preference stock outstanding.

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.

12. COMMITMENTS AND CONTINGENCIES

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 $190 million at December 31, 1999.

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 upon the results of the investigations and risk analysis. At December 31, 1999, 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. The company does not expect material capital expenditures to be 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.

In February 1997, the KCC approved the 1996 Decommissioning Cost Study. Based on the study, the company's share of Wolf Creek's decommissioning costs, under the immediate dismantlement method, is estimated to be approximately $624 million during the period 2025 through 2033, or approximately $192 million in 1996 dollars. These costs were calculated using an assumed inflation rate of 3.6% over the remaining service life from 1996 of 29 years. On September 1, 1999, Wolf Creek submitted the 1999 Decommissioning Cost Study to the KCC for approval. Approval of this study by the KCC is pending. The company's share of the cost for decommissioning in the 1999 study under the dismantlement method is $221 million in 1999 dollars.

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 $3.9 million in 1999 and will increase annually to $5.6 million in 2024. These amounts are deposited in an external trust fund. The average after-tax expected return on trust assets is 5.7% per year.

The company's investment in the decommissioning fund, including reinvested earnings approximated $58.3 million at December 31, 1999, and $52.1 million at December 31, 1998. Trust fund earnings accumulate in the fund balance and increase the recorded decommissioning liability.

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 U.S. 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 ($41.4 million, company's share) 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 ($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 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 $6 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, 1999, Wolf Creek's nuclear fuel commitments (company's share) were approximately $14 million for uranium concentrates expiring at various times through 2003, $26 million for enrichment expiring at various times through 2003 and $65.2 million for fabrication through 2025.

At December 31, 1999, the company's coal contract commitments in 1999 dollars under the remaining terms of the contracts were approximately $2.3 billion. The largest coal contract expires in 2020, with the remaining coal contracts expiring at various times through 2013.

At December 31, 1999, the company's natural gas transportation commitments in 1999 dollars under the remaining terms of the contracts were approximately $29.1 million. The natural gas transportation contracts provide firm service to the company's gas burning facilities expiring at various times through 2010.

Protection One SEC Matters: As previously disclosed, Protection One has been advised by the Division of Corporation Finance of the SEC that, in the view of the staff, there are errors in Protection One's financial statements which are material and which have had the effect of inflating earnings commencing with the year 1997. Protection One has had extensive discussions with the SEC staff about the methodology used by Protection One to amortize customer accounts, the purchase price allocation to customer accounts in the Multifamily acquisition and other matters. The SEC staff has not indicated it concurs with, nor has the SEC staff determined not to object to, the restatements made in 1999 or the change in accounting principle for customer accounts. Protection One cannot predict whether the SEC staff will make additional comments or take other action that will further impact its financial statements or the effect or timing of any such action.

13. 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 Capital, 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, "Ronald Cats, 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. In March 2000, plaintiffs filed a Second Consolidated Amended Class Action Complaint (the 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 November 12, 1999. 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 and 1998 were false and misleading and not in compliance with Generally Accepted Accounting Principals (GAAP). 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 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. The company and Protection One believe that all the claims asserted in the Amended Complaint are without merit and intend to defend against them vigorously. The company and Protection One cannot currently 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 14 for discussion of the FERC proceeding regarding the City of Wichita complaint.

14. RATE MATTERS AND REGULATION

KCC Proceedings: In January 1997, the KCC entered an order reducing electric rates for both KPL and KGE. The order required KGE to reduce electric rates by $65 million cumulative, phased in over three years beginning in 1997. The order required KPL to reduce electric rates by $10 million in 1997 and issue two one-time rebates of $5 million in January 1998, and January 1999.

On March 16, 2000, the Kansas Industrial Consumers (KIC), an organization of commercial and industrial users of electricity in Kansas, filed a complaint with the KCC requesting an investigation of Western Resources' and KGE's rates. The KIC alleges that these rates are not based on current costs. The company will oppose this request vigorously but is unable to predict whether the KCC will open an investigation.

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 KPL, a division of the company, and KGE, a wholly-owned subsidiary of the company. The City of Wichita requests the FERC to equalize the generation costs between KPL and KGE, in addition to other matters. FERC has issued an order setting this matter for hearing and has referred the case to a settlement judge. The hearing has been suspended pending settlement discussions between the parties. The company believes that the City of Wichita's complaint is without merit and intends to defend against it vigorously.

15. LEASES

At December 31, 1999, the company had leases covering various property and equipment. The company currently has no significant capital leases.

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

Year Ended December 31,	Operating Leases (Dollars in Thousands)
Rental payments:	
1997	$ 71,126
1998	70,796
1999	71,771
Future commitments:	
2000	68,431
2001	64,100
2002	59,090
2003	59,655
2004	52,899
Thereafter	610,925
Total future commitments . . .	$915,100

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. Approximately $19.1 million of this deferral remained on the Consolidated Balance Sheet at December 31, 1999.

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, and $502.6 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 for 1999, $28.9 million for 1998, and $27.3 million for 1997.

16. 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 (Wing). 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 Wing 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.

At December 31, 1999, approximately $380,000 of accrued exit fees and shut-down costs were included in other current liabilities on the accompanying Consolidated Balance Sheet. This amount represents employee settlement and severance costs expected to be paid in 2000.

The detailed components of the 1999 activity to exit this business are as follows:

	(Dollars in Thousands)
Accrued exit fees, shut-down and severance costs, balance at December 31, 1998.	$22,900
Actual costs incurred.	(16,888)
Change in estimate	(5,632)
Accrued exit fees, change in estimate, shut-down and severance costs, balance at December 31, 1999. . . .	$ 380

17. MERGER AGREEMENT WITH KANSAS CITY POWER & LIGHT COMPANY

On March 18, 1998, the company signed an Amended and Restated Plan of Agreement and Plan of Merger with the Kansas City Power & Light Company (KCPL) under which KGE, KPL, a division of Western Resources, and KCPL would have been combined into a new company called Westar Energy, Inc. KCPL has notified the company that it has terminated the contemplated transaction.

The company expensed costs related to the KCPL merger of approximately $17.6 million at December 31, 1999 and approximately $48 million at December 31, 1997 associated with the original merger agreement.

18. GAIN ON SALE OF EQUITY SECURITIES

During 1996, the company acquired 27% of the common shares of ADT Limited, Inc. (ADT) and made an offer to acquire the remaining ADT common shares. ADT rejected this offer and in July 1997, ADT merged with Tyco International Ltd. (Tyco). ADT and Tyco completed their merger by exchanging ADT common stock for Tyco common stock.

Following the ADT and Tyco merger, the company's equity investment in ADT became an available-for-sale security. During the third quarter of 1997, the company sold its Tyco common shares for approximately $1.5 billion. The company recorded a pre-tax gain of $864.2 million on the sale and recorded tax expense of approximately $345 million in connection with this gain.

19. 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. The decommissioning trust is recorded at fair value and is based on the quoted market prices at December 31, 1999 and 1998. 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, 1999 and 1998. 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. Because a substantial portion of the company's operations are regulated, the company believes that any gains or losses related to the retirement of debt would not have a material effect on the company's financial position or results of operations.

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

December 31,	Carrying Value 1999	Carrying Value 1998	Fair Value 1999	Fair Value 1998
	(Dollars in Thousands)			
Decommissioning trust. .	$ 58,286	$ 52,093	$ 58,286	$ 52,093
Fixed-rate debt, net of current maturities . .	2,742,307	2,956,692	2,350,130	3,076,709
Other mandatorily redeemable securities.	220,000	220,000	187,950	226,800

In its commodity price risk management activities, the company engages in both trading and non-trading activities. 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 which require payments (or receipt of payments) from counterparties based on the differential between specified prices for the related commodity, and futures traded on electricity and natural gas. For a discussion of the accounting policy for these instruments, see Note 1.

The company is involved in trading activities primarily to minimize risk from market fluctuations, to maintain a market presence and to enhance system reliability. The company attempts to balance its physical and financial purchase and sale contracts in terms of quantities and contract terms. Net open positions can exist or are established due to the origination of new transactions and the company's assessment of, and response to, changing market conditions.

The company uses derivatives for non-trading purposes primarily to reduce exposure relative to the volatility of cash market prices.

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

	1999 Notional Volumes (MWH's)	1999 Estimated Fair Value	1998 Notional Volumes (MWH's)	1998 Estimated Fair Value
		(Dollars in Thousands)		
Forward contracts:				
Purchased.	496,800	$14,800	1,535,600	$46,361
Sold	478,400	14,404	1,535,600	46,141
Options:				
Purchased.	659,200	$ 5,079	148,800	$ 361
Sold	336,480	6,013	64,000	195

Forward contracts and options had a net unrealized loss of $73,000 at December 31, 1999, and a net unrealized gain of $40,000 at December 31, 1998.

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

	1999 Notional Volumes (MWH's)	1999 Estimated Fair Value	1998 Notional Volumes (MWH's)	1998 Estimated Fair Value
		(Dollars in Thousands)		
Forward contracts:				
Purchased.	640,800	$18,221	-	-
Sold	610,400	17,991	-	-
Options:				
Purchased.	285,600	$ 445	-	-
Sold	417,720	2,445	-	-

Non-trading forward contracts and options for electric positions had a net unrealized loss of $127,950 at December 31, 1999. No non-trading forward contracts and options for electric positions were held at December 31, 1998.

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

	1999 Notional Volumes (MMBtu's)	1999 Estimated Fair Value	1998 Notional Volumes (MMBtu's)	1998 Estimated Fair Value
		(Dollars in Thousands)		
Forward contracts:				
Purchased.	13,010,000	$31,002	-	-
Sold	500,000	1,108	-	-
Options:				
Purchased.	6,000,000	$ 971	-	-
Sold	4,000,000	615	-	-

Non-trading forward contracts and options for gas positions had a net unrealized loss of $1,147,134 at December 31, 1999. No non-trading forward contracts and options for gas positions were held at December 31, 1998.

20. INCOME TAXES

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

	1999	1998	1997
	(Dollars in Thousands)		
Currently payable:			
Federal.	$ 13,907	$52,993	$336,150
State.	9,622	10,881	72,143
Deferred:			
Federal.	(44,257)	(39,067)	(15,945)
State.	(6,582)	(4,185)	(2,696)
Amortization of investment tax credits	(6,054)	(6,065)	(6,665)
Total income tax expense (benefit)	$(33,364)	$14,557	$382,987

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

	1999	1998
	(Dollars in Thousands)	
Deferred tax assets:		
Deferred gain on sale-leaseback.	$ 87,220	$ 92,427
Monitored services deferred tax assets . . .	59,171	93,571
Other.	125,563	138,506
Total deferred tax assets.	$ 271,954	$ 324,504
Deferred tax liabilities:		
Accelerated depreciation and other	$ 614,309	$ 613,730
Acquisition premium.	283,157	291,156
Deferred future income taxes	218,937	206,114
Other.	40,508	48,518
Total deferred tax liabilities	$1,156,911	$1,159,518
Investment tax credits	$ 97,591	$ 103,645
Accumulated deferred income taxes, net	$ 982,548	$ 938,659

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 deferred asset for these amounts. These assets also are a temporary difference for which deferred income tax liabilities have been provided.

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:

Year Ended December 31,	1999	1998	1997
Effective income tax rate.	(102.2%)	24.0%	43.4%
Effect of:			
State income taxes.	(6.0)	(4.5)	(5.0)
Amortization of investment tax credits. .	18.5	10.0	0.8
Corporate-owned life insurance policies .	25.4	15.0	0.9
Affordable housing tax credits.	28.5	2.1	-
Accelerated depreciation flow through and amortization, net	(11.1)	(2.9)	(0.4)
Adjustment to tax provision	3.9	(11.3)	(3.7)
Dividends received deduction.	31.1	16.0	-
Amortization of goodwill.	(17.6)	(11.4)	-
Other	(5.5)	(2.0)	(1.0)
Statutory federal income tax rate.	(35.0%)	35.0%	35.0%

21. RELATED PARTY

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 upon various hourly charges, negotiated fees and out-of-pocket expenses. ONEOK paid the company $5.6 million in 1999 and $4.9 million in 1998, 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%.

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.

Fossil generation, nuclear generation and power delivery represent the three business segments that comprise the company's regulated electric utility business in Kansas. Fossil generation produces power for sale to external wholesale customers outside the company's historical marketing territory and internally to the power delivery segment. Power marketing is a component of the company's fossil generation segment which attempts to minimize market fluctuation risk, enhance system reliability and maintain a market presence. Nuclear generation represents the company's 47% ownership in the Wolf Creek nuclear generating facility. This segment does not have any external sales. The power delivery segment consists of the transmission and distribution of power to the company's wholesale and retail customers in Kansas and the customer service provided to these customers.

The company's monitored services business was expanded in November 1997 with the acquisition of a majority interest in Protection One. Protection One provides monitored services to approximately 1.6 million customers in North America, the United Kingdom, and continental Europe.

Other represents the company's non-utility operations and natural gas business.

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. 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, 1999:

	Fossil Generation	Nuclear Generation	Power Delivery	Monitored Services	(1)Other	Eliminating/ Reconciling (2)Items	Total
	(Dollars in Thousands)						
External sales. . .	$ 365,311	$ -	$1,064,385	$ 605,176	$ 1,284	$ 2	$2,036,158
Internal sales. . .	546,683	108,445	293,522	-	-	(948,650)	-
Depreciation and amortization . . .	55,320	39,629	71,717	238,803	1,448	90	407,007
Earnings before interest and taxes	219,087	(25,214)	145,603	(24,013)	(27,754)	(26,252)	261,457
Interest expense. .							294,104
Earnings before income taxes . . .							(32,647)
Identifiable assets	1,476,716	1,083,344	1,783,937	2,558,235	1,165,145	(59,171)	8,008,206

Year Ended December 31, 1998:

	Fossil Generation	Nuclear Generation	Power Delivery	Monitored Services	(3)Other	Eliminating/ Reconciling (2)Items	Total
			(Dollars 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	117,651	2,010	-	280,673
Earnings before interest and taxes	144,357	(20,920)	196,398	56,727	(101,988)	12,268	286,842
Interest expense. .							226,120
Earnings before income taxes . . .							60,722
Identifiable assets	1,360,102	1,121,509	1,788,943	2,511,319	1,269,013	(99,458)	7,951,428

Year Ended December 31, 1997:

	Fossil Generation	Nuclear Generation	Power Delivery	(4)Monitored Services	(5,6)Other	Eliminating/ Reconciling (2,7)Items	Total
			(Dollars in Thousands)				
External sales. . .	$ 208,836	$ -	$1,021,212	$ 152,347	$ 769,416	$ (46)	$2,151,765
Internal sales. . .	517,167	102,330	66,492	-	-	(685,989)	-
Depreciation and amortization . . .	53,831	65,902	63,590	41,179	32,223	-	256,725
Earnings before interest and taxes	149,825	(60,968)	173,809	(38,517)	914,747	(62,583)	1,076,313
Interest expense. .							193,808
Earnings before income taxes . . .							882,505
Identifiable assets	1,337,591	1,154,522	1,721,021	1,593,286	1,238,088	(84,958)	6,959,550

(1) Earnings before interest and taxes (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.
(2) Identifiable assets includes eliminating and reclassing balances to consolidate the monitored services business.
(3) Earnings before interest and taxes (EBIT) includes investment earnings of $21.7 million and the write-off of international power development costs of $98.9 million.
(4) EBIT includes monitored services special charge of $24.3 million.
(5) EBIT includes investment earnings of $37.8 million and gain on sale of Tyco securities of $864.2 million.
(6) Includes natural gas operations. The company contributed substantially all of its natural gas business in exchange for a 45% equity interest in ONEOK in November 1997.
(7) EBIT includes write-off of deferred merger costs of $48 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:

Year Ended December 31,	1999	1998
	(Dollars in Thousands)	
External sales:		
North America operations.	$1,873,152	$1,990,329
International operations.	163,006	43,725
Total	$2,036,158	$2,034,054
Property, plant and equipment, net:		
North America operations.	$3,881,294	$3,792,645
International operations.	8,150	7,271
Total	$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
	(Dollars in Thousands, Except Per Share Amounts)			
1999				
Sales	$460,582	$476,142	$648,998	$450,436
Gross profit.	312,655	324,407	425,087	311,022
Net income before extraordinary gain(1). . . .	20,747	18,489	49,010	(87,529)
Net income(1)	20,747	18,489	49,010	(75,787)
Basic earnings per share available for common stock before extraordinary gain.	$ 0.31	$ 0.27	$ 0.72	$ (1.31)
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
1998				
Sales	$382,343	$463,301	$701,402	$487,008
Gross profit.	252,040	291,338	365,415	302,002
Net income before extraordinary gain(2). . . .	29,813	29,415	71,421	(84,484)
Net income(2)	29,813	31,006	71,421	(84,484)
Basic earnings per share available for common stock before extraordinary gain.	$ 0.44	$ 0.42	$ 1.08	$ (1.29)
Cash dividend per common share.	$ 0.535	$ 0.535	$ 0.535	$ 0.535
Market price per common share:				
High.	$ 44.188	$ 42.688	$ 41.625	$ 43.250
Low	$ 40.000	$ 36.875	$ 37.688	$ 32.563

(1) The effect of Protection One's change in accounting principle effected income in the third quarter of 1999 by increasing amortization expense by $47 million.

(2) The loss in the fourth quarter of 1998, is primarily attributable to a $98.9 million charge to income to exit the company's international power development business.

24. SUBSEQUENT EVENTS

Marketable Securities: Through March 16, 2000, the company sold a significant portion of an equity investment in a gas compression company and realized a gain of $72.6 million.

In February 2000, Metrocall, Inc., a paging company whose securities were included in our investment portfolio at December 31, 1999, made an announcement that significantly increased the market value of paging company securities 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.

Retirement of Protection One Debt: In the first quarter of 2000, Westar Capital, purchased an additional $46.3 million of Protection One bonds in the open market and recognized an extraordinary gain of $14.4 million, net of tax.

Protection One European Operations: On February 29, 2000, Westar Capital purchased the continental European and United Kingdom operations of Protection One, and certain investments held by a subsidiary of Protection One for an aggregate purchase price of $244 million. The basis of the net assets sold did not change and no gain or loss was recorded for this related party transaction. Terms of the agreement were approved by a special committee of outside directors of Protection One. The special committee obtained a fairness opinion from an investment banker.

Dividend Policy: The company's board of directors reviews the company's dividend policy on an annual basis. Among the factors the board of directors considers in determining the company's dividend policy are earnings, cash flows, capitalization ratios, competition and regulatory conditions. In January 2000, the company's board of directors declared a first-quarter 2000 dividend of 53 1/2 cents per share. In March, the company announced a new dividend policy that will result in quarterly dividends of $.30 per share or $1.20 per share on an annual basis to be effective with the anticipated declaration of the July 2000 dividend.

Corporate Restructuring: On March 28, 2000, the company's board of directors approved the separation of its electric and non-electric utility businesses. The separation is currently expected to be effected through an exchange offer to be made to shareholders in the third quarter of 2000. The exchange ratio will be described in materials furnished to shareholders upon commencement of the exchange offer. The impact on the company's financial position and operating results cannot be known until the exchange ratio is determined. The company expects to complete the separation in the fourth quarter of 2000, but no assurance can be given that the separation will be completed.

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EXHIBIT C
Organizational Chart Showing the Relationship of Each EWG
to Associate Companies in The Holding Company System

Western Resources, Inc. (a Kansas corporation, "WRI").

Westar Capital, Inc. (a Kansas corporation, "Westar"), a wholly-owned subsidiary of WRI.

The Wing Group, Limited Company (a Delaware corporation, "Wing"), wholly-owned subsidiary of WRI.

Wing Columbia, L.L.C., (a Delaware Limited Liability Company), 99% owned by Westar Capital, Inc., 1% owned by Wing.

TLC International LDC, (a Cayman Islands limited duration company) 36.75% owned by Wing Columbia, L.L.C.

Merilectrica I, S.A., (a sociedad anonima organized under the laws of the Republic of Columbia). This Company is the general partner of Merilectrica I, S.A. & Cia, S.C.A. E.S.P., 36.75% owned by Wing Columbia, L.L.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 Columbia), 36.75% owned by Wing Columbia, L.L.C.

Western Resources (Bermuda) Limited (a Bermuda limited liability company), a wholly-owned subsidiary of WRI.

CPI-Western Power Holdings, Ltd., a Bermuda limited liability company. 50% owned by Western Resources (Bermuda) Limited.

Western Resources International Limited (a Mauritius limited liability company), a wholly-owned subsidiary of CPI-Western Power Holdings, Ltd.

Zhengzhou Dengwai Power Company Limited (a Dengfeng Municipality, Henan Province, People's Republic of China Company), 49% owned by Western Resources International Limited.

Zhengzhou Dengyuan Power Company Limited (a Dengfeng Municipality, Henan Province, People's Republic of China Company), 49% owned by Western Resources International Limited.

Zhengzhou Huadeng Power Company Limited (a Dengfeng Municipality, Henan Province, People's Republic of China Company), 49% owned by Western Resources International Limited.

Zhengzhou Huaxin Power Company Limited (a Dengfeng Municipality, Henan Province, People's Republic of China Company), 49% owned by Western Resources International Limited.

Wing Turkey, Inc. (a Delaware corporation), a wholly-owned subsidiary of WRI.

Wing International, Ltd. (a Texas limited liability company), 99% owned by Wing Turkey, Inc. and 1% owned by Wing.

Trakya Elektrik Uretim Ve Ticaret A.S. (a joint stock company under the laws of the Republic of Turkey), 9% owned by Wing International, Ltd.