SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
X QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1997

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____________________ to ______________________

Commission File Number 1-3523

WESTERN RESOURCES, INC.
(Exact Name of Registrant as Specified in Its Charter)

KANSAS	48-0290150
(State or Other Jurisdiction of Incorporation or Organization)	(Employer Identification No.)
818 KANSAS AVENUE, TOPEKA, KANSAS	66612
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number Including Area Code (913) 575-6300

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 14, 1997
Common Stock, $5.00 par value	65,039,762

WESTERN RESOURCES, INC.
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WESTERN RESOURCES, INC.
CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)
(Unaudited)

	March 31, 1997	December 31, 1996
ASSETS		
UTILITY PLANT:		
Electric plant in service	$5,472,321	$5,448,489
Natural gas plant in service	847,679	834,330
	6,320,000	6,282,819
Less - Accumulated depreciation	2,098,632	2,058,596
	4,221,368	4,224,223
Construction work in progress	90,062	93,834
Nuclear fuel (net)	35,810	38,461
Net utility plant	4,347,240	4,356,518
INVESTMENTS AND OTHER PROPERTY:		
Investment in ADT (net)	599,991	590,102
Security business and other property	602,896	584,647
Decommissioning trust	33,707	33,041
	1,236,594	1,207,790
CURRENT ASSETS:		
Cash and cash equivalents	2,289	3,724
Accounts receivable and unbilled revenues (net)	271,542	318,966
Fossil fuel, at average cost	40,194	39,061
Gas stored underground, at average cost	10,064	30,027
Materials and supplies, at average cost	62,633	66,167
Prepayments and other current assets	28,963	36,503
	415,685	494,448
DEFERRED CHARGES AND OTHER ASSETS:		
Deferred future income taxes	217,257	217,257
Corporate-owned life insurance (net)	84,254	86,179
Regulatory assets	230,931	241,039
Other	56,709	44,550
	589,151	589,025
TOTAL ASSETS	$6,588,670	$6,647,781
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION (see statement):		
Common stock equity	$1,637,827	$1,624,680
Cumulative preferred and preference stock	74,858	74,858
Western Resources obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely company subordinated debentures	220,000	220,000
Long-term debt (net)	1,407,450	1,681,583
	3,340,135	3,601,121
CURRENT LIABILITIES:		
Short-term debt	1,226,737	980,740
Accounts payable	115,186	180,540
Accrued taxes	122,564	83,813
Accrued interest and dividends	62,423	70,193
Other	39,719	36,806
	1,566,629	1,352,092
DEFERRED CREDITS AND OTHER LIABILITIES:		
Deferred income taxes	1,107,213	1,110,372
Deferred investment tax credits	123,848	125,528
Deferred gain from sale-leaseback	230,650	233,060
Other	220,195	225,608
	1,681,906	1,694,568
COMMITMENTS AND CONTINGENCIES (Notes 5 and 7)		
TOTAL CAPITALIZATION AND LIABILITIES	$6,588,670	$6,647,781

The Notes to Consolidated Financial Statements are an integral part of these statements.

WESTERN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in Thousands)
(Unaudited)

	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996
OPERATING REVENUES:		
Electric	$ 268,308	$ 268,985
Natural gas	357,889	286,637
Total operating revenues	626,197	555,622
OPERATING EXPENSES:		
Fuel used for generation:		
Fossil fuel	55,604	60,990
Nuclear fuel	6,291	1,757
Power purchased	5,845	8,045
Natural gas purchases	159,113	150,523
Other operations	190,034	141,361
Maintenance	25,936	24,839
Depreciation and amortization	50,785	43,711
Amortization of phase-in revenues	4,386	4,386
Taxes:		
Federal income	16,136	17,417
State income	5,371	4,179
General	25,042	25,132
Total operating expenses	544,543	482,340
OPERATING INCOME	81,654	73,282
OTHER INCOME AND DEDUCTIONS:		
Corporate-owned life insurance (net)	(2,720)	(2,184)
Equity in earnings of investees and other (net)	7,260	5,737
Income taxes (net)	3,453	680
Total other income and deductions	7,993	4,233
INCOME BEFORE INTEREST CHARGES	89,647	77,515
INTEREST CHARGES:		
Long-term debt	23,795	26,499
Other	25,690	7,160
Allowance for borrowed funds used during construction (credit)	(871)	(933)
Total interest charges	48,614	32,726
NET INCOME	41,033	44,789
PREFERRED AND PREFERENCE DIVIDENDS	1,230	3,355
EARNINGS APPLICABLE TO COMMON STOCK	$ 39,803	$ 41,434
AVERAGE COMMON SHARES OUTSTANDING	64,807,081	63,163,715
EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING	$ .61	$ .66
DIVIDENDS DECLARED PER COMMON SHARE	$ .525	$ .515

The Notes to Consolidated Financial Statements are an integral part of these statements.

WESTERN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in Thousands)
(Unaudited)

	Twelve Months Ended March 31, 1997	Twelve Months Ended March 31, 1996

OPERATING REVENUES:		
Electric	$1,196,756	$1,161,622
Natural gas	920,638	693,901
Total operating revenues	2,117,394	1,855,523
OPERATING EXPENSES:		
Fuel used for generation:		
Fossil fuel	240,604	226,053
Nuclear fuel	24,496	16,494
Power purchased	25,392	20,235
Natural gas purchases	363,345	312,576
Other operations	656,668	519,599
Maintenance	100,219	106,638
Depreciation and amortization	190,796	165,625
Amortization of phase-in revenues	17,544	17,545
Taxes:		
Federal income	68,776	72,238
State income	20,227	18,404
General	96,962	97,444
Total operating expenses	1,805,029	1,572,851
OPERATING INCOME	312,365	282,672
OTHER INCOME AND DEDUCTIONS:		
Corporate-owned life insurance (net)	(2,785)	(3,136)
Special charges from ADT	(18,181)	-
Equity in earnings of investees and other (net)	33,246	22,689
Income taxes (net)	5,763	7,303
Total other income and deductions	18,043	26,856
INCOME BEFORE INTEREST CHARGES	330,408	309,528
INTEREST CHARGES:		
Long-term debt	103,037	98,615
Other	65,340	30,320
Allowance for borrowed funds used during construction (credit)	(3,163)	(4,297)
Total interest charges	165,214	124,638
NET INCOME	165,194	184,890
PREFERRED AND PREFERENCE DIVIDENDS	12,714	13,419
EARNINGS APPLICABLE TO COMMON STOCK	$ 152,480	$ 171,471
AVERAGE COMMON SHARES OUTSTANDING	64,238,154	62,510,297
EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING	$ 2.37	$ 2.75
DIVIDENDS DECLARED PER COMMON SHARE	$ 2.07	$ 2.03

The Notes to Consolidated Financial Statements are an integral part of these statements.

WESTERN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)
(Unaudited)

	Three Months Ended March 31, 1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 41,033	$ 44,789
Depreciation and amortization	53,197	44,199
Amortization of nuclear fuel	5,014	1,198
Amortization of phase-in revenues	4,386	4,386
Corporate-owned life insurance	(5,512)	(5,940)
Amortization of gain from sale-leaseback	(2,410)	(2,410)
Deferred acquisition costs	(10,159)	-
Equity in earnings of investees	(13,177)	(3,778)
Changes in working capital items:		
Accounts receivable and unbilled revenues (net)	47,424	(13,644)
Fossil fuel	(1,133)	7,365
Gas stored underground	19,963	24,117

Accounts payable	(65,354)	(25,580)
Accrued taxes	38,751	49,686
Other	5,865	9,260
Changes in other assets and liabilities	(1,200)	(6,395)
Net cash flows from operating activities	116,688	127,253
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Additions to utility plant	40,902	38,427
Purchase of ADT common stock	-	443,520
Non-utility investments (net)	22,155	8,563
Corporate-owned life insurance policies	415	28,360
Net cash flows used in investing activities	63,472	518,870
CASH FLOWS FROM FINANCING ACTIVITIES:		
Short-term debt (net)	245,997	138,850
Bonds retired	(65)	(135)
Revolving credit agreements (net)	(273,594)	275,000
Other long-term debt retired	(541)	-
Borrowings against life insurance policies	671	-
Common stock issued (net)	7,386	13,528
Dividends on preferred, preference and common stock	(34,505)	(35,090)
Net cash flows (used in) from financing activities	(54,651)	392,153
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,435)	536
CASH AND CASH EQUIVALENTS:		
Beginning of the period	3,724	2,414
End of the period	$ 2,289	$ 2,950
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest on financing activities (net of amount capitalized)	$ 58,813	$ 37,796
Income taxes	7,044	7,616

The Notes to Consolidated Financial Statements are an integral part of these statements.

WESTERN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)
(Unaudited)

	Twelve Months Ended March 31, 1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 165,194	$ 184,890
Depreciation and amortization	199,626	166,087
Amortization of nuclear fuel	19,501	12,484
Gain on sales of utility plant (net of tax)	-	(11)
Amortization of phase-in revenues	17,544	17,545
Corporate-owned life insurance	(29,285)	(29,512)
Amortization of gain from sale-leaseback	(9,640)	(9,640)
Deferred acquisition costs	(41,677)	-
Equity in earnings of investees	(18,772)	(3,778)
Changes in working capital items:		
Accounts receivable and unbilled revenues (net)	13,594	(56,073)
Fossil fuel	7,183	(5,731)
Gas stored underground	(6,075)	20,530
Accounts payable	(24,421)	27,431
Accrued taxes	15,774	(29,039)
Other	14,930	9,478
Changes in other assets and liabilities	(58,755)	(6,691)
Net cash flows from operating activities	264,721	297,970
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Additions to utility plant	201,984	224,083
Sales of utility plant	-	(140)
Purchase of ADT common stock	145,842	443,520
Security business acquisitions	368,535	-
Non-utility investments (net)	20,155	21,320
Corporate-owned life insurance policies	26,062	54,715
Death proceeds of corporate-owned life insurance policies	(10,653)	(10,719)
Net cash flows used in investing activities	751,925	732,779

CASH FLOWS FROM FINANCING ACTIVITIES:		
Short-term debt (net)	884,437	62,237
Bonds retired	(16,065)	(135)
Revolving credit agreement (net)	(323,594)	325,000
Other long-term debt retired	(541)	-
Other mandatorily redeemable securities	120,000	100,000
Redemption of preference stock	(100,000)	-
Borrowings against life insurance policies	46,649	46,490
Repayment of borrowings against life insurance policies	(4,963)	(5,269)
Common stock issued (net)	27,070	45,501
Dividends on preferred, preference and common stock	(146,450)	(139,181)
Net cash flows from financing activities	486,543	434,643
NET DECREASE IN CASH AND CASH EQUIVALENTS	(661)	(166)
CASH AND CASH EQUIVALENTS:		
Beginning of the period	2,950	3,116
End of the period	$ 2,289	$ 2,950
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest on financing activities (net of amount capitalized)	$ 190,730	$ 140,948
Income taxes	66,120	92,297

The Notes to Consolidated Financial Statements are an integral part of these statements.

WESTERN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF CAPITALIZATION
(Dollars in Thousands)
(Unaudited)

	March 31, 1997		December 31, 1996	
COMMON STOCK EQUITY (see statement):				
Common stock, par value $5 per share, Authorized 85,000,000 shares, outstanding 64,872,146 and 64,625,259 shares, respectively	$ 324,361		$ 323,126	
Paid-in capital	745,584		739,433	
Retained earnings	567,882		562,121	
	1,637,827	49%	1,624,680	45%
CUMULATIVE PREFERRED AND PREFERENCE STOCK:				
Preferred stock not subject to mandatory redemption, Par value $100 per share, authorized 600,000 shares, outstanding -				
4 1/2% Series, 138,576 shares	13,858		13,858	
4 1/4% Series, 60,000 shares	6,000		6,000	
5% Series, 50,000 shares	5,000		5,000	
	24,858		24,858	
Preference stock subject to mandatory redemption, Without par value, $100 stated value, Authorized 4,000,000 shares, outstanding -				
7.58% Series, 500,000 shares	50,000		50,000	
	74,858	2%	74,858	2%
WESTERN RESOURCES OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES OF SUBSIDIARY TRUST HOLDING SOLELY COMPANY SUBORDINATED DEBENTURES	220,000	7%	220,000	6%
LONG-TERM DEBT:				
First mortgage bonds	825,000		825,000	
Pollution control bonds	521,618		521,682	
Revolving credit agreements	-		275,000	
Other long-term debt	66,054		65,190	
Less:				
Unamortized premium and discount (net)	5,222		5,289	
	1,407,450	42%	1,681,583	47%
Total Capitalization	$3,340,135	100%	$3,601,121	100%

The Notes to Consolidated Financial Statements are an integral part of these statements.

WESTERN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF COMMON STOCK EQUITY
(Dollars in Thousands)
(Unaudited)

	Common Stock	Paid-in Capital	Retained Earnings
BALANCE DECEMBER 31, 1995, 62,855,961 shares.	$314,280	$697,962	$540,868
Net income.			44,789
Cash dividends:			
Preferred and preference stock.			(3,355)
Common stock, $0.515 per share.			(32,563)
Issuance of 393,180 shares of common stock.	2,935	10,272	
BALANCE MARCH 31, 1996, 63,249,141 shares	317,215	708,234	549,739
Net income.			124,161
Cash dividends:			
Preferred and preference stock.			(11,484)
Common stock, $1.545 per share.			(99,048)
Issuance of 1,376,118 shares of common stock.	5,911	31,199	(1,247)
BALANCE DECEMBER 31, 1996, 64,625,259 shares.	323,126	739,433	562,121
Net income.			41,032
Cash dividends:			
Preferred and preference stock.			(1,230)
Common stock, $0.525 per share.			(34,041)
Issuance of 246,887 shares of common stock.	1,235	6,151	
BALANCE MARCH 31, 1997, 64,872,146 shares	$324,361	$745,584	$567,882

The Notes to Consolidated Financial Statements are an integral part of these statements.

WESTERN RESOURCES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. ACCOUNTING POLICIES AND OTHER INFORMATION

General: The Consolidated Financial Statements of Western Resources, Inc. (the company) and its wholly-owned subsidiaries, include KPL, a rate-regulated electric and gas division of the company, Kansas Gas and Electric Company (KGE), a rate-regulated electric utility and wholly-owned subsidiary of the company, Westar Security, Inc.(Westar Security), a wholly-owned subsidiary which provides monitored electronic security services, Westar Energy, Inc., a wholly-owned subsidiary which provides non-regulated energy services, Westar Capital, Inc. (Westar Capital), a wholly-owned subsidiary which holds equity investments in technology and energy-related companies, The Wing Group Limited (The Wing Group), a wholly-owned developer of international power projects, and Mid Continent Market Center, Inc. (Market Center), a wholly-owned regulated gas transmission service provider. KGE owns 47% of Wolf Creek Nuclear Operating Corporation (WCNOC), the operating company for Wolf Creek Generating Station (Wolf Creek). The company records its proportionate share of all transactions of WCNOC as it does other jointly-owned facilities. All significant intercompany transactions have been eliminated.

The company prepares its financial statements in conformity with generally accepted accounting principles as applied to regulated public utilities. The accounting and rates of the company are subject to requirements of the Kansas Corporation Commission (KCC), the Oklahoma Corporation Commission (OCC), and the Federal Energy Regulatory Commission (FERC). The financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, to disclose contingent assets and liabilities at the balance sheet dates, and to report amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These consolidated financial statements should be read in conjunction with the financial statements and the notes thereto included in the company's 1996 Annual Report on Form 10-K and the KGE 1996 Annual Report on Form 10-K.

The company currently applies accounting standards that recognize the economic effects of rate regulation 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 related to its generation, transmission and distribution operations. In 1996, the KCC initiated a generic docket to study electric restructuring issues. A retail wheeling task force has been created by the Kansas Legislature to study competitive trends in retail electric services. During the 1997 session of the Kansas Legislature, bills were introduced to increase competition in the electric industry. Among the matters under consideration is the recovery by utilities of costs in excess of competitive cost levels. There can be no assurance at this time that such costs will be recoverable if open competition is initiated in the electric utility market. In the event the company determines that it no longer meets the criteria set forth in SFAS 71, the accounting impact would be an extraordinary non-cash charge to operations of an amount that would be material. Criteria that give rise to the discontinuance of SFAS 71 include, (1) increasing competition that restricts the company's ability to establish prices to recover specific costs, and (2) a significant change in the manner in which rates are set by regulators from a cost-based regulation to another form of regulation. The company periodically reviews these criteria to ensure the continuing application of SFAS 71 is appropriate. Based on current evaluation of the various factors and conditions that are expected to impact future cost recovery, the company believes that its net regulatory assets are probable of future recovery. Any regulatory changes that would require the company to discontinue SFAS 71 based upon competitive or other events may significantly impact the valuation of the company's net regulatory assets and its utility plant investments, particularly the Wolf Creek facility. At this time, the effect of competition and the amount of regulatory assets which could be recovered in such an environment cannot be predicted. See Note 6 for further discussion on regulatory assets.

Environmental Remediation: Effective January 1, 1997, the company adopted the provisions of Statement of Position (SOP) 96-1, "Environmental Remediation Liabilities". This statement provides authoritative guidance for recognition, measurement, display, and disclosure of environmental remediation liabilities in financial statements. The company is currently evaluating and in the process of estimating the potential liability associated with environmental remediation. Management does not expect the amount to be significant to the company's results of operations as the company will seek recovery of these costs through rates as has been permitted by the KCC in the case of another Kansas utility. Additionally, the adoption of this statement is not expected to have a material impact on the company's financial position. To the extent that such remediation costs are not recovered through rates, the costs may be material to the company's operating results, depending on the degree of remediation required and number of years over which the remediation must be completed.

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 Surrender Value of Life Insurance Contracts: The following amounts related to corporate-owned life insurance contracts (COLI) are recorded in Corporate-owned Life Insurance (net) on the Consolidated Balance Sheets:

	March 31, 1997	December 31, 1996
	(Dollars in Millions)	
Cash surrender value of contracts (1).	$561.7	$563.0
Borrowings against contracts	(477.4)	(476.8)
COLI (net).	$ 84.3	$ 86.2

(1) Cash surrender value of contracts as presented represents the value of the policies as of the end of the respective policy years and not as of March 31, 1997 and December 31, 1996.

Income is recorded for increases in cash surrender value and net death proceeds. Interest expense is recognized for COLI borrowings except for certain contracts entered into in 1993 and 1992. The net income generated from COLI contracts purchased prior to 1992 including the tax benefit of the interest deduction and premium expenses are recorded as Corporate-owned Life Insurance (net) on the Consolidated Statements of Income. The income from increases in cash surrender value and net death proceeds was $4.2 million and $24.9 million for the three and twelve months ended March 31, 1997, respectively, compared to $4.7 million and $23.5 million for the three and twelve months ended March 31, 1996, respectively. The interest expense deduction taken was $6.9 million and $27.7 million for the three and twelve months ended March 31, 1997, respectively, compared to $6.9 million and $26.6 million for the three and twelve months ended March 31, 1996, respectively.

The COLI contracts entered into in 1993 and 1992 were established to mitigate the cost of postretirement and postemployment benefits. As approved by the KCC, the company is using the net income stream generated by these COLI policies to offset the costs of postretirement and postemployment benefits. A significant portion of this income stream relates to the tax deduction currently taken for interest incurred on contract borrowings under these COLI policies.

On August 2, 1996, Congress passed legislation that will phase out tax benefits associated with the 1992 and 1993 COLI policies. The loss of tax benefits will significantly reduce COLI earnings. The company is evaluating other methods to replace the 1992 and 1993 COLI policies. The company also has the ability to seek recovery of postretirement and postemployment costs through the rate making process. Regulatory precedents established by the KCC are expected to permit the accrued costs of postretirement and postemployment benefits to be recovered in rates. If a suitable COLI replacement product cannot be found, or these costs cannot be recovered in rates, the company may be required to expense the regulatory asset. The company currently expects to be able to find a suitable COLI replacement. The legislation had minimal impact on the company's COLI policies entered into prior to 1992. See Notes 9 and 12 to the Consolidated Financial Statements of the company's 1996 Annual Report on Form 10-K for additional disclosure.

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

2. MERGER AGREEMENT WITH KANSAS CITY POWER & LIGHT COMPANY

On February 7, 1997, Kansas City Power & Light Company (KCPL) and the company entered into an agreement whereby KCPL would be merged with and into the company. The merger agreement provides for a tax-free, stock-for-stock transaction valued at approximately $2 billion. Under terms of the agreement, KCPL shareowners will receive $32 of company common stock per KCPL common share, subject to an exchange ratio collar of not less than .917 to no more than 1.100 common shares. Consummation of the KCPL Merger is subject to customary conditions including obtaining the approval of KCPL's and the company's shareowners and various regulatory agencies. The company expects to be able to close the KCPL Merger in the first half of 1998.

The KCPL Merger, will create a company with more than two million security and energy customers, $9.5 billion in total assets, $3.0 billion in annual revenues and more than 8,000 megawatts of electric generation resources.

The KCPL Merger is designed to qualify as a pooling of interests for financial reporting purposes. Under this method, the recorded assets and liabilities of the company and KCPL would be carried forward at historical amounts to a combined balance sheet. Prior period operating results and the consolidated statements of financial position, cash flows and capitalization would be restated to effect the combination for all periods presented.

KCPL is a public utility company engaged in the generation, transmission, distribution, and sale of electricity to approximately 430,000 customers in western Missouri and eastern Kansas. KCPL and the company have joint interests in certain electric generating assets, including Wolf Creek.

As of March 31, 1997, the company estimates it has incurred approximately $35 million of transaction costs associated with the KCPL Merger. The company anticipates expensing these costs in the first reporting period subsequent to closing the KCPL Merger.

3. STRATEGIC ALLIANCE WITH ONEOK INC.

On December 12, 1996, the company and ONEOK Inc. (ONEOK) announced an agreement to form a strategic alliance combining the natural gas assets of both companies. Under the agreement for the proposed strategic alliance, the company will contribute its natural gas business to a new company (New ONEOK) in exchange for a 45% equity interest. The proposed transaction is subject to approval by regulatory authorities and ONEOK shareowners. The company is working towards consummation of the transaction during the second half of 1997.

For additional information on the Strategic Alliance with ONEOK Inc., see Note 6 of the company's 1996 Annual Report on Form 10-K.

4. INVESTMENTS

During 1996, the company purchased approximately 38 million common shares of ADT Limited (ADT) for approximately $589 million. The shares purchased represent approximately 25% of ADT's common equity. Goodwill of approximately $369 million is associated with this investment and is being amortized over 40 years. The company uses the equity method of accounting for this investment.

On December 18, 1996, the company announced its intention to offer to exchange $22.50 in cash ($7.50) and shares ($15.00) of the company's common stock for each outstanding common share of ADT not already owned by the company or its subsidiaries (ADT Offer). The value of the ADT Offer, assuming the company's average stock price prior to closing is above $29.75 per common share, is approximately $3.5 billion, including the company's existing investment in ADT. If the ADT Offer is completed, the company presently intends to propose and seek to have ADT effect an amalgamation, pursuant to which a newly created subsidiary of the company incorporated under the laws of Bermuda would amalgamate with and into ADT (Amalgamation). Based upon the closing stock price of the company on March 13, 1997, approximately 60.1 million shares of company common stock would be issuable pursuant to an acquisition of ADT. However, the actual number of shares of company common stock that would be issuable in connection with the ADT Offer and the Amalgamation will depend on the exchange ratio and the number of shares validly tendered prior to the expiration date of the ADT Offer and the number of shares of ADT outstanding at the time the Amalgamation is completed.

On March 3, 1997, the company announced a change in the ADT Offer. Under the terms of the revised ADT Offer, ADT shareowners would receive $10 cash plus 0.41494 of a share of company common stock for each share of ADT tendered, based on the closing price of the company's common stock on March 13, 1997. ADT shareowners would not, however, receive more than 0.42017 shares of company common stock for each ADT common share.

Concurrent with the announcement of the ADT Offer on December 18, 1996, the company filed a registration statement on Form S-4 with the Securities and Exchange Commission (SEC) related to the ADT Offer. On March 14, 1997, the registration statement was declared effective by the SEC. The expiration date

of the ADT Offer was 5 p.m., EDT, April 15, 1997. The company extended the ADT offer to June 17, 1997, and may continue to do so from time to time until the various conditions to the ADT Offer have been satisfied or waived. The ADT Offer will be subject to the approval of ADT and company shareowners. On January 23, 1997, the waiting period for the Hart-Scott-Rodino Antitrust Improvement Act expired. On February 7, 1997, the company received regulatory approval from the KCC to issue company common stock and debt necessary for the ADT Offer.

The board of directors for ADT have recommended the rejection of the ADT Offer and on March 17, 1997, ADT announced that it had entered into a definitive merger agreement pursuant to which Tyco International Ltd. (Tyco), a diversified manufacturer of industrial and commercial products, would effectively acquire ADT in a stock for stock transaction valued at $5.6 billion, or approximately $29 per ADT share of common stock.

On March 18, 1997, the company issued a press release indicating that it had mailed the details of the ADT Offer to ADT shareowners and that it would be reviewing the Tyco offer as well as considering its alternatives to such offer and assessing its rights as an ADT shareowner.

5. LEGAL PROCEEDINGS

The company requested that the District Court for the Southern District of Florida require that ADT hold a special shareowners meeting no later than March 20, 1997. In its filing, the company claimed that the ADT board of directors has breached its fiduciary and statutory duties and that there is no reason to delay the special meeting until July 8, 1997 as established by ADT. See Note 4 for additional information regarding the proposed acquisition of ADT.

On December 26, 1996, an ADT shareowner filed a purported class action complaint against ADT, ADT's board of directors, the company and the company's wholly-owned subsidiary, Westar Capital in the Civil Division of the Circuit Court of the Fifteenth Judicial Circuit in Palm Beach County, Florida. (Charles Gachot v. ADT, Ltd., Western Resources, Inc., Westar Capital, Inc., Michael A. Ashcroft, et al., Case No. 96-10912-AN) The complaint alleges, among other things, that the company and Westar Capital are breaching their fiduciary duties to ADT's shareowners by failing to offer "an appropriate premium for the controlling interest" in ADT and by holding "an effective blocking position" that prevents independent parties from bidding for ADT. The complaint seeks preliminary and permanent relief enjoining the company from acquiring the outstanding shares of ADT and unspecified damages. The company believes it has good and valid defenses to the claims asserted and does not anticipate any material adverse effect upon its overall financial condition or results of operations.

As part of the acquisition of Westinghouse Security Systems (WSS) on December 31, 1996, WSS assigned to WestSec,Inc., a wholly-owned subsidiary of Westar Capital established to acquire the assets of WSS, a software license with Innovative Business Systems (IBS) which is integral to the operation of its security business. On January 8, 1997, IBS filed litigation in Dallas County, Texas in the 298th Judicial District Court concerning the assignment of the license to WestSec, (Innovative Business Systems (Overseas) Ltd., and Innovative Business Software, Inc. v. Westinghouse Electric Corporation, Westinghouse Security Systems, Inc., WestSec, Inc., Western Resources, Inc., et al., Cause No. 97-00184). The company and Westar Capital have demanded Westinghouse Electric

Corporation defend and indemnify them. While the loss of use of the license may have a material impact on the operations of WestSec, management of the company currently does not believe that the ultimate disposition of this matter will have a material adverse effect upon the company's overall financial condition or results of operations

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 dispositions of these matters will not have a material adverse effect upon the company's overall financial position or results of operations.

6. RATE MATTERS AND REGULATION

Utility expenses and credits recognized as regulatory assets and liabilities on the Consolidated Balance Sheets are recognized in income as the related amounts are included in service rates and recovered from or refunded to customers in utility revenues. The company expects to recover the following regulatory assets in rates:

	March 31, 1997	December 31, 1996
	(Dollars in Thousands)	
Coal contract settlement costs	$ 19,788	$ 21,037
Service line replacement	11,629	12,921
Post employment/retirement benefits	43,800	40,834
Deferred plant costs	31,199	31,272
Phase-in revenues	21,931	26,317
Debt issuance costs	77,020	78,532
Deferred cost of gas purchased	16,777	21,332
Other regulatory assets	8,787	8,794
Total regulatory assets	$230,931	$241,039

See Note 9 included in the company's 1996 Annual Report on Form 10-K for additional information regarding regulatory assets.

Rate Proceedings: On May 23, 1996, the company implemented an $8.7 million electric rate reduction to KGE customers on an interim basis. On October 22, 1996, the company, the KCC Staff, the City of Wichita, and the Citizens Utility Ratepayer Board filed an agreement at the KCC whereby the company's retail electric rates would be reduced, subject to approval by the KCC. This agreement was approved on January 15, 1997. Under the agreement, on February 1, 1997, KGE's rates were reduced by $36.3 million and, in addition, the May 1996 KGE interim reduction became permanent. KGE's rates will be reduced by another $10 million effective June 1, 1998, and again on June 1, 1999. KPL's rates were reduced by $10 million effective February 1, 1997. Two one-time rebates of $5 million will be credited to the company's customers in January 1998 and 1999. The agreement also fixes annual savings from the merger with KGE at $40 million. This level of merger savings provides for complete recovery of and a return on the acquisition premium.

On November 27, 1996, the KCC issued a Suspension Order and on December 3, 1996, an order was issued which suspended, subject to refund, costs related to purchases from Kansas Pipeline Partnership included in the company's COGR. On December 12, 1996, the company filed a Petition for Reconsideration or For More Definite Statement by Staff of the Issues to be addressed in this Docket. On

March 3, 1997, the Staff issued a More Definite Statement specifying which charges from Kansas Pipeline Partnership (KPP) it asserts are inappropriate for inclusion in the company's COGR. The company responded to the More Definite Statement stating that it does not believe any of the charges from KPP should be disallowed from its COGR. The company does not expect this proceeding to have a material adverse effect on its results of operations.

7. COMMITMENTS AND CONTINGENCIES

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. The prioritized sites will be investigated over a ten year period. The agreement will allow the company to set mutual objectives with the KDHE in order to expedite effective response activities and to control costs and environmental impact. As of March 31, 1997, the costs incurred for site investigation and risk assessment have been minimal. Since the site investigations are preliminary, no formal agreement on costs to be incurred has been reached, and the minimum potential liability would not be material to the financial statements, an accrual for these environmental contingencies has not been reflected in the accompanying financial statements. In accordance with the terms of the ONEOK agreement, ownership of twelve of the aforementioned sites will be transferred to New ONEOK upon closing. The ONEOK agreement limits the company's liabilities to an immaterial amount for future remediation of these sites.

Superfund Sites: The company is one of numerous potentially responsible parties at a groundwater contamination site in Wichita, Kansas (Wichita site) which is listed by the EPA as a Superfund site. The company has previously been associated with other Superfund sites of which the company's liability has been classified as de minimis and any potential obligations have been settled at minimal cost. In 1994, the company settled Superfund obligations at three sites for a total of $57,500. No Superfund obligations have been settled since 1994. The company's obligation at the Wichita site appears to be limited based on this experience. In the opinion of the company's management, the resolution of these matters is not expected to have a material impact on the company's financial position or results of operations.

Clean Air Act: The Clean Air Act Amendments of 1990 (the Act) require a two-phase reduction in certain emissions. To meet the monitoring and reporting requirements under the acid rain program, the company installed continuous monitoring and reporting equipment at a total cost of approximately $10 million as of December 31, 1996. The company does not expect material expenditures to be needed to meet Phase II sulfur dioxide requirements.

In the fourth quarter of 1996, the Environmental Protection Agency (EPA) issued new standards applying to nitrogen oxides (NOx) emissions from the company's effected coal units. Both Jeffrey Energy Center and Lawrence Energy Center will require operational modifications and possible minor capital investments to modify the emission controls. The company will have until the year 2000 to comply.

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.

Approval of the 1996 Decommissioning Cost Study was received from the KCC on February 28, 1997. Based on the study, the company's share of these 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.

Decommissioning costs are currently being charged to operating expenses in accordance with prior KCC orders. Electric rates charged to customers provide for recovery of these decommissioning costs over the life of Wolf Creek. Amounts expensed approximated $3.7 million in 1996 and will increase annually to $5.6 million in 2024. These expenses are deposited in an external trust fund. The average after tax expected return on trust assets is 5.7%. An updated funding schedule, on which the contributions are not materially different, was submitted to the KCC on March 10, 1997. Approval of this funding schedule is still pending with the KCC.

The company's investment in the decommissioning fund, including reinvested earnings approximated $33.7 million and $33.0 million at March 31, 1997 and December 31, 1996, respectively. Trust fund earnings accumulate in the fund balance and increase the recorded decommissioning liability. These amounts are reflected in Investments and Other Property, Decommissioning trust, and the related liability is included in Deferred Credits and Other Liabilities, Other, on the Consolidated Balance Sheets.

The staff of the SEC has questioned certain current accounting practices used by nuclear electric generating station owners regarding the recognition, measurement, and classification of decommissioning costs for nuclear electric generating stations. In response to these questions, the Financial Accounting Standards Board is expected to issue new accounting standards for removal costs, including decommissioning, in 1997. If current electric utility industry accounting practices for such decommissioning costs are changed: (1) annual decommissioning expenses could increase, (2) the estimated present value of decommissioning costs could be recorded as a liability rather than as accumulated depreciation, and (3) trust fund income from the external decommissioning trusts could be reported as investment income rather than as a reduction to decommissioning expense. When revised accounting guidance is issued, the company will also have to evaluate its effect on accounting for removal costs of other long-lived assets. The company is not able to predict what effect such changes would have on results of operations, financial position, or related regulatory practices until the final issuance of revised accounting guidance, but such effect could be material.

The company carries premature decommissioning insurance which has several restrictions. One of these is that it can only be used if Wolf Creek incurs an accident exceeding $500 million in expenses to safely stabilize the reactor, to decontaminate the reactor and reactor station site in accordance with a plan approved by the Nuclear Regulatory Commission (NRC), and to pay for on-site property damages. This decommissioning insurance will only be available if the insurance funds are not needed to implement the NRC-approved plan for stabilization and decontamination.

Nuclear Insurance: The Price-Anderson Act limits the combined public liability of the owners of nuclear power plants to $8.9 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 and the balance is provided by an assessment plan mandated by the NRC. Under this plan, the Owners are jointly and severally subject to a retrospective assessment of up to $79.3 million ($37.3 million, company's share) in the event there is a 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 a combination of "nuclear insurance pools" ($500 million) and Nuclear Electric Insurance Limited (NEIL) ($2.3 billion). In the event of an accident, insurance proceeds must first be used for reactor stabilization and site decontamination. The company's share of any remaining proceeds can be used for property damage or premature decommissioning costs up to $1.3 billion (company's share). Premature decommissioning insurance cost recovery is excess of funds previously collected for decommissioning (as discussed under "Decommissioning").

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 $8 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, 1996, WCNOC's nuclear fuel commitments (company's share) were approximately $15.4 million for uranium concentrates expiring at various times through 2001, $59.4 million for enrichment expiring at various times through 2003, and $70.3 million for fabrication through 2025. At December 31, 1996, the company's coal contract commitments in 1996 dollars under the remaining terms of the contracts were approximately $2.6 billion. The largest coal contract expires in 2020, with the remaining coal contracts expiring at various times through 2013.

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

Investment Commitments: During 1996, The Wing Group obtained ownership interests in independent power generation projects under construction in The Republic of Turkey and Colombia. The Wing Group or other non-regulated company subsidiaries are committed to future funding of equity interests in these projects. In 1997, commitments are not expected to exceed $31 million. Currently, equity commitments beyond 1997 are approximately $5 million. The company has also committed $105 million through June of 1998 to power generation projects in the People's Republic of China.

8. INCOME TAXES

Total income tax expense included in the Consolidated Statements of Income reflects the Federal statutory rate of 35%. The Federal statutory rate produces effective income tax rates of 35.9% and 33.5% for the three and twelve month periods ended March 31, 1997 compared to 33.1% and 31.6% for the three and twelve month periods ended March 31, 1996. The effective income tax rates vary from the Federal statutory rate due to permanent differences, including the amortization of investment tax credits, and accelerated amortization of certain deferred income taxes.

WESTERN RESOURCES, INC.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations in the company's 1996 Annual Report on Form 10-K. The following updates the information provided in the 1996 Annual Report on Form 10-K and analyzes certain changes in the results of operations between the three and twelve month periods ended March 31, 1997 and comparable periods of 1996.

Certain matters discussed in this Form 10-Q are "forward-looking statements" intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such because the context of the statement will include words such as the company "believes," "anticipates," "expects" or words of similar import. Similarly, statements that describe the company's future plans, objectives or goals are also forward-looking statements. Such statements address future events and conditions concerning capital expenditures, earnings, litigation, rate and other regulatory matters, the pending KCPL Merger, the ADT Offer, the strategic alliance with ONEOK, liquidity and capital resources, interest rates, changing weather conditions, and accounting matters. Actual results in each case could differ materially from those currently anticipated in such statements, by reason of factors such as electric utility restructuring, including the ongoing state and federal activities; future economic conditions; developments in the legislative, regulatory and competitive markets in which the company operates; and other circumstances affecting anticipated revenues and costs.

FINANCIAL CONDITION

General: Net income for the first quarter of 1997 was $41 million, down from net income of $45 million for the same period of 1996. The company earned $0.61 per share of common stock for the first quarter of 1997, a decrease of $0.05 per share from the first quarter of 1996. Operating revenues were $626 million and $556 million for the three months ended March 31, 1997 and 1996, respectively.

Net income for the twelve months ended March 31, 1997, was $165 million compared to $185 million for the same period of 1996. The company earned $2.37 per share of common stock for the twelve months ended March 31, 1997, a decrease of $0.38 per share from the comparable period of 1996. Operating revenues were $2.1 billion for the twelve months ended March 31, 1997 compared to $1.9 billion for the same period of 1996.

The changes in net income and operating revenues are primarily due to the reasons discussed below in Results of Operations. The earnings per share for the three months ended March 31, 1997 have decreased compared to prior year due to warmer winter weather and increased financing charges. Earnings per share for the twelve months ended March 31, 1997 have decreased compared to the prior twelve month period primarily due to interest expense associated with short-term

borrowings related to the expansion of monitored-security and energy-related businesses and due to a one-time restructuring charge recorded by ADT Limited (ADT).

A quarterly dividend of $0.525 per share was declared in the first quarter of 1997, for an indicated annual rate of $2.10 per share. The book value per share was $25.25 at March 31, 1997, up from $25.14 at December 31, 1996. There were 64,807,081 and 63,163,715 average shares outstanding for the first quarter of 1997 and 1996, respectively.

Liquidity and Capital Resources: The company's short-term financing requirements are satisfied, as needed, through the sale of commercial paper, short-term bank loans and borrowings under unsecured lines of credit maintained with banks. At March 31, 1997, short-term borrowings amounted to $1.2 billion, of which $937 million was commercial paper and the balance was from uncommitted bank loans.

The company's short-term debt balance at March 31, 1997, increased approximately $884 million from March 31, 1996. The increase was primarily a result of the company's purchases of an approximate 25% common equity interest in ADT and its purchase of WSS. See Note 4 for further discussion of the ADT purchase.

At March 31, 1997, the company had short-term bank credit arrangements available of $973 million, of which $0 was outstanding.

The company maintains a $350 million revolving credit agreement that expires on October 5, 1999. Under the terms of this agreement, the company may, at its option, borrow at different market-based interest rates and is required, among other restrictions, to maintain a total debt to total capitalization ratio of not greater than 65% at all times. A facility fee is paid on the $350 million commitment. The unused portion of the revolving credit facility may be used to provide support for commercial paper. At March 31, 1997, the company had $0 borrowed under the facility.

The company filed a shelf registration with the SEC on April 29, 1997 to sell up to $550 million in first mortgage bonds and debt securities. The SEC declared this registration effective on May 13, 1997. When combined with a previous registration, the company will have up to $750 million in bonds and securities available for sale. Net proceeds of any securities sales will be used primarily to repay short-term debt and for other corporate purposes.

RESULTS OF OPERATIONS

Revenues: The company's revenues vary with levels of usage as a result of changing weather conditions during comparable periods and are sensitive to seasonal fluctuations between consecutive periods. Future electric and natural gas revenues will continue to be affected by weather conditions, the electric rate reduction which was implemented on February 1, 1997, changes in the industry, changes in the regulatory environment, competition from other sources of energy, competing fuel sources, customer conservation efforts, wholesale demand, and the overall economy of the company's service area.

The following table reflects changes in electric sales for the three and twelve months ended March 31, 1997 from the comparable periods of 1996.

Increase (Decrease) in electric sales volumes:

	3 Months ended	12 Months ended
Residential	(1.8)%	1.2%
Commercial	0.9%	2.5%
Industrial	(3.0)%	(1.4)%
Other	3.3%	(0.2)%
Total retail sales	(1.3)%	0.7%
Wholesale and interchange	38.5%	50.9%
Total electric sales	7.6%	10.9%

Electric revenues remained virtually unchanged for the three months ended March 31, 1997 compared to the same period of 1996. Electric revenues increased 3% for the twelve months ended March 31, 1997 compared to the same period of 1996. The increase was due primarily to an increase in wholesale and interchange sales due to increased sales to power brokers.

The following table reflects changes in natural gas sales for the three and twelve months ended March 31, 1997 from the comparable periods of 1996.

Increase (Decrease) in regulated natural gas sales volumes:

	3 Months ended	12 Months ended
Residential	(14.7)%	(4.3)%
Commercial	(15.9)%	(7.6)%
Industrial	(29.4)%	(27.8)%
Transportation	(2.4)%	(6.5)%
Other	69.4%	41.0%
Total Deliveries	(9.8)%	(0.8)%

Regulated natural gas revenues increased 6.7% for the three months ended March 31, 1997 compared to March 31, 1996 due to the gas revenue increase authorized by the KCC on July 11, 1996 and as a result of higher gas costs passed on to customers through the cost of gas rider (COGR). Regulated natural gas revenues increased 16.6% for the twelve months ended March 31, 1997 compared to the same period of 1996 as a result of higher gas costs passed on to customers through the COGR, increased as-available gas sales, and the gas revenue increase ordered by the KCC on July 11, 1996.

Non-regulated gas revenues increased approximately $23 million to approximately $79 million, or 41%, for the three months ended March 31, 1997 compared to March 31, 1996. Non-regulated gas revenues increased approximately $82 million to approximately $270 million, or 44%, for the twelve months ended March 31, 1997 compared to the same period of 1996. Non-regulated gas revenues for the three and twelve months ended March 31, 1997 increased as a result of 3% and 7% increases, respectively, in sales volumes of the company's wholly-owned subsidiary Westar Gas Marketing, Inc. (Westar Gas Marketing).

When the alliance with ONEOK is complete, the company will contribute its natural gas business to New ONEOK in exchange for a 45% equity interest.

Operating Expenses: Total operating expenses increased 13% for the three months ended March 31, 1997 compared to 1996. The increase is attributable to increased other operating expenses due to an increase in net generation as a result of increased sales to wholesale and interchange customers.

Total operating expenses increased 15% for the twelve months ended March 31, 1997 compared to 1996. The increase is primarily attributable to the amortization of the acquisition adjustment related to the KGE merger and increased fuel expense, purchased power, natural gas purchases, and other operating expenses. The increases in fuel, purchased power, and operating expenses were due to the increase in net generation as a result of higher customer demand for air conditioning load during the second quarter of 1996 and higher sales to wholesale and interchange customers. These increases were partially offset by decreased maintenance and income tax expense.

The amortization of the acquisition adjustment associated with the company's 1992 acquisition of KGE, which began in August 1995, amounted to $5.0 million and $20.8 million for the three and twelve months ended March 31, 1997 compared to $5.0 million and $11.7 million for the three and twelve months ended March 31, 1996. On January 15, 1997, the KCC fixed the annual merger savings level at $40 million which provides complete recovery of the acquisition premium amortization expense and a return on the acquisition premium.

Other Income and Deductions: Other income and deductions, net of taxes, increased $3.8 million for the three months ended March 31, 1997 compared to 1996 attributable to earnings from subsidiary investments. Other income and deductions, net of taxes, decreased $8.8 million for the twelve months ended

March 31, 1997 compared to 1996 primarily due to a one-time restructuring charge recorded by ADT Limited, in which the company owns approximately 25% of the common stock.

Interest Charges and Preferred and Preference Dividend Requirements: Total interest charges increased 49% and 33% for the three and twelve months ended March 31, 1997 from the comparable periods in 1996, respectively. The increases for the three and twelve months interest charges reflects interest paid on higher short-term debt balances to finance the company's investment in ADT and the purchase of WSS. The increases also reflect interest payments related to the company's mandatory redeemable preference stock which was issued in December of 1995 and July of 1996. Partially offsetting the higher interest charges were lower preferred and preference dividends due to the redemption of preference stock in July of 1996. See discussion above in Liquidity and Capital Resources regarding higher short-term debt balances.

WESTERN RESOURCES, INC.
Part II Other Information

Item 5. Other Information

Merger Agreement with Kansas City Power & Light Company: See Note 2 of the Notes to Consolidated Financial Statements.

Strategic Alliance with ONEOK Inc.: See Note 3 of the Notes to the Consolidated Financial Statements.

Rate Plans: See Note 6 of the Consolidated Financial Statements.

Investments: See Note 4 of the Consolidated Financial Statements.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit 3 - By-laws of the company (filed electronically)

Exhibit 12 - Computation of Ratio of Consolidated Earnings to Fixed Charges for 12 Months Ended March 31, 1997 (filed electronically)

Exhibit 27 - Financial Data Schedule (filed electronically)

(b) Reports on Form 8-K:

Form 8-K filed February 10, 1997 - Press release regarding the company's merger with KCPL, including Agreement and Plan of Merger between the company and KCPL, dated as of February 7, 1997.

Form 8-K filed April 2, 1997 - Proforma financial statements of the company and KCPL as of December 31, 1996.

SIGNATURES

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

Western Resources, Inc.

Date May 14, 1997 By /s/ S. L. KITCHEN

S. L. Kitchen, Executive Vice President
and Chief Financial Officer

Date May 14, 1997 By /s/ JERRY D. COURINGTON

Jerry D. Courington,
Controller

Exhibit 3

WESTERN RESOURCES, INC.
BY-LAWS

(as amended March 19, 1997)

ARTICLE I

STOCKHOLDERS

Section 1. The annual meeting of the stockholders of the Company shall be held on the first Tuesday of May in each year (or if said day be a legal holiday, then on the next succeeding day not a holiday), at 11:00 A.M. or, on such other day and at such time as the Board of Directors may deem reasonable and appropriate, at the principal office of the Company in the City of Topeka, Kansas, or such other place as the Board of Directors may designate for the purpose of electing Directors and transacting such other business as may properly be brought before the meeting.

Section 2. Special meetings of the stockholders may be held upon call of the Board of Directors or the Chairman of the Board or the President, at such time and at such place within or without the State of Kansas as may be stated in the call and notice.

Section 3. Notice stating the place, day and hour of every meeting of the stockholders, and in the case of a special meeting further stating the purpose for which such meeting is called, shall be mailed at least ten days before the meeting to each stockholder of record who shall be entitled to vote thereat, at the last known post office address of each such stockholder as it appears upon the books of the Company. Such further notice shall be given by mail, publication or otherwise, as may be required by law. Any meeting may be held without notice if all of the stockholders entitled to vote are present or represented at the meeting, or all of the stockholders entitled to notice of the meeting sign a waiver thereof in writing.

Section 4. The holders of record of a majority of the shares of the capital stock of the Company issued and outstanding, entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders, and the vote of a majority of such quorum shall be necessary for the transaction of any business, unless otherwise provided by law, by the Articles of Incorporation or by the By-laws. If at any meeting there shall be no quorum, the holders of record, entitled to vote, of a majority of such shares of stock so present or represented may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall have been obtained, when any business may be transacted which might have been transacted at the meeting as first convened had there been a quorum.

Section 5. Meetings of the stockholders shall be presided over by the Chairman of the Board or, if he is not present, by the President or, in his absence, by a Vice President. In the event that none of such officers be present, then the meeting shall be presided over by a chairman to be chosen at the meeting. The Secretary of the Company or, if he is not present, an Assistant Secretary of the Company or, if neither the Secretary nor an Assistant Secretary is present, a secretary to be chosen at the meeting shall act as secretary of the meeting.

Section 6. At all meetings of the stockholders every holder of record of the shares of the capital stock of the Company, entitled to vote thereat, may vote thereat either in person or by proxy.

Section 7. At all elections of directors the voting shall be by written ballot and stockholders may cumulate their votes.

Section 8. The Board of Directors shall have power to close the stock transfer books of the Company for a period not exceeding sixty days preceding the date of - -

(a) Any meeting of the stockholders;
(b) Any payment of any dividends;
(c) Any allotment of rights;
(d) Any effective date of change or conversion or exchange of capital stock;

or, in lieu of closing the stock transfer books, the Board of Directors may fix in advance a date not exceeding sixty days preceding the effective date of any of the above enumerated transactions, and in such case only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to receive notice of and to vote at such meeting, or to receive payment of such dividend, or to receive allotment of rights, or to exercise rights of change, conversion or exchange of capital stock, as the case may be, or to participate in any of the above transactions, notwithstanding any transfer of any stock on the books of the Company after such record date fixed as aforesaid.

ARTICLE II

DIRECTORS

Section 1. Subject to the provisions of the Articles of Incorporation, the

Directors shall be elected at the regular annual meeting of stockholders, but if such election of Directors is not held on the day of the annual meeting, the Directors shall cause the election to be held as soon thereafter as conveniently may be. Also, subject to the provisions of the Articles of Incorporation, the Directors shall be divided into three classes, which shall be as nearly equal in number as possible, and no class shall include fewer than two Directors. Directors shall hold office for a term of three years and until their successors are elected and qualified, except that in 1990, the first class of Directors shall be elected for a term of one year and the second class of Directors shall be elected for a term of two years. Each class of Directors shall be designated by the year in which its term ends. The Board shall fill vacancies in any class in the manner prescribed in this Article II, provided that any such newly elected Director shall serve for the remainder of the term applicable to the vacancy being filled. Notwithstanding the foregoing, whenever the holders of the preferred stock or preference stock issued by the Company shall have the right, voting separately by class, to elect Directors at an annual or special meeting of the stockholders, the election, term of office, and filling of vacancies of such Directors shall be governed by the terms of the Articles of Incorporation applicable thereto, and such Directors so elected shall not be divided into classes pursuant to this paragraph. Directors elected by a vote of the holders of preferred stock or preference stock as provided in the Articles of Incorporation shall hold office only so long as is required by the Articles of Incorporation. Except as otherwise provided in the By-laws and Articles of Incorporation, no Director shall be removed except for cause. This paragraph shall not be amended or repealed, and no provision inconsistent herewith shall be adopted, without the affirmative vote of the holders of at least 80% of the outstanding shares of stock of the Company entitled to vote in any election.

Each director who is not a salaried full time officer or employee of the Company shall be

conclusively deemed to have resigned from the Board of Directors of the Company if he retires, resigns, or is removed from the primary business position which he held at the time of his election to the Board.

No director who is not a salaried full time officer or employee of the Company shall be designated by the Board of Directors of the Company as a nominee for re-election to the Board of Directors at an annual meeting of stockholders if he shall have attained the age of seventy (70) at year-end prior to such annual meeting.

No director who is a salaried full time officer or employee of the Company shall be designated by the Board of Directors of the Company as a nominee for re-election to the Board of Directors at an annual meeting of stockholders, if he shall have attained the age of sixty-five (65) at year-end prior to such annual meeting, or if he is no longer a full time officer or employee of the Company, or if he has been removed, during the 12 month period prior to Board action on nominees, from the position he previously held with the Company, except that any chief executive officer serving on the Board may be re-nominated for a maximum of five (5) years after his retirement as chief executive officer, on a year to year basis.

Each Director before entering upon his duties shall file with the corporation written acceptance of his office. A majority of the members of the Board shall constitute a quorum for the filling of vacancies of the Board of Directors and the transaction of business, but if at any meeting of the Board there shall be less than a quorum present, a majority of the Directors present may adjourn the meeting from time to time without notice, other than announcement of the meeting, until a quorum shall have been obtained, when any business may be transacted which might have been transacted at the meeting as first convened had there been a quorum. The acts of a majority of the Directors present at any meeting at which there is a quorum shall, except as otherwise provided by

law, by the Articles of Incorporation or the By-Laws, be the acts of the Board.

Section 2. Vacancies in the Board of Directors, caused by death, resignation or otherwise, may be filled at any meeting of the Board of Directors and the directors so elected shall hold office until the next annual meeting of the stockholders and until their successors are elected and qualified.

Section 3. Meetings of the Board of Directors shall be held at such place within or without the State of Kansas as may from time to time be fixed by resolution of the Board or as may be specified in the call of any meeting. Regular meetings of the Board shall be held at such time as may from time to time be fixed by resolution of the Board, and notice of such meetings need not be given. Special meetings of the Board may be held at any time upon call of the Chairman of the Board or the President or a Vice President, by oral, telegraphic or written notice, duly served on or sent or mailed to each director not less than two days before any such meeting. Members of the Board may participate in any meeting of such Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute presence in person at the meeting. A meeting of the Board may be held without notice immediately after the annual meeting of the stockholders at the same place at which such meeting is held. Any meeting may be held without notice if all of the directors are present at the meeting, or if all of the directors sign a waiver thereof in writing. Any action required or permitted to be taken at any meeting of the board of directors may be taken without a meeting if all members of the board consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board.

Section 4. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, or, if he is not present, by the

President or, if he is absent, by a Vice President. In the event none of such officers are present, then the meeting shall be presided over by a chairman to be chosen at the meeting. The Secretary of the Company or, if he is not present, an Assistant Secretary of the Company or, if neither the Secretary nor an Assistant Secretary is present, a secretary to be chosen at the meeting shall act as secretary of the meeting.

Section 5. Each director of the Company who is not a salaried officer or salaried employee of the Company shall be entitled to receive such remuneration for serving as a director and as a member of any committee of the Board as may be fixed from time to time by the Board of Directors.

ARTICLE III

OFFICERS

Section 1. The Board of Directors, as soon as may be after its election held in each year, shall choose one of its number President of the Company and shall appoint one or more Vice Presidents, a Secretary and a Treasurer of the Company and from time to time may appoint such Assistant Secretaries, Assistant Treasurers, and other officers and agents of the Company as it may deem proper. The offices of Secretary and Treasurer may be held by the same person, and a Vice President of the Company may also be either the Secretary or the Treasurer.

Section 2. The term of office of all officers shall be one year or until the respective successors are chosen or appointed, but any officer or agent may be removed, with or without cause, at any time by the affirmative vote of a majority of the members of the Board then in office. No agreement for the employment of any officer or agent for a period longer than one year shall be authorized.

Section 3. Subject to such limitations as the Board of Directors may from time to time prescribe, the officers of the Company shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as from time to time may be conferred by the Board of Directors. The Treasurer, the Assistant Treasurers and any other officers or employees of the Company may be required to give bond for the faithful discharge of their duties, in such sum and of such character as the Board may from time to time prescribe.

Section 4. The salaries of all officers and agents of the Company shall be fixed by the Board of Directors, or pursuant to such authority as the Board may from time to time prescribe.

ARTICLE IV

CERTIFICATES OF STOCK

Section 1. The interest of each shareholder in the Company shall be evidenced by a certificate or certificates for shares of stock of the Company in such form as the Board of Directors may from time to time prescribe. Certificates for shares of stock of the Company shall be signed by the Chairman of the Board or the President or any Vice President and the Treasurer or any Assistant Treasurer of this corporation and sealed with its corporate seal, or when the same bear the facsimile signature of the Chairman of the Board or the President or any Vice President and of the Treasurer or any Assistant Treasurer of the corporation and its facsimile seal and shall be countersigned and registered in such manner, if any, as the Board may by resolution, prescribe.

Section 2. The shares of stock of the Company shall be transferable only on the books of the Company by the holders thereof in person or by duly authorized attorney, upon surrender for cancellation of certificates for a like number of shares of the same class of stock, with duly executed assignment and power of transfer endorsed thereon or attached thereto and such proof of the authenticity of the signatures as the Company or its agents may reasonably require.

Section 3. No certificate for shares of stock of the Company shall be issued in place of any certificate alleged to have been lost, stolen or destroyed, except upon production of such evidence of the loss, theft, or destruction, and upon indemnification of the Company and its agents to such extent and in such manner as the Board of Directors may from time to time prescribe.

ARTICLE V

CHECKS, NOTES, ETC.

All checks and drafts on the Company's bank accounts and all bills of exchange and promissory notes, and all acceptances, obligations and other instruments for the payment of money, shall be signed by such officer or officers or agent or agents as shall be thereunto authorized from time to time by the Board of Directors; provided that checks drawn on the Company's dividend, general and special accounts may bear the facsimile signature, affixed thereto by a mechanical device, of such officer or agent as the Board of Directors shall authorize.

ARTICLE VI

FISCAL YEAR

The Fiscal year of the Company shall begin on the first day of January in each year and shall end on the thirty-first day of December following.

ARTICLE VII

CORPORATE SEAL

The corporate seal shall have inscribed thereon the name of the Company and the words "Corporate Seal Kansas".

Exhibit 12

WESTERN RESOURCES, INC.
Computations of Ratio of Earnings to Fixed Charges and
Computations of Ratio of Earnings to Combined Fixed Charges
and Preferred and Preference Dividend Requirements
(Dollars in Thousands)

	Unaudited Twelve Months Ended March 31,	Year Ended December 31,				
	1997	1996	1995	1994	1993	1992
Net Income	$165,194	$168,950	$181,676	$187,447	$177,370	$127,884
Taxes on Income.	83,240	86,102	83,392	99,951	78,755	46,099
Net Income Plus Taxes. . . .	248,434	255,052	265,068	287,398	256,125	173,983
Fixed Charges:						
Interest on Long-Term Debt . .	103,037	105,741	95,962	98,483	123,551	117,464
Interest on Other Indebtedness	50,665	34,685	27,487	20,139	19,255	20,009
Interest on Other Mandatorily Redeemable Securities. . . .	14,675	12,125	372	-	-	-
Interest on Corporate-owned Life Insurance Borrowings. .	33,586	35,151	32,325	26,932	16,252	5,294
Interest Applicable to Rentals.	32,947	32,965	31,650	29,003	28,827	27,429
Total Fixed Charges. . . .	234,910	220,667	187,796	174,557	187,885	170,196
Preferred and Preference Dividend Requirements:						
Preferred and Preference Dividends.	12,714	14,839	13,419	13,418	13,506	12,751
Income Tax Required.	6,406	7,562	6,160	7,155	5,997	4,596
Total Preferred and Preference Dividend Requirements. . . .	19,120	22,401	19,579	20,573	19,503	17,347
Total Fixed Charges and Preferred and Preference Dividend Requirements.	254,030	243,068	207,375	195,130	207,388	187,543
Earnings (1)	$483,344	$475,719	$452,864	$461,955	$444,010	$344,179
Ratio of Earnings to Fixed Charges	2.06	2.16	2.41	2.65	2.36	2.02
Ratio of Earnings to Combined Fixed Charges and Preferred and Preference Dividend Requirements.	1.90	1.96	2.18	2.37	2.14	1.84

(1) Earnings are deemed to consist of net income to which has been added income taxes (including net deferred investment tax credit) and fixed charges. Fixed charges consist of all interest on indebtedness, amortization of debt discount and expense, and the portion of rental expense which represents an interest factor. Preferred and preference dividend requirements consist of an amount equal to the pre-tax earnings which would be required to meet dividend requirements on preferred and preference stock.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AT MARCH 31, 1997 AND THE STATEMENT OF INCOME AND THE STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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3-MOS
DEC-31-1997
MAR-31-1997
PER-BOOK
4,347,240
1,236,594
415,685
589,151
0
6,588,670
324,361
745,584
567,882
1,637,827
270,000
24,858
1,407,450
290,008
0
936,729
0
0
0
0
2,021,798
6,588,670
626,197
18,054
523,036
544,543
81,654
7,993
89,647
48,614
41,033
1,230
39,803
34,041
23,795
116,688
0.61
0