SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A

(Mark One)

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

For the quarterly period ended September 30, 2000

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 (785) 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 November 9, 2000
Common Stock, $5.00 par value	69,979,875

WESTERN RESOURCES, INC.

INDEX

FORWARD-LOOKING STATEMENTS

Certain matters discussed in this Form 10-Q/A are "forward-looking statements." The Private Securities Litigation Reform Act of 1995 has established that these statements qualify for safe harbors from liability. Forward-looking statements may include words like we "believe," "anticipate," "expect" or words of similar meaning. Forward-looking statements describe our future plans, objectives, expectations, or goals. Such statements address future events and conditions concerning capital expenditures, earnings, liquidity and capital resources, litigation, rate and other regulatory matters, possible corporate restructurings, mergers, acquisitions, dispositions, compliance with debt covenants, interest and dividends, Protection One's financial condition and its impact on our consolidated results, environmental matters, changing weather, nuclear operations, ability to enter new markets successfully and capitalize on growth opportunities in non-regulated businesses, events in foreign markets in which investments have been made, accounting matters, and the overall economy of our service area. What happens in each case could vary materially from what we expect because of such things as electric utility deregulation, ongoing municipal, state and federal activities, such as the Wichita municipalization proceedings; future economic conditions; legislative and regulatory developments; regulatory and competitive markets; and other circumstances affecting anticipated operations, sales and costs.

RESTATEMENTS

Following extensive conversations between Protection One and the Staff of the SEC which have been previously disclosed, we have restated our Consolidated Financial Statements as of December 1999, 1998 and 1997 and for the years then ended and for each of the periods ended March 31, 2000, June 30, 2000 and September 30, 2000, to reflect restatements undertaken by Protection One. These restatements primarily relate to the amortization of customer accounts acquired and amounts allocated to obligations assumed in the Westinghouse Security Systems (WSS) acquisition.

In addition to the restatement, we have adopted Staff Accounting Bulletin (SAB) 101 in the fourth quarter of 2000, effective January 1, 2000. This change in accounting principle is unrelated to the restatement. A description of the adjustments which comprise the restatement and the impact of the change in accounting principle are disclosed in Note 2 of the Consolidated Financial Statements filed with this Form 10-Q/A.

For the purpose of this Form 10-Q/A, we have amended and restated in its entirety the Form 10-Q for the three months ended September 30, 2000, filed on November 13, 2000. In order to preserve the nature and the character of the disclosures as of November 13, 2000, the date on which the Form 10-Q for the periods ended September 30, 2000, was signed, no attempt has been made in this Form 10-Q/A to modify or update such disclosures except as required to reflect the results of the restatement and the adoption of SAB 101.

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

	September 30, 2000	December 31, 1999
		(Restated)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 6,693	$ 12,444
Restricted cash	21,115	14,558
Accounts receivable (net)	175,653	229,200
Inventories and supplies (net)	106,966	112,392
Marketable securities	7,222	177,128
Prepaid expenses and other	50,440	40,876
Total Current Assets	368,089	586,598
PROPERTY, PLANT AND EQUIPMENT (NET)	3,976,456	3,889,444
OTHER ASSETS:		
Restricted cash	36,275	-
Investment in ONEOK	589,118	590,109
Customer accounts (net)	1,023,956	1,131,932
Goodwill (net)	990,294	1,057,041
Regulatory assets	358,514	366,004
Other	444,526	368,764
Total Other Assets	3,442,683	3,513,850
TOTAL ASSETS	$ 7,787,228	$ 7,989,892
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 39,356	$ 111,667
Short-term debt	57,000	705,421
Accounts payable	166,992	132,834
Accrued liabilities	208,889	226,786
Accrued income taxes	63,267	40,328
Deferred security revenues	70,857	61,148
Other	108,590	73,011
Total Current Liabilities	714,951	1,351,195
LONG-TERM LIABILITIES:		
Long-term debt (net)	3,274,627	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 investment tax credits	956,794	976,135
Minority interests	189,792	192,734
Deferred gain from sale-leaseback	189,251	198,123
Other	282,144	279,451
Total Long-term Liabilities	5,112,608	4,749,509
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Cumulative preferred stock	24,858	24,858
Common stock, par value $5 per share, authorized 150,000,000 shares, outstanding 69,581,164 and 67,401,657 shares, respectively	347,906	341,508
Paid-in capital	840,281	820,945
Retained earnings	754,160	679,880
Accumulated other comprehensive income (loss) (net)	(7,536)	37,788
Treasury stock, at cost, 0 and 900,000 shares, respectively	-	(15,791)
Total Shareholders' Equity	1,959,669	1,889,188
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 7,787,228	$ 7,989,892

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

WESTERN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in Thousands, Except Per Share Amounts)
(Unaudited)

	Three Months Ended September 30, 2000	Three Months Ended September 30, 1999 (Restated)
SALES:		
Energy	$ 623,157	$ 495,867
Security	136,405	150,873
Total Sales	759,562	646,740
COST OF SALES:		
Energy	315,974	174,099
Security	48,054	48,060
Total Cost of Sales	364,028	222,159
GROSS PROFIT	395,534	424,581
OPERATING EXPENSES:		
Operating and maintenance expense	84,943	84,715
Depreciation and amortization	105,393	131,363
Selling, general and administrative expense	84,198	100,137
Total Operating Expenses	274,534	316,215
INCOME FROM OPERATIONS	121,000	108,366
OTHER INCOME (EXPENSE):		
Investment earnings	16,113	12,216
Gain on sale of Mobile Services Group	-	17,249
Minority interests	3,661	5,769
Other	656	(1,888)
Total Other Income (Expense)	20,430	33,346
EARNINGS BEFORE INTEREST AND TAXES	141,430	141,712
INTEREST EXPENSE:		
Interest expense on long-term debt	48,865	61,045
Interest expense on short-term debt and other	26,028	14,831
Total Interest Expense	74,893	75,876
EARNINGS BEFORE INCOME TAXES	66,537	65,836
INCOME TAXES	12,546	12,633
NET INCOME BEFORE EXTRAORDINARY GAIN	53,991	53,203
EXTRAORDINARY GAIN, NET OF TAX	6,716	-
NET INCOME	60,707	53,203
PREFERRED DIVIDENDS	282	282
EARNINGS AVAILABLE FOR COMMON STOCK	$ 60,425	$ 52,921
AVERAGE COMMON SHARES OUTSTANDING	69,382,338	67,554,168
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING (See Note 1):		
Basic earnings available before extraordinary gain	$0.78	$0.78
Diluted earnings available before extraordinary gain	$0.77	$0.78
Basic earnings available after extraordinary gain	$0.87	$0.78
Diluted earnings available after extraordinary gain	$0.86	$0.78
DIVIDENDS DECLARED PER COMMON SHARE	$.300	$.535

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

WESTERN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in Thousands, Except Per Share Amounts)
(Unaudited)

	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999 (Restated)
SALES:		
Energy	$ 1,376,677	$ 1,133,243
Security	411,191	447,967
Total Sales	1,787,868	1,581,210
COST OF SALES:		
Energy	616,562	390,605
Security	137,123	129,848
Total Cost of Sales	753,685	520,453
GROSS PROFIT	1,034,183	1,060,757
OPERATING EXPENSES:		
Operating and maintenance expense	253,235	253,194
Depreciation and amortization	321,271	304,694
Selling, general and administrative expense	246,595	246,136
Write-off international development activities	-	(4,930)
Total Operating Expenses	821,101	799,094
INCOME FROM OPERATIONS	213,082	261,663
OTHER INCOME (EXPENSE):		
Investment earnings	168,069	49,661
Gain on sale of Mobile Services Group	-	17,249
Minority interests	4,337	7,898
Other	1,036	(1,343)
Total Other Income (Expense)	173,442	73,465
EARNINGS BEFORE INTEREST AND TAXES	386,524	335,128
INTEREST EXPENSE:		
Interest expense on long-term debt	149,273	180,335
Interest expense on short-term debt and other	67,958	39,839
Total Interest Expense	217,231	220,174
EARNINGS BEFORE INCOME TAXES	169,293	114,954
INCOME TAXES	51,935	24,048
NET INCOME BEFORE EXTRAORDINARY GAIN AND ACCOUNTING CHANGE	117,358	90,906
EXTRAORDINARY GAIN, NET OF TAX	42,555	-
CUMULATIVE EFFECT OF ACCOUNTING CHANGE, NET OF TAX	(3,810)	-
NET INCOME	156,103	90,906
PREFERRED DIVIDENDS	846	847
EARNINGS AVAILABLE FOR COMMON STOCK	$ 155,257	$ 90,059
AVERAGE COMMON SHARES OUTSTANDING	68,618,763	66,766,230
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING (See Note 1):		
BEFORE EXTRAORDINARY GAIN AND ACCOUNTING CHANGE:		
Basic	$1.70	$1.35
Diluted	$1.69	$1.35
AFTER EXTRAORDINARY GAIN AND ACCOUNTING CHANGE:		
Basic	$2.26	$1.35
Diluted	$2.25	$1.35

DIVIDENDS DECLARED PER COMMON SHARE	$1.135	$1.605

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

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

	Three Months Ended September 30, 2000	Three Months Ended September 30, 1999 (Restated)
NET INCOME	$ 60,707	$ 53,203
OTHER COMPREHENSIVE INCOME (LOSS), BEFORE TAX:		
Unrealized holding gains/(losses) on marketable securities arising during the period	76	(65,380)
Less: Reclassification adjustment for (gains) included in net income	(1)	(211)
Change in unrealized gain/(losses) on marketable securities (net)	75	(65,591)
Change in unrealized (loss)/gain on currency translation.	(9,372)	1,879
Other comprehensive (loss) income, before tax	(9,297)	(63,712)
INCOME TAX BENEFIT	3,695	25,340
OTHER COMPREHENSIVE (LOSS), NET OF TAX	(5,602)	(38,372)
COMPREHENSIVE INCOME	$ 55,105	$ 14,831

	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999 (Restated)
NET INCOME	$ 156,103	$ 90,906
OTHER COMPREHENSIVE INCOME (LOSS), BEFORE TAX:		
Unrealized holding gains/(losses) on marketable securities arising during the period	44,939	(80,546)
Less: Reclassification adjustment for (gains) included in net income	(115,630)	(72)
Change in unrealized (loss) on marketable securities (net).	(70,691)	(80,618)
Change in unrealized (loss)/gain on currency translation	(9,996)	338
Other comprehensive (loss), before tax	(80,687)	(80,280)
INCOME TAX BENEFIT	35,363	32,003
OTHER COMPREHENSIVE (LOSS), NET OF TAX	(45,324)	(48,277)
COMPREHENSIVE INCOME	$ 110,779	$ 42,629

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)

	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 156,103	$ 90,906
Adjustments to reconcile net income to net cash provided by operating activities:		
Extraordinary gain	(42,555)	-
Cumulative effect of accounting change	3,810	-
Depreciation and amortization	321,271	304,694
Amortization of gain on sale-leaseback	(8,872)	(8,872)
Equity in earnings from investments	(8,171)	(7,645)
Gain on sale of Mobile Services Group	-	(17,249)
(Gain) loss on sale of marketable securities	(115,630)	4,608
Minority interests	(4,337)	8,866
Accretion of discount note interest	(6,107)	(5,057)
Write-off international development activities	-	(4,930)
Change in restricted cash	(51,823)	2,996
Changes in working capital items:		
Accounts receivable (net)	(71,453)	(29,829)
Inventories and supplies	5,426	(7,588)
Prepaid expenses and other	(9,564)	(18,910)
Accounts payable	34,158	(24,795)
Accrued liabilities	(17,897)	9,139
Accrued income taxes	22,939	47,136
Deferred security revenues	(2,691)	4,664
Other	43,162	(9,646)
Changes in other assets and liabilities	(70,896)	(67,450)
Net cash flows from operating activities	176,873	271,038
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment (net)	(231,725)	(186,569)
Customer account acquisitions	(27,456)	(207,657)
Security alarm monitoring acquisitions, net of cash acquired	-	(27,408)
Proceeds from sale of Mobile Services Group, net of cash paid	-	19,087
Purchases of marketable securities	-	(11,999)
Proceeds from sale of marketable securities	217,098	30,946
Investment in Paradigm	-	(32,009)
Other investments (net)	4,256	8,696
Net cash flows (used in) investing activities	(37,827)	(406,913)
CASH FLOWS (USED IN) FROM FINANCING ACTIVITIES:		
Short-term debt (net)	(648,421)	168,483
Proceeds of long-term debt	606,471	180,688
Retirements of long-term debt	(187,549)	(125,422)
Proceeds from accounts receivable sale (net)	125,000	-
Issuance of common stock (net)	25,734	29,487
Cash dividends paid	(78,743)	(108,243)
Reissuance of treasury stock	21,898	-
Acquisition of treasury stock	(9,187)	-
Net cash flows (used in) from financing activities	(144,797)	144,993
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(5,751)	9,118
CASH AND CASH EQUIVALENTS:		
Beginning of the period	12,444	16,394
End of the period	$ 6,693	$ 25,512
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest on financing activities (net of amount capitalized)	$ 249,690	$ 252,535
Income taxes	17,515	1,065

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

WESTERN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Dollars in Thousands)
(Unaudited)

	Three Months Ended September 30, 2000	Three Months Ended September 30, 1999 (Restated)	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999 (Restated)
CUMULATIVE PREFERRED STOCK:				
Par value $100 per share, authorized 600,000 shares, outstanding -				
4 1/2% Series, 138,576 shares........	$ 13,858	$ 13,858	$ 13,858	$ 13,858
4 1/4% Series, 60,000 shares.........	6,000	6,000	6,000	6,000
5% Series, 50,000 shares.............	5,000	5,000	5,000	5,000
Ending balance........................	24,858	24,858	24,858	24,858
COMMON STOCK:				
Beginning balance.....................	344,568	335,844	341,508	329,548
Issuance of common stock..............	3,338	2,527	6,398	8,823
Ending balance........................	347,906	338,371	347,906	338,371
PAID-IN-CAPITAL:				
Beginning balance.....................	826,524	801,860	820,945	775,337
Issuance of common stock and other .	13,757	8,464	19,336	34,987
Ending balance........................	840,281	810,324	840,281	810,324
RETAINED EARNINGS:				
Beginning balance.....................	714,588	776,823	679,880	810,617
Net income............................	60,707	53,203	156,103	90,906
Dividends on preferred stock..........	(282)	(282)	(846)	(847)
Dividends on common stock.............	(20,854)	(36,464)	(77,897)	(107,396)
Issuance of treasury stock............	1	-	(3,080)	-
Ending balance........................	754,160	793,280	754,160	793,280
ACCUMULATED OTHER COMPREHENSIVE INCOME (NET):				
Beginning balance.....................	(1,934)	(397)	37,788	9,508
Change in unrealized gain/(loss) on equity securities....................	75	(65,591)	(70,691)	(80,618)
Change in unrealized (loss)/gain on currency translation.................	(9,372)	1,879	(9,996)	338
Income tax benefit....................	3,695	25,340	35,363	32,003
Ending balance........................	(7,536)	(38,769)	(7,536)	(38,769)
TREASURY STOCK:				
Beginning balance.....................	(50)	-	(15,791)	-
Issuance of treasury stock............	50	-	24,978	-
Purchase of treasury stock............	-	-	(9,187)	-
Ending balance........................	-	-	-	-
TOTAL SHAREHOLDERS' EQUITY............	$1,959,669	$1,928,064	$1,959,669	$1,928,064

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business: Western Resources, Inc. (the company, Western Resources) is a publicly-traded, consumer services company. The company's primary business activities are providing electric generation, transmission and distribution services to approximately 636,000 customers in Kansas and providing monitored services to approximately 1.5 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 in North America are provided by Protection One, Inc. (Protection One), a publicly-traded, approximately 85%-owned subsidiary. Monitored services in the United Kingdom and continental Europe are provided by Protection One International, Inc. and Protection One UK, Plc. (collectively referred to as Protection One Europe) which are 100% owned by the company. 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. The company's investments in Protection One, Protection One Europe and ONEOK are owned by Westar Industries, Inc., previously named Westar Capital, Inc., (Westar Industries), a wholly-owned subsidiary.

Principles of Consolidation: The company's unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and in accordance with the instructions to Form 10-Q. Accordingly, certain information and footnote disclosures normally included in financial statements presented in accordance with GAAP have been condensed or omitted. These Consolidated Financial Statements and notes should be read in conjunction with the Consolidated Financial Statements and the notes included in the company's 1999 Annual Report on Form 10-K/A-2.

In management's opinion, all adjustments, consisting only of normal recurring adjustments considered necessary for a fair presentation of the financial statements, have been included. The results of operations for the three and nine months ended September 30, 2000, are not necessarily indicative of the results to be expected for the full year.

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). SFAS 133, as amended, is effective for fiscal years beginning after June 15, 2000. SFAS 133 cannot be applied retroactively. The company is continuing to evaluate commodity contracts, financial instruments and other contracts to determine if they will be considered derivatives under SFAS 133. Through the end of the third quarter, the company has identified derivatives utilized in its energy trading and risk management activities. The company's energy trading contracts are currently recorded at fair value on the balance sheet, with the changes in the fair value included in net income, in accordance with Emerging Issues Task Force Issue No. 98-10, "Accounting for Contracts Involved in Energy Trading and Risk Management Activities." 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, and be able to quantify its effects.

Goodwill: Goodwill represents the excess of the purchase price over the fair value of net assets acquired. Protection One historically amortized goodwill on a straight-line basis over 40 years. In the first quarter of 2000, Protection One re-evaluated the original assumptions and rationale utilized in the establishment of the estimated useful life of goodwill. Protection One concluded that due to continued losses, increased levels of attrition experienced in 1999 and other factors, 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, is being amortized over its remaining useful life based on a 20-year life. Protection One Europe made a similar change. Based on Protection One's and Protection One Europe's existing account bases at January 1, 2000, the company anticipates that this will result in an increase in aggregate annual goodwill amortization of approximately $32.6 million.

The change in estimate resulted in additional goodwill amortization for the three months ended September 30, 2000, of approximately $8.2 million. The resulting reduction to net income was $6.5 million. For the nine months ended September 30, 2000, the resulting additional goodwill amortization was $24.7 million, resulting in a reduction to net income of $19.5 million.

Earnings Per Share: The company adopted Statement of Financial Accounting Standards No. 128, "Earnings Per Share" (SFAS 128) in 1998. SFAS 128 establishes standards for computing and presenting earnings per share (EPS) and requires the presentation of both basic and diluted EPS. Diluted earnings per share is calculated by adjusting outstanding shares assuming issuance of all potentially dilutive shares.

Prior to this period, basic and diluted earnings per share have been the same. The diluted EPS amounts shown in the year-to-date Consolidated Financial Statements reflect the inclusion of employee restricted share awards and other stock compensation.

The following represents a reconciliation from basic earnings per share to diluted earnings per share:

	Three Months Ended September 30, 2000	Three Months Ended September 30, 1999	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999
	(Amounts in Thousands, Except Per Share Amounts)			
BASIC EARNINGS PER SHARE:				
Earnings available for common stock before extraordinary gain	$ 0.78	$ 0.78	$ 1.70	$ 1.35
Extraordinary gain	0.09	-	0.62	-
Cumulative effect of accounting change	-	-	(0.06)	-
Earnings available for common stock	$ 0.87	$ 0.78	$ 2.26	$ 1.35
DILUTED EARNINGS PER SHARE:				
Earnings available for common stock before extraordinary gain	$ 0.77	$ 0.78	$ 1.69	$ 1.35
Extraordinary gain	0.09	-	0.62	-
Cumulative effect of accounting change	-	-	(0.06)	-
Earnings available for common stock	$ 0.86	$ 0.78	$ 2.25	$ 1.35
DENOMINATOR FOR BASIC AND DILUTED EARNINGS PER SHARE:				
Denominator for basic earnings per share - weighted average shares	69,382	67,554	68,619	66,766
Effect of dilutive securities:				
Employee stock options	4	-	1	-
Restricted share awards	224	40	120	24
Stock for compensation	310	3	132	4
Denominator for diluted earnings per share - weighted average shares	69,920	67,597	68,872	66,794

Restricted Cash: The company's restricted cash consists primarily of cash held in escrow pursuant to the terms of a pre-paid capacity and transmission agreement and certain letters of credit.

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

2. RESTATEMENT OF FINANCIAL STATEMENTS

Restatement Adjustments: Following extensive conversations between Protection One and the staff of the SEC, which have previously been disclosed, the company has restated its Consolidated Financial Statements for the periods as of December 31, 1999, 1998 and 1997, and for the years then ended to reflect restatements undertaken by Protection One. The company has also restated its interim financial statements included in this Form 10-Q/A. This restatement primarily relates to the amortization of customer accounts acquired and amounts allocated to obligations assumed in the Westinghouse Security Systems (WSS) acquisition. A description of the principal adjustments which comprise the restatement are as follows:

The first adjustment reflects a change in the historical amortization expense recorded for customer accounts acquired in the WSS acquisition. The life of the acquired WSS customers was initially estimated at ten years. Straight-line amortization had originally been implemented. With the restatement, an eight-year estimated life and an accelerated amortization method will be used for customers acquired from the WSS acquisition as of the acquisition date.

The second adjustment reverses a special charge of $12.75 million for excess customer attrition that was recorded in the fourth quarter of 1997. This charge had been recorded for attrition experienced in the WSS customer account base in 1997.

The third adjustment reduces a repurchase obligation (SAMCO contract financing) to more closely match the estimated fair value of the obligation to the estimated fair value of WSS customer accounts on a per account basis. This change in valuation has the effect of reducing the obligation and goodwill and eliminating $14.8 million of a non-recurring $16.3 million pre-tax gain that was reported in 1998 when this obligation was repaid.

The fourth adjustment reduces goodwill recorded as a result of a purchase price adjustment related to the WSS acquisition. Goodwill has been reduced by the amount of the claim of $33.8 million. A receivable had not originally been recorded for this claim. The change was made to establish this receivable which reduces recorded goodwill. The company entered into a comprehensive settlement agreement with Westinghouse in November 2000 and received $37.5 million.

Accounting Change: The company adopted Staff Accounting Bulletin (SAB) 101 in the fourth quarter of 2000. The impact of this accounting change requires the company to defer certain installation revenues and expenses incurred by Protection One Europe. Deferral of these revenues and costs has been made when installation revenues have been received and on-going security service is provided. The deferred revenues will be amortized over the estimated life of customer accounts. Prior to the adoption of SAB 101, installation revenues and related expenses were recognized upon completion of the installation.

The cumulative impact of changing this accounting principle for activity through January 1, 2000, is approximately $3.8 million (net of tax) and has been recorded in the first quarter of 2000 as a cumulative effect of change in accounting principle.

The current year impact of SAB 101 for the quarters ended March 31, June 30, and September 30, 2000 is a reduction to net income of $0.7 million, $0.9 million and $0.9 million, respectively, and an increase to deferred revenue of approximately $2.1 million, $2.3 million, and $2.0 million, respectively. The adjustment for this change in accounting method is unrelated to the other restatement adjustments described above and results solely from the requirements of SAB 101.

A summary of the significant effects of these items has been reflected in the appropriate quarterly results as follows:

	As Previously Reported		Restatement Adjustments		Accounting Change		As Restated	
	Amount	Per Share Amounts	Amount	Per Share Amounts	Amount	Per Share Amounts	Amount	Per Share Amounts
	(Dollars in thousands, except for per share amounts)							
Net income before extraordinary gain and accounting change								
For the nine months ended:								
September 30, 2000	$122,166	$ 1.77	$ (2,330)	$ (0.04)	$ (2,478)	$ (0.03)	$117,358	$ 1.70
September 30, 1999	88,247	1.31	2,659	0.04	-	-	90,906	1.35
Earnings available for common stock								
For the nine months ended:								
September 30, 2000	$163,875	$ 2.39(a)	$(2,330)	$ (0.04)	$ (6,288)	$ (0.09)	$155,257(b)	$ 2.26
September 30, 1999	87,400	1.31	2,659	0.04	-	-	90,059	1.35

Net income before extraordinary gain and accounting change								
For the three months ended:								
September 30, 2000................	$ 55,649	$ 0.80	$ (778)	$ (0.01)	$ (880)	$ (0.01)	$ 53,991	$ 0.78
September 30, 1999................	49,010	0.72	4,193	0.06	-	-	53,203	0.78
Earnings available for common stock								
For the three months ended:								
September 30, 2000................	$ 62,083	$ 0.89	$ (778)	$ (0.01)	$ (880)	$ (0.01)	$ 60,425	$ 0.87
September 30, 1999................	48,728	0.72	4,193	0.06	-	-	52,921	0.78

(a) Diluted earnings per average common share outstanding is $2.39.
(b) Diluted earnings per average common share outstanding is $2.35.

A summary of the significant effects of the restatement for the nine months ending September 30, 2000, and 1999 identified above is as follows:

		Restatement Adjustments			Accounting Change		
	As Previously Reported	WSS Accelerated Amortization	Special Charge	SAMCO Repurchase Obligation	WSS Goodwill Reduction	SAB 101 Adoption	As Restated
At September 30, 2000							
Property, plant and equipment..............	$ 3,965,634	$ -	$ -	$ -	$ -	$ 10,822	$ 3,976,456
Customer accounts, net......................	1,037,136	(25,930)	12,750	-	-	-	1,023,956
Goodwill, net...............................	1,033,433	-	-	(13,278)	(29,861)	-	990,294
Other assets................................	410,754	-	-	-	33,772	-	444,526
Deferred income taxes and investment tax credits.....................	966,281	(9,078)	4,462	(4,648)	1,369	(1,592)	956,794
Minority Interests..........................	191,760	(1,434)	1,450	(1,475)	273	(782)	189,792
Retained earnings...........................	773,914	(15,414)	6,837	(7,158)	2,269	(6,288)	754,160
For the nine months ended September 30, 2000							
Security sales..............................	$ 419,319	$ -	$ -	$ -	$ -	$ (8,128)	$ 411,191
Security cost of sales......................	141,489	-	-	-	-	(4,366)	137,123
Depreciation and amortization..............................	317,038	6,209	-	(598)	(1,378)	-	321,271
Selling, general and administrative expense....................	247,040	-	-	-	-	(445)	246,595
Minority interests..........................	3,830	617	-	(59)	(137)	86	4,337
Other income................................	1,036	-	-	-	-	-	1,036
Net income (loss) before extraordinary gain and accounting change..........................	122,166	(3,418)	-	329	759	(2,478)	117,358
Income tax expense (benefit)................	54,170	(2,173)	-	209	482	(753)	51,935
Earnings available for common stock...............................	163,875	(3,418)	-	329	759	(6,288)	155,257
Earnings per average common share outstanding..........................	$ 2.39	$ (0.05)	-	-	$ 0.01	$ (0.09)	$ 2.26
For the nine months ended September 30, 1999							
Depreciation and amortization..............................	$ 309,528	$ (3,923)	$ -	$ (278)	$ (633)	$ -	$ 304,694
Minority interests..........................	8,382	(393)	-	(28)	(63)	-	7,898
Net income (loss) before extraordinary gain and accounting change..........................	88,247	2,158	-	153	348	-	90,906
Income tax expense (benefit)................	22,357	1,372	-	97	222	-	24,048
Earnings available for common stock...............................	87,400	2,158	-	153	348	-	90,059
Earnings per average common share outstanding..........................	$ 1.31	$ 0.03	-	-	$ 0.01	$ -	$ 1.35

Prior to the restatement, during the third quarter of 1999, Protection One changed its amortization method for its customer account intangible assets from a straight-line to an accelerated method to more closely match future amortization cost with the estimated revenue stream from these assets. The effect of the change in accounting principle increased amortization expense reported in the third quarter of 1999 by $47 million. The change in the WSS customer account amortization method restates the results of 1997, 1998 and 1999 and thereby reduces the cumulative charge recorded in the third quarter of 1999.

3. CORPORATE RESTRUCTURING AND STRATEGIC ALTERNATIVES

On March 28, 2000, the company's board of directors approved the separation of its electric utility and non-electric utility businesses (Westar Industries). On May 18, 2000, the company announced that its board of directors had authorized its management to explore strategic alternatives for the electric utility businesses.

On October 5, 2000, Westar Industries filed a registration statement with the Securities and Exchange Commission (SEC) which covers the proposed sale of approximately 9.9% of Westar Industries common stock, now owned by the company, through the exercise of non-transferable rights proposed to be distributed by the company to its shareholders. After completion of the rights offering, assuming full exercise of the rights, the company will own approximately 90.1% of Westar Industries. The registration statement has not become effective.

On November 9, 2000, the company announced that its board of directors approved an agreement under which Public Service Company of New Mexico (PNM) will acquire the electric utility businesses of the company in a stock-for-stock transaction. Under the terms of the agreement, PNM and the company will become a subsidiary of a new holding company to be named at a future date. Prior to the consummation of this combination, Westar Industries will be spun off to Western Resources' shareholders.

The new holding company will issue 55 million of its shares, subject to certain adjustments, to the company's shareholders and Westar Industries. Before any adjustments, the new holding company will have approximately 95 million shares outstanding, of which approximately 42.1% will be owned by former PNM shareholders and 57.9% will be owned by the company's shareholders and Westar Industries. The transaction is conditioned upon approval from both the company's and PNM's shareholders and customary regulatory approvals. The company and PNM expect the transaction to be completed within the next 12 to 15 months.

The impact of these transactions on the company's financial position and operating results cannot be determined until the final terms and timing of the transactions are determined. The company can give no assurance as to whether or when the rights offering will be consummated or whether or when the separation of the electric and non-electric utility businesses of the company, or the consummation of the acquisition of the company by PNM may occur.

4. DIVIDEND POLICY

The company's board of directors reviews the company's dividend policy from time to time. Among the factors the board of directors considers in determining the company's dividend policy are earnings, cash flows, capitalization ratios, competition, financial loan covenants and regulatory conditions. In March 2000, the company announced a quarterly dividend of $0.30 per share, or $1.20 per share on an annual basis. On October 2, 2000, the third quarter dividend was paid at the rate of $0.30 per common share.

5. SALE OF ACCOUNTS RECEIVABLE

On July 28, 2000, the company and KGE entered into an agreement to sell, on an ongoing basis, all of their accounts receivable arising from the sale of electricity, to WR Receivables Corporation, a special purpose entity wholly owned by the company. The agreement expires on July 26, 2001, and is annually renewable upon agreement by both parties. The special purpose entity has sold and, subject to certain conditions, may from time to time sell, up to $125 million (and upon request, subject to certain conditions, up to $175 million) of an undivided fractional ownership interest in the pool of receivables to a third-party, multi-seller receivables funding entity affiliated with a lender. As of September 30, 2000, net proceeds of $125 million were received by the company.

6. DEBT

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

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

Year	Principal Amount (Dollars in Thousands)
2000	$ 3,000
2001	6,000
2002	6,000
2003	585,000

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

Interest on the term loan is payable on the expiration date of each borrowing under the facility or quarterly if the term of the borrowing is greater than three months. The weighted average annual interest rate, including fees, on the term loan at September 30, 2000, was 10.23%.

The company also has an arrangement with certain banks to provide a revolving credit facility on a committed basis totaling $500 million. The facility is secured by first mortgage bonds of the company and KGE and expires on March 17, 2003. As of September 30, 2000, borrowings on this facility were $57.0 million.

7. GAIN ON EXTINGUISHMENT OF DEBT

In the third quarter of 2000, Westar Industries purchased $37.4 million face value of Protection One bonds in the open market. An extraordinary gain of $6.7 million, net of tax of $3.6 million, was recognized on these retirements.

For the nine months ended September 30, 2000, Westar Industries purchased $141.9 million face value of Protection One bonds in the open market. A portion of these debt securities was transferred to Protection One in exchange for cash and the settlement of certain intercompany payables and receivables. Protection One also purchased $30.5 million face value of its bonds on the open market. An extraordinary gain of $42.6 million, net of tax of $22.9 million, was recognized on these retirements.

8. INCOME TAXES

The company has recorded income tax benefits for the interim periods using the effective tax rate method. Under this method, the company computes the tax related to year-to-date income, except for significant unusual or extraordinary items, at an estimated annual effective tax rate. The company individually computes and recognizes, when the transaction occurs, income tax expense related to significant unusual or extraordinary items, such as the gain on marketable securities recorded in 2000. The company anticipates an effective annual tax rate of approximately 32.0% based on the effective tax rate method described above. The company's effective income tax rates for the three and nine months ended September 30, 2000, were 18.9% and 30.7% compared to 19.2% and 20.9% for the three and nine months ended September 30, 1999.

The difference between the company's effective tax rate and the statutory rate is primarily attributable to the tax benefit of excluding from taxable income, in accordance with IRS rules, 70% of the dividends received from ONEOK, the generation and utilization of tax credits from Affordable Housing investments, the amortization of prior years' investment tax credits, the amortization of non-deductible goodwill, the tax benefits from corporate-owned life insurance and the deduction for state income taxes.

9. RATE MATTERS AND REGULATION

City of Wichita: In December 1999, the City Council of Wichita, Kansas, authorized the hiring of an outside consultant to determine the feasibility of creating a municipal electric utility to replace KGE as the supplier of electricity in Wichita. In 1999, KGE's rates were 5% below the national average for retail customers and the average rates charged to retail customers in territories served by our KPL division were 19% lower than KGE's rates. Customers within the Wichita metropolitan area account for approximately 25% of our total energy sales. KGE has a franchise with the City of Wichita to provide retail electric service that expires March 2002. Under Kansas law, KGE will continue to have the exclusive right to serve the customers in Wichita following the expiration of the franchise, assuming the system is not municipalized. See also "FERC Proceeding" below regarding a complaint filed with the Federal Energy Regulatory Commission (FERC) against the company by the City of Wichita.

KCC Proceedings: 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 Kansas Corporation Commission (KCC) requesting an investigation of Western Resources' and KGE's rates. Western Resources, KGE and the KCC staff reached an agreement on August 8, 2000, for Western Resources and KGE to file a rate case on or before November 25, 2000. On September 18, 2000, the KCC issued an order approving the agreement. Pursuant to this order, the company will file an application for a change in rates by November 27, 2000, which will include a cost allocation study and separate cost of service studies for Western Resources and KGE, as well as revenue requirements on a combined company basis by December 29, 2000.

FERC Proceeding: In September 1999, the City of Wichita filed a complaint with the FERC against the company, alleging improper affiliate transactions between KPL and KGE. The City of Wichita asked that the FERC equalize the generation costs between KPL and KGE, in addition to other matters. A hearing on the case was held at FERC on October 11 and 12, 2000. On November 13, 2000, FERC dismissed the complaint.

10. LEGAL PROCEEDINGS

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

The company, its subsidiary Westar Industries, Protection One, its subsidiary Protection One Alarm Monitoring, Inc. (Monitoring), and certain present and former officers and directors of Protection One are defendants in a purported class action litigation pending in the United States District Court for the Central District of California, "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 ("Amended Complaint"). Plaintiffs purported 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 Principles. Plaintiffs allege, among other things, that former employees of Protection One have reported that Protection One lacked adequate internal accounting controls and that certain information was unsupported or manipulated by management in order to avoid disclosure of accurate information. The Amended Complaint further asserts claims against the company and Westar Industries as controlling persons under Sections 11 and 15 of the Securities Act of 1933 and Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. A claim is also asserted under Section 11 of the Securities Act of 1933 against Protection One's auditor, Arthur Andersen LLP. The Amended Complaint seeks an unspecified amount of compensatory damages and an award of fees and expenses, including attorneys' fees. On June 12, 2000, the company, Protection One and the other defendants filed motions to dismiss in part the Amended Complaint. On August 31, 2000, the plaintiffs filed their papers in opposition to our motions. These motions are currently pending. The company and Protection One believe that all the claims asserted in the Amended Complaint are without merit, however 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 9 for discussion of regulatory proceedings.

11. 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. As of September 30, 2000, the costs incurred for preliminary site investigation and risk assessment have been minimal. In accordance with the terms of the strategic alliance with ONEOK, ownership of twelve of these sites and the responsibility for clean-up of these sites were transferred to ONEOK. The ONEOK agreement limits the company's future liability associated with these sites to an immaterial amount. The company's investment earnings from ONEOK, as recorded in investment earnings on the accompanying Consolidated Income Statements, could be impacted by these costs if insurance and rate allowances do not cover these potential contingencies.

Split Dollar Life Insurance Program: Obligations under the company's split dollar life insurance program can increase and decrease based on the company's total return to shareholders and payments to plan participants. The related liability decreased approximately $12.8 million for the nine month period ended September 30, 2000, as a result of payments under the plan.

Nuclear Decommissioning: On September 1, 1999, Wolf Creek submitted the 1999 Decommissioning Cost Study to the KCC for approval. The KCC approved the 1999 Decommissioning Cost Study on April 26, 2000. Based on the study, the company's share of Wolf Creek's decommissioning costs, under the immediate dismantlement method, is estimated to be approximately $631 million during the period 2025 through 2034, or approximately $221 million in 1999 dollars. These costs were calculated using an assumed inflation rate of 3.6% over the remaining service life from 1999 of 26 years. On May 26, 2000, the company filed an application with the KCC requesting approval of the funding of the company's decommissioning trust on this basis. Approval was granted by the KCC on September 13, 2000.

For additional information on Commitments and Contingencies, see Note 13 to Consolidated Financial Statements in the company's 1999 Annual Report on Form 10-K/A-2.

12. SEGMENTS OF BUSINESS

The company 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.

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

The accounting policies of the segments are substantially the same as those described in the summary of significant accounting policies in the company's 1999 Annual Report on Form 10-K/A-2. The company evaluates segment performance based on earnings before interest and taxes.

Three Months Ended September 30, 2000:

	Fossil Generation	Nuclear Generation	Power Delivery	Monitored Services	(1)Other	Eliminating\ Reconciling Items	Total
			(Dollars in Thousands)				
				Restated Note 2	Restated Note 2		Restated Note 2
External sales..........................	$ 245,010	$ -	$377,745	$ 136,405	$ 386	$ 16	$ 759,562
Internal sales..........................	169,117	27,940	85,492	-	-	(282,549)	-
Earnings before interest and taxes......	43,220	(5,731)	112,268	(19,778)	17,280	(5,829)	141,430
Interest expense........................							74,893
Earnings before taxes...................							66,537

Three Months Ended September 30, 1999:

	Fossil Generation	Nuclear Generation	Power Delivery	Monitored Services	(2)Other	Eliminating/ Reconciling Items	Total
			(Dollars in Thousands)				
				Restated Note 2	Restated Note 2		Restated Note 2
External sales..........................	$ 148,251	$ -	$347,301	$ 150,873	$ 315	$ -	$ 646,740
Internal sales..........................	158,141	28,987	84,366	-	-	(271,494)	-
Earnings before interest and taxes......	82,383	(4,817)	94,084	(32,178)	5,438	(3,198)	141,712
Interest expense........................							75,876
Earnings before taxes...................							65,836

Nine Months Ended September 30, 2000:

	Fossil Generation	Nuclear Generation	Power Delivery	Monitored Services	(3)Other	Eliminating/ Reconciling Items	Total
				(Dollars in Thousands)			
				Restated Note 2	Restated Note 2	Restated Note 2	
External sales........................	$ 503,283	$ -	$872,296	$ 411,191	$ 1,072	$ 26	$1,787,868
Internal sales........................	432,942	86,733	223,395	-	-	(743,070)	-
Earnings before interest and taxes.....	154,061	(13,935)	154,280	(62,425)	166,023	(11,480)	386,524
Interest expense......................							217,231
Earnings before taxes.................							169,293

Nine Months Ended September 30, 1999:

	Fossil Generation	Nuclear Generation	Power Delivery	Monitored Services	(4)Other	Eliminating/ Reconciling Items	Total
				(Dollars in Thousands)			
				Restated Note 2	Restated Note 2		Restated Note 2
External sales........................	$ 305,786	$ -	$826,488	$ 447,967	$ 968	$ 1	$1,581,210
Internal sales........................	421,493	78,803	224,048	-	-	(724,344)	-
Earnings before interest and taxes.....	176,304	(20,156)	133,557	(3,452)	57,040	(8,165)	335,128
Interest expense......................	`						220,174
Earnings before taxes.................							114,954

(1) Earnings before interest and taxes includes investment earnings of $16.1 million.
(2) Earnings before interest and taxes includes investment earnings of $12.2 million.
(3) Earnings before interest and taxes includes investment earnings of $168.1 million.
(4) Earnings before interest and taxes includes investment earnings of $49.7 million.

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

INTRODUCTION

Unless the context otherwise indicates, all references in this report on Form 10-Q/A to the "company," "Western Resources," "we," "us" or "our" or similar words are to Western Resources, Inc. and its other wholly-owned subsidiaries.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations updates the information provided in that 1999 Annual Report on Form 10-K/A-2 and should be read in conjunction with those reports. In this section we discuss the general financial condition and operating results for Western Resources. We explain:

- What factors impact our business
- What our earnings and costs were for the three and nine months ending September 30, 2000, and 1999
- Why these earnings and costs differed from period to period
- How our earnings and costs affect our overall financial condition
- Any other items that particularly affect our financial condition or earnings.

SUMMARY OF SIGNIFICANT ITEMS

Corporate Restructuring and Strategic Alternatives

On March 28, 2000, our board of directors approved the separation of our electric utility and non-electric utility businesses (Westar Industries). On May 18, 2000, we announced that our board of directors had authorized our management to explore strategic alternatives for the electric utility businesses.

On October 5, 2000, Westar Industries filed a registration statement with the Securities and Exchange Commission (SEC) which covers the proposed sale of approximately 9.9% of Westar Industries common stock, now owned by us, through the exercise of non-transferable rights proposed to be distributed by us to our shareholders. After completion of the rights offering, assuming full exercise of the rights, we will own approximately 90.1% of Westar Industries. The registration statement has not become effective.

On November 9, 2000, we announced that our board of directors approved an agreement under which Public Service Company of New Mexico (PNM) will acquire our electric utility businesses in a stock-for-stock transaction. Under the terms of the agreement, PNM and we will become a subsidiary of a new holding company to be named at a future date. Prior to the consummation of this combination, Westar Industries will be spun off to Western Resources' shareholders.

The new holding company will issue 55 million of its shares, subject to certain adjustments, to our shareholders and Westar Industries. Before any adjustments, the new holding company will have approximately 95 million shares outstanding, of which approximately 42.1% will be owned by former PNM shareholders and 57.9% will be owned by the company's shareholders and Westar Industries. The transaction is conditioned upon approval from both our and PNM's shareholders and customary regulatory approvals. We expect the transaction to be completed within the next 12 to 15 months.

The impact of these transactions on our financial position and operating results cannot be determined until the final terms and timing of the transactions are determined. We can give no assurance as to whether or when the rights offering will be consummated or whether or when the separation of our electric and non-electric utility businesses, or the consummation of the acquisition of the company by PNM may occur.

Gain on Extinguishment of Debt

In the third quarter of 2000, Westar Industries purchased $37.4 million face value of Protection One bonds in the open market. An extraordinary gain of $6.7 million, net of tax of $3.6 million, was recognized on these retirements.

For the nine months ended September 30, 2000, Westar Industries purchased $141.9 million face value of Protection One bonds in the open market. A portion of these debt securities was transferred to Protection One in exchange for cash and the settlement of certain intercompany payables and receivables. Protection One also purchased $30.5 million face value of its bonds on the open market. An extraordinary gain of $42.6 million, net of tax of $22.9 million, was recognized on these retirements.

Monitored Services Change in Estimate of Useful Life of Goodwill

In the first quarter of 2000, Protection One re-evaluated the original assumptions and rationale utilized in the establishment of the estimated useful life of goodwill. Protection One concluded that due to continued losses, increased levels of attrition experienced in 1999 and other factors, 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, is being amortized over its remaining useful life based on a 20-year life. Protection One International, Inc. and Protection One UK, Plc. (collectively referred to as Protection One Europe) made a similar change. Based on Protection One's and Protection One Europe's existing account bases at January 1, 2000, we anticipate that this will result in an increase in aggregate annual goodwill amortization of approximately $32.6 million.

The change in estimate resulted in additional goodwill amortization for the three months ended September 30, 2000, of approximately $8.2 million. The resulting reduction to net income was $6.5 million. For the nine months ended September 30, 2000, the resulting additional goodwill amortization was $24.7 million, resulting in a reduction to net income of $19.5 million.

OPERATING RESULTS

Western Resources Consolidated

Our business is segmented based on differences in products and services, production processes, and management responsibility. Based on this approach, we have identified four reportable segments: Fossil Generation, Nuclear Generation, Power Delivery and Monitored

Services. We also have other non-utility operations and our ONEOK investment that are discussed in "Other Results" below when changes are material.

Our electric utility business is comprised of Fossil Generation, Nuclear Generation and Power Delivery. Fossil Generation produces power for sale internally to the Power Delivery segment and externally to wholesale customers. A component of our Fossil Generation segment is power marketing which attempts to minimize market fluctuation risk and enhance system reliability. Nuclear Generation represents our 47% ownership in the Wolf Creek nuclear generating facility. This segment has only internal sales because it provides all of its power to its co-owners. The Power Delivery segment consists of the transmission and distribution of power to our retail customers in Kansas and the customer service provided to these customers. Monitored Services represents our security alarm monitoring business in North America, the United Kingdom and continental Europe.

Basic earnings per share were $0.87 for the three months ended September 30, 2000, compared to $0.78 for the three months ended September 30, 1999. This increase was primarily because Protection One recorded the cumulative effect of a change in accounting principle relating to depreciation and amortization expense of $47.3 million in the third quarter of 1999. As discussed in our 1999 Annual Report on Form 10-K/A-2, Protection One and Protection One Europe changed their amortization methods from a 10-year straight line method to a 10-year declining balance method. Also contributing to the increase in earnings per share was the extraordinary gain of $6.7 million, net of tax of $3.6 million, on the retirement of Protection One bonds. Partially offsetting these increases was a change in the estimated life of goodwill, the impact of adopting SAB 101 and operating losses from our monitored services segment.

Basic earnings per share were $2.26 for the nine months ended September 30, 2000, compared to $1.35 for the nine months ended September 30, 1999. This increase is primarily attributable to increased investment earnings from the sale of our investments in a gas compression company and other marketable securities, the extraordinary gain on the retirement of Protection One bonds, and improved electric operations. Partially offsetting these increases was a change in the estimated life of goodwill, the impact of adopting SAB 101 and operating losses from our monitored services segment. See "Monitored Services" below for further discussion of these factors and their overall impact.

Overview of Utility Operations

The following table reflects the increases in electric sales volumes, excluding power marketing for the three and nine months ended September 30, 2000, from the comparable periods of 1999.

Three Months Ended September 30,

	2000	1999	% Change
	(Thousands of MWH)		
Residential	2,287	2,010	13.8%
Commercial	2,018	1,881	7.3%
Industrial	1,541	1,505	2.4%
Other	26	26	- %
Total retail	5,872	5,422	8.3%
Wholesale	1,776	1,690	5.1%
Total	7,648	7,112	7.5%

Nine Months Ended September 30,

	2000	1999	% Change
	(Thousands of MWH)		
Residential	4,880	4,420	10.4%
Commercial	4,985	4,767	4.6%
Industrial	4,392	4,293	2.3%
Other	80	80	- %
Total retail	14,337	13,560	5.7%
Wholesale	5,030	4,185	20.2%
Total	19,367	17,745	9.1%

Three Months Ended September 30, 2000, Compared to Three Months Ended September 30, 1999: Utility operating sales increased $127.2 million, from $495.6 million to $622.8 million, primarily due to higher retail and wholesale sales volumes and higher power marketing sales. Offsetting the increase in sales was higher cost of sales of $141.8 million. The higher cost of sales was due to higher power marketing expense, increased purchased power expense and higher fuel expense incurred to meet the demand for more electricity. Although sales increased, earnings before interest and taxes (EBIT) decreased $21.9 million primarily due to the higher cost of sales and increased operating expenses.

Nine Months Ended September 30, 2000, Compared to Nine Months Ended September 30, 1999: Utility operating sales increased $243.3 million, from $1,132.3 million to $1,375.6 million primarily due to higher retail and wholesale sales volumes and higher power marketing sales. Partially offsetting the increase in sales were higher cost of sales of $225.9 million. The higher cost of sales was due to higher power marketing expense, increased purchased power expense and higher fuel expense incurred to meet the demand for more electricity. EBIT increased $4.7 million primarily due to higher sales.

Business Segments - Utility Operations: The following table reflects key information for our electric utility business segments:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
	(Dollars in Thousands)			
Fossil Generation:				
External sales	$245,010	$148,251	$503,283	$305,786
Internal sales	169,117	158,141	432,942	421,493
EBIT	43,220	82,383	154,061	176,304
Nuclear Generation: (1)				
Internal sales	$ 27,940	$ 28,987	$ 86,733	$ 78,803
EBIT	(5,731)	(4,817)	(13,935)	(20,156)
Power Delivery:				
External sales	$377,745	$347,301	$872,296	$826,488
Internal sales	85,492	84,366	223,395	224,048
EBIT	112,268	94,084	154,280	133,557

(1) Our 47% share of Wolf Creek's operating results.

Fossil Generation

Fossil Generation's external sales consist of the power produced and purchased for sale to wholesale customers. Internal sales consist of the power produced for sale to Power Delivery which delivers the power to our retail customers. The internal transfer price for these sales is based on an assumed competitive market price for capacity and energy.

Three Months Ended September 30, 2000, Compared to Three Months Ended September 30, 1999: External sales increased $96.8 million primarily due to power marketing sales which were $104.4 million, or 129%, higher. Lower wholesale sales partially offset the increase in power marketing sales. Since 1997, we have gradually increased the size of our power trading operation in an effort to better utilize our market knowledge and to mitigate the risk associated with energy prices.

Electric cost of sales was $141.8 million higher primarily due to higher power marketing expense of $112.5 million, a 168% increase. The remaining increase in electric cost of sales is due to higher fossil fuel expense and higher purchased power expense used to meet the demand for more electricity. EBIT was $39.2 million lower because of a $45.0 million decrease in gross profit.

Nine Months Ended September 30, 2000, Compared to Nine Months Ended September 30, 1999: External sales increased $197.5 million primarily due to power marketing sales which were $181.9 million, or 107%, higher and wholesale sales volumes which were 20% higher. We had more wholesale market opportunities because of our larger trading operation which has increased our involvement in the market as discussed above.

Electric cost of sales were $225.9 million higher primarily due to higher power marketing expense of $178.6 million, a 118% increase. In addition, we had higher purchased power expense of $15.8 million, or a 75% increase, primarily to meet the higher demand for wholesale sales. Additionally, we incurred an increase in fossil fuel expense of $29.7 million, or 15%, primarily to meet the demand for more electricity and due to increased cost of natural gas. See the Market Risk Disclosure for further discussion. EBIT was $22.2 million lower because of a $28.3 million decrease in gross profit.

Nuclear Generation

Nuclear Generation has only internal sales because it provides all of its power to its co-owners: KGE, Kansas City Power and Light Company, and Kansas Electric Power Cooperative, Inc. KGE owns 47% of Wolf Creek Nuclear Operating Corporation (WCNOC), the operating company for Wolf Creek Generating Station (Wolf Creek). Internal sales are priced at the internal transfer price that Nuclear Generation charges to Power Delivery. EBIT is negative because internal sales are less than Wolf Creek's costs.

Three Months Ended September 30, 2000, Compared to Three Months Ended September 30, 1999: Internal sales and EBIT declined primarily due to Wolf Creek experiencing an unplanned outage of approximately three days due to a transformer fire that caused the unit to shut down as a safety precaution. Wolf Creek resumed operation with no significant damage being experienced as a result of this incident. Operations and maintenance expense increased $2.0 million primarily due to an increase in maintenance and engineering expenses.

Nine Months Ended September 30, 2000, Compared to Nine Months Ended September 30, 1999: Internal sales and EBIT improved primarily due to the timing of regularly scheduled refueling and maintenance outages. Wolf Creek shut down on September 29, 2000, for a scheduled refueling and maintenance outage and began returning to service on November 7,

2000. The prior refueling and maintenance outage was during the spring of 1999. Therefore, the nine months ended September 30, 1999, included the effects of the entire 1999 outage while the same period of 2000 only includes two days of the 2000 planned outage. Wolf Creek has a scheduled refueling and maintenance outage approximately every 18 months with the next outage scheduled to occur in the spring of 2002. During an outage, Wolf Creek produces no power.

Power Delivery

The Power Delivery segment's external sales consist of the transmission and distribution of power to our electric customers and the customer service provided to them. Internal sales consist of the intra-segment transfer price charged to Fossil Generation and Nuclear Generation for the use of the distribution lines and transformers.

Three Months Ended September 30, 2000, Compared to Three Months Ended September 30, 1999: External sales increased $30.4 million, or 9%. We experienced a 14% increase in residential sales volumes primarily due to a 26% increase in cooling degree days which increased the demand for power on our system. EBIT increased $18.2 million also due to higher retail sales volumes.

Nine Months Ended September 30, 2000, Compared to Nine Months Ended September 30, 1999: External sales increased $45.8 million, or 6%. We experienced a 10% increase in residential sales volumes primarily due to a 26% increase in cooling degree days which increased the demand for power on our system. EBIT increased $20.7 million also due to higher retail sales volumes.

Monitored Services

Protection One and Protection One Europe comprise our monitored services business. The results discussed below reflect monitored services on a stand-alone basis. These results do not take into consideration Protection One's minority interest of approximately 15% at September 30, 2000, and September 30, 1999.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
	(Dollars in Thousands)			
External sales................	$ 136,405	$ 150,873	$ 411,191	$ 447,967
EBIT..........................	(19,778)	(32,178)	(62,425)	(3,452)

Three Months Ended September 30, 2000, Compared to Three Months Ended September 30, 1999: Sales decreased by $14.5 million primarily due to a decline in Protection One's average customer base. In North America, Protection One had a net decrease of 57,417 customers in the third quarter of 2000 as compared to a net decrease of 16,219 customers in the third quarter of 1999. The average customer base for the third quarters of 2000 and 1999 was 1,113,822 and 1,238,655, or a decrease of 124,833 customers. The decrease in customers is primarily attributable to the fact that Protection One's present customer acquisition strategies have not been able to generate accounts in a sufficient volume to replace accounts lost through attrition. Protection One does not expect its customer acquisitions to replace all accounts lost through attrition at least through the first half of 2001. Accordingly, Protection One's total customer base is likely to decline based upon historical rates of attrition which is likely to result in declining revenues. Protection

One's focus remains on the completion of its current infrastructure projects, the development of cost effective marketing programs, the development of its commercial business and the generation of positive cash flow. Protection One Europe had a net increase of 10,816 customers. The increase is primarily attributable to a greater number of salesmen.

EBIT increased $12.4 million primarily because depreciation and amortization expense decreased $35.8 million. As discussed in our 1999 Annual Report on Form 10-K/A-2, Protection One and Protection One Europe changed their customer account amortization methods as of the third quarter in 1999 from a 10-year straight line method to a 10-year declining balance method for Protection One Europe and most of the North America accounts. The cumulative effect of this change in accounting principle was recorded in the third quarter of 1999 and amounted to approximately $40 million.

EBIT was also affected by three other factors: 1) Sales decreased $14.5 million as discussed above, 2) Other income decreased because Protection One recorded a $17.2 million gain on the sale of Mobile Services in the third quarter of 1999, and 3) Protection One and Protection One Europe had increased goodwill amortization expense of $7.9 million because they changed their estimate of the useful life of goodwill from 40 years to 20 years.

Nine Months Ended September 30, 2000, Compared to Nine Months Ended September 30, 1999: Sales decreased $36.8 million primarily due to a decline in Protection One's customer base. In North America, Protection One had a net decrease of 119,529 customers in the first nine months of 2000 as compared to a net increase of 34,498 customers in the first nine months of 1999. The average customer base for the first nine months of 2000 declined to 1,144,878 from 1,213,296 resulting in a net decrease of 68,418 customers. This decrease in customers is primarily attributable to the factors discussed above.

EBIT decreased $59 million due to lower sales, higher cost of sales, and lower other income. Cost of sales increased $4.2 million due to increased compensation costs for additional personnel hired to improve the level of customer service at Protection One's monitoring stations, an increase in the cost of parts and materials, and increased vehicle costs. Other income decreased because Protection One recorded a $17.2 million gain on the sale of the Mobile Services Group in the third quarter of 1999.

Depreciation and amortization expense did not materially change. The cumulative effect of the change in accounting principle of approximately $40 million recorded in the third quarter of 1999 was offset by increased amortization expense of $23.8 million associated with the change in estimate of the useful life of goodwill from 40 years to 20 years and higher depreciation expense of $10.2 million due to accelerated depreciation of Protection One's accounting systems installed in 1999. Protection One has decided to move to another accounting system in 2000 which is better suited for its needs.

OTHER RESULTS

We have other sources of income and expense not directly related to our operations, as outlined below.

Other Income (Expenses)

Three Months Ended September 30, 2000, Compared to Three Months Ended September 30, 1999: Other income decreased $13.2 million primarily due to the $17.2 million gain on the sale of the Mobile Services Group that Protection One recorded in the third quarter of 1999.

Nine Months Ended September 30, 2000, Compared to Nine Months Ended September 30, 1999: The increase in other income is primarily related to a $91.1 million gain on the sale of our remaining investment in a gas compression company and a $24.5 million gain on the sale of other marketable securities. These increases were partially offset by a decrease in other income in the third quarter primarily due to the $17.2 million gain on the sale of Protection One's Mobile Services Group recorded in the third quarter of 1999.

Interest Expense

Three Months Ended September 30, 2000, Compared to Three Months Ended September 30, 1999: We repaid long-term debt during 1999 and during the first and second quarters of 2000 causing long-term debt interest expense to decrease by $12.2 million for the third quarter. The repayments included $125 million of Western Resources' first mortgage bonds in 1999 and $262.3 million face value of Protection One bonds in the fourth quarter of 1999 and during the nine months ended September 30, 2000. These repayments were initially made with short-term debt. On June 28, 2000, we entered into a $600 million, multi-year term loan that increased our long-term debt balance. For more information on this term loan, see the Liquidity and Capital Resources section below.

Short-term debt interest expense was $11.2 million higher due to increased short-term borrowings under our credit facilities.

Nine Months Ended September 30, 2000, Compared to Nine Months Ended September 30, 1999: Our long-term debt interest expense decreased by $31.1 million because of reduced long-term debt as discussed above.

Short-term debt interest expense was $28.1 million higher due to increased short-term borrowings under our credit facilities. The majority of this short-term debt was repaid in the third quarter of 2000 with proceeds from the $600 million term note.

Income Taxes

We have recorded income tax benefits for the interim periods using the effective tax rate method. Under this method, we compute the tax related to year-to-date income, except for significant unusual or extraordinary items, at an estimated annual effective tax rate. We individually compute and recognize, when the transaction occurs, income tax expense related to significant unusual or extraordinary items, such as the gain on marketable securities recorded in 2000. We anticipate an effective annual tax rate of approximately 32.0% based on the effective tax rate method described above. Our effective income tax rates for the three and nine months ended September 30, 2000, were 18.9% and 30.7% compared to 19.2% and 20.9% for the three and nine months ended September 30, 1999.

The difference between our effective tax rate and the statutory rate is primarily attributable to the tax benefit of excluding from taxable income, in accordance with IRS rules, 70% of the dividends received from ONEOK, the generation and utilization of tax credits from Affordable Housing investments, the amortization of prior years' investment tax credits, the amortization of non-deductible goodwill, the tax benefits from corporate-owned life insurance and the deduction for state income taxes.

LIQUIDITY AND CAPITAL RESOURCES

The following discussion explains significant factors in liquidity and capital resources at September 30, 2000.

We had $6.7 million in cash and cash equivalents at September 30, 2000. We consider cash equivalents to be highly liquid debt instruments purchased with a maturity of three months or less. We also had $21.1 million of restricted cash classified as a current asset. The current asset portion of our restricted cash consists primarily of cash held in escrow as required by certain letters of credit. In addition, we had $36.3 million of restricted cash classified as a long-term asset which consists primarily of cash held in escrow required by the terms of a pre-paid capacity and transmission agreement.

Current maturities of long-term debt were $39.4 million. Short-term debt outstanding was $57.0 million.

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

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

Year	Principal Amount (Dollars in Thousands)
2000	$ 3,000
2001	6,000
2002	6,000
2003	585,000

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

Interest on the term loan is payable on the expiration date of each borrowing under the facility or quarterly if the term of the borrowing is greater than three months. The weighted average interest rate, including fees, on the term loan at September 30, 2000, was 10.23%.

The company also has an arrangement with certain banks to provide a revolving credit facility on a committed basis totaling $500 million. The facility is secured by first mortgage bonds of the company and KGE and expires on March 17, 2003. As of September 30, 2000, borrowings on this facility were $57.0 million.

For the nine months ended September 30, 2000, Westar Industries purchased $141.9 million face value of Protection One bonds in the open market. $104.6 million of these debt securities were transferred to Protection One in exchange for cash and the settlement of certain intercompany payables and receivables. Protection One also purchased $30.5 million face value of its bonds on the open market. An extraordinary gain of $42.6 million, net of tax of $22.9 million, was recognized on these retirements.

Sale of Accounts Receivable

On July 28, 2000, we and KGE entered into an agreement to sell, on an ongoing basis, all of our accounts receivable arising from the sale of electricity, to WR Receivables Corporation, a special purpose entity wholly owned by the company. The agreement expires on July 26, 2001, and is annually renewable upon agreement by both parties. The special purpose entity has sold and, subject to certain conditions, may from time to time sell, up to $125 million (and upon request, subject to certain conditions, up to $175 million) of an undivided fractional ownership interest in the pool of receivables to a third-party, multi-seller receivables funding entity affiliated with a lender. As of September 30, 2000, net proceeds of $125 million were received by Western Resources.

Cash Flows from Operating Activities

Cash provided by operations decreased from $271.0 million for the nine months ended September 30, 1999, to $176.9 million for the same period of 2000. The primary reasons for this decrease are related to income taxes paid on the sale of marketable securities in 2000 and cash required to be escrowed in 2000 for certain contractual agreements as discussed in Liquidity and Capital Resources. Changes in working capital also contributed to this decrease in cash flow from operations.

Cash Flows (used in) Investing Activities

Investing activities used net cash flow of $37.8 million in the first nine months of 2000. The proceeds on sale of marketable securities of approximately $217.1 million was offset by $231.7 million of capital additions which included costs associated with two new combustion turbine generators which were placed in service in June 2000.

Investing activities used net cash flow of $406.9 million in the first nine months of 1999 due primarily to Protection One's use of approximately $235.1 million for customer account and security alarm business acquisitions.

Cash Flows (used in) from Financing Activities

We had a net use of cash for financing activities totaling $144.8 million in the first nine months of 2000 due primarily to net payments on short-term and long-term debt and dividend payments. In June 2000, we received $600 million of proceeds on a multi-year term loan, which was used to replace two revolving credit facilities, which matured at the end of the second quarter. The proceeds from the sale of marketable securities and accounts receivable were also used to reduce short-term debt and to retire long-term debt.

We had net cash provided from financing activities totaling $145.0 million in the first nine months of 1999 due primarily to proceeds of short-term and long-term debt of $349.2 million offset by payments on long-term debt totaling $125.4 million and dividend payments of $108.2 million.

Debt and Equity Repurchase Plans

We and Protection One may, from time to time, purchase our and Protection One's debt and equity securities in the open market or through negotiated transactions. The timing and terms of purchases, and the amount of debt or equity actually purchased, will be determined by the company and Protection One based on market conditions and other factors.

Dividend Policy

Our board of directors reviews our dividend policy from time to time. Among the factors the board of directors considers in determining our dividend policy are earnings, cash flows, capitalization ratios, competition, financial loan covenants and regulatory conditions. In March 2000, we announced a quarterly dividend of $0.30 per share, or $1.20 per share on an annual basis. On October 2, 2000, the third quarter dividend was paid at the rate of $0.30 per common share.

OTHER INFORMATION

Earnings Per Share

The company adopted Statement of Financial Accounting Standards No. 128, "Earnings Per Share" (SFAS 128) in 1998. SFAS 128 establishes standards for computing and presenting earnings per share (EPS) and requires the presentation of both basic and diluted EPS. Diluted earnings per share is calculated by adjusting outstanding shares assuming issuance of all potentially dilutive shares.

Prior to this period, basic and diluted earnings per share have been the same. The diluted EPS amounts shown in the year-to-date Consolidated Financial Statements reflect the inclusion of employee restricted share awards and other stock compensation.

The following represents a reconciliation from basic earnings per share to diluted earnings per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
	(Amounts in Thousands, Except Per Share Amounts)			
BASIC EARNINGS PER SHARE:				
Earnings available for common stock before extraordinary gain and accounting change	$ 0.78	$ 0.81	$ 1.70	$ 1.35
Extraordinary gain	0.09	-	0.62	-
Cumulative effect of accounting change	-	-	(0.06)	-
Earnings available for common stock	$ 0.87	$ 0.81	$ 2.26	$ 1.35
DILUTED EARNINGS PER SHARE:				
Earnings available for common stock before extraordinary gain and accounting change	$ 0.77	$ 0.78	$ 1.69	$ 1.35
Extraordinary gain	0.09	-	0.62	-
Cumulative effect of accounting change	-	-	(0.06)	-
Earnings available for common stock	$ 0.86	$ 0.78	$ 2.25	$ 1.35

DENOMINATOR FOR BASIC AND DILUTED EARNINGS PER SHARE:				
Denominator for basic earnings per share - weighted average shares	69,382	67,554	68,619	66,766
Effect of dilutive securities:				
Employee stock options	4	-	1	-
Restricted share awards	224	40	120	24
Stock for compensation	310	3	132	4
Denominator for diluted earnings per share - weighted average shares	69,920	67,597	68,872	66,794

Electric Utility

City of Wichita: In December 1999, the City Council of Wichita, Kansas, authorized the hiring of an outside consultant to determine the feasibility of creating a municipal electric utility to replace KGE as the supplier of electricity in Wichita. In 1999, KGE's rates were 5% below the national average for retail customers and the average rates charged to retail customers in territories served by our KPL division were 19% lower than KGE's rates. Customers within the Wichita metropolitan area account for approximately 25% of our total energy sales. KGE has a franchise with the City of Wichita to provide retail electric service that expires March 2002. Under Kansas law, KGE will continue to have the exclusive right to serve the customers in Wichita following the expiration of the franchise, assuming the system is not municipalized. See also "FERC Proceeding" below regarding a complaint filed with the Federal Energy Regulatory Commission (FERC) against us by the City of Wichita.

KCC Proceedings: 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 Kansas Corporation Commission (KCC) requesting an investigation of Western Resources' and KGE's rates. Western Resources, KGE and the KCC staff reached an agreement on August 8, 2000, for Western Resources and KGE to file a rate case on or before November 25, 2000. On September 18, 2000, the KCC issued an order approving the agreement. Pursuant to this order, the company will file an application for a change in rates by November 27, 2000, which will include a cost allocation study and separate cost of service studies for Western Resources and KGE, as well as revenue requirements on a combined company basis by December 29, 2000.

FERC Proceeding: In September 1999, the City of Wichita filed a complaint with the FERC against us, alleging improper affiliate transactions between KPL and KGE. The City of Wichita asked that the FERC equalize the generation costs between KPL and KGE, in addition to other matters. A hearing on the case was held at FERC on October 11 and 12, 2000. On November 13, 2000, FERC dismissed the complaint.

Nuclear Decommissioning: On September 1, 1999, Wolf Creek submitted the 1999 Decommissioning Cost Study to the KCC for approval. The KCC approved the 1999 Decommissioning Cost Study on April 26, 2000. Based on the study, our share of Wolf Creek's decommissioning costs, under the immediate dismantlement method, is estimated to be approximately $631 million during the period 2025 through 2034, or approximately $221 million in 1999 dollars. These costs were calculated using an assumed inflation rate of 3.6% over the remaining service life from 1999 of 26 years. On May 26, 2000, we filed an application with the KCC requesting approval of the funding of our decommissioning trust on this basis. Approval was granted by the KCC on September 13, 2000.

Monitored Services Business

Attrition: Customer attrition has a direct impact on Protection One's results of operations since it affects both its revenues and amortization expense. Any significant change in the pattern of Protection One's historical attrition experience would have a material effect on its results of operations.

Protection One experienced high levels of attrition for North America in 1999 with successive quarterly annualized attrition of 11.2%, 15.9%, 19.1%, and 16.3%. The quarterly annualized attrition rate for North America for each of the first three successive quarters of 2000 was 11.9%, 14.2% and 18.3%.

In the second quarter of 2000, Protection One disclosed that they had identified approximately 30,000 customer accounts which were either incorrectly entered into its system, represented duplicate existing accounts or represented accounts for which credit and collection activities had not occurred. These accounts remained in Protection One's balance of customer accounts at the end of the second quarter. During the third quarter Protection One completed its review of these accounts by performing additional analysis and collection procedures. Where necessary, Protection One discontinued its monitoring service and attrited the account.

Our monitored services segment had a net decrease of 101,000 customers from September 30, 1999 to September 30, 2000. The decrease in customers is primarily attributable to the significant decrease in the number of accounts being purchased by Protection One from dealers which has not yet been offset by purchases from other customer acquisition strategies.

Protection One does not expect its customer acquisitions to replace all accounts lost through attrition at least through the first half of 2001. Accordingly, Protection One's total customer base is likely to decline based upon historical rates of attrition which is likely to result in declining revenues. Protection One's current focus remains on the completion of its current infrastructure projects, the development of cost effective marketing programs, development of our commercial business and the generation of positive cash flow.

Market Risk Disclosure

We are exposed to market risk, including changes in commodity prices, equity instrument investment prices and interest rates. Since December 31, 1999, we have not experienced any significant changes in our exposure to market risk except for the impacts of changes in our equity security portfolio and in natural gas prices.

Decline in Equity Price Risk: During the nine months ended September 30, 2000, our balance in marketable securities declined approximately $169.9 million from December 31, 1999, due to the sale of a significant portion of our marketable security portfolio. The value of our marketable security portfolio has declined significantly and we do not expect to be materially impacted by changes in the market prices of our remaining investments.

Change in Commodity Price Exposure: We use a mix of various fuel types, including natural gas, to operate our system which helps lessen our risk associated with any one fuel type. Natural gas prices increased this summer throughout the nation. From September 30, 1999, to September 30, 2000, we experienced a 39% increase in our average cost per MMBtu for natural gas purchased, or $0.92 per MMBtu. The higher natural gas prices increased our total cost of gas purchased for the nine months ended September 30, 2000, by approximately $8.4 million although we decreased the quantity burned by 2.0 million MMBtu. In an effort to mitigate natural gas price risk, we enter into hedging agreements. These hedging agreements were utilized to minimize our exposure to increased natural gas prices. Our future exposure to changes in natural gas prices will be dependent upon the market prices for natural gas and the extent and effectiveness of any hedging agreements which we may enter into.

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). SFAS 133, as amended, is effective for fiscal years beginning after June 15, 2000. SFAS 133 cannot be applied retroactively. We are continuing to evaluate commodity contracts, financial instruments and other contracts to determine if they will be considered derivatives under SFAS 133. Through the end of the third quarter, we have identified derivatives utilized in our energy trading and risk management activities. Our energy trading contracts are currently recorded at fair value on the balance sheet, with the changes in the fair value included in net income, in accordance with Emerging Issues Task Force Issue No. 98-10, "Accounting for Contracts Involved in Energy Trading and Risk Management Activities." We have not yet quantified all effects of adopting SFAS 133 on our financial statements; however, SFAS 133 could increase volatility in earnings and other comprehensive income. We plan to adopt SFAS 133 as of January 1, 2001, and be able to quantify its effects.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information relating to the market risk disclosure is set forth in Other Information of Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations included herein.

ITEM 1. LEGAL PROCEEDINGS

The company, its subsidiary Westar Industries, Protection One, its subsidiary Protection One Alarm Monitoring, Inc. (Monitoring), and certain present and former officers and directors of Protection One are defendants in a purported class action litigation pending in the United States District Court for the Central District of California, "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 ("Amended Complaint"). Plaintiffs purported 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 Principles (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 information was unsupported or manipulated by management in order to avoid disclosure of accurate information. The Amended Complaint further asserts claims against the company and Westar Industries as controlling persons under Sections 11 and 15 of the Securities Act of 1933 and Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. A claim is also asserted under Section 11 of the Securities Act of 1933 against Protection One's auditor, Arthur Andersen LLP. The Amended Complaint seeks an unspecified amount of compensatory damages and an award of fees and expenses, including attorneys' fees. On June 12, 2000, the company, Protection One and the other defendants filed motions to dismiss in part the Amended Complaint. On August 31, 2000, the plaintiff's filed their papers in opposition to our motions. These motions are currently pending. The company and Protection One believe that all the claims asserted in the Amended Complaint are without merit, however the company and Protection One cannot currently predict the impact of this litigation which could be material.

For other proceedings affecting the company, see Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations which is incorporated herein by reference.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

Exhibit 12 - Computation of Ratio of Consolidated Earnings to Fixed Charges for Nine Months Ended September 30, 2000-Restated (filed electronically)

Exhibit 27 - Financial Data Schedule-Restated (filed electronically)

(b) Reports on Form 8-K filed during the quarter ended September 30, 2000:

Form 8-K filed July 28, 2000 - Press release disclosing the status of the SEC Staff review of Protection One and Western Resources accounting matters.

SIGNATURE

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

Western Resources, Inc.

Date	February 2, 2001	By	/s/ JAMES A. MARTIN
			James A. Martin Senior Vice President and Treasurer
Date	February 2, 2001	By	/s/ LEROY P. WAGES
			Leroy P. Wages, Controller

Restated 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 Nine Months Ended September 30,	Year Ended December 31,				
	2000	1999	1998	1997	1996	1995
Earnings from continuing operations(1)	$ 159,525	$(45,460)	$ 35,799	$ 879,556	$255,052	$265,068
Fixed Charges:						
Interest expense	217,231	294,104	226,120	193,808	152,551	123,821
Interest on Corporate-owned Life Insurance Borrowings	33,083	36,908	38,236	36,167	35,151	32,325
Interest Applicable to Rentals	21,797	34,252	32,796	34,514	32,965	31,650
Total Fixed Charges	272,111	365,264	297,152	264,489	220,667	187,796
Distributed income of equity investees	2,015	3,728	3,812	-	-	-
Preferred and Preference Dividend Requirements:						
Preferred and Preference Dividends	846	1,129	3,591	4,919	14,839	13,419
Income Tax Required	559	746	1,095	3,798	7,562	6,160
Total Preferred and Preference Dividend Requirements	1,405	1,875	4,686	8,717	22,401	19,579
Total Fixed Charges and Preferred and Preference Dividend Requirements	273,516	367,139	301,838	273,206	243,068	207,375
Earnings (2)	$ 433,651	$323,532	$336,763	$1,144,045	$475,719	$452,864
Ratio of Earnings to Fixed Charges	1.59	0.89	1.13	4.33	2.16	2.41
Ratio of Earnings to Combined Fixed Charges and Preferred and Preference Dividend Requirements	1.59	0.88	1.12	4.19	1.96	2.18

(1) Earnings from continuing operations consists of loss or earnings before extraordinary gain and income taxes adjusted for minority interest and undistributed earnings from equity investees.

(2) Earnings are deemed to consist of net income to which has been added income taxes (including net deferred investment tax credit), fixed charges and distributed income of equity investees. 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.

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONSOLIDATED BALANCE SHEET AT SEPTEMBER 30, 2000, AND THE CONSOLIDATED STATEMENT
OF INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000, AS RESTATED ON
FEBRUARY 2, 2001, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH
FINANCIAL STATEMENTS.

1,000

9-MOS
DEC-31-2000
JAN-01-2000
SEP-30-2000
6,693
7,222
218,029
42,376
106,996
368,089
6,271,860
2,295,404
7,787,228
714,951
3,274,627
220,000
24,858
347,906
1,586,905
7,787,228
1,787,868
1,787,868
753,685
1,574,786
0
0
217,231
169,293
51,935
117,358
0
42,555
(3,810)
156,103
2.26
2.25