

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) August 6, 2014

WESTAR ENERGY, INC.

(Exact name of registrant as specified in its charter)

KANSAS

(State or other jurisdiction of incorporation or organization)

1-3523

(Commission File Number)

48-0290150

(IRS Employer Identification No.)

818 South Kansas Avenue, Topeka, Kansas

(Address of principal executive offices)

66612

(Zip Code)

Registrant's telephone number, including area code **(785) 575-6300**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

WESTAR ENERGY, INC.

Item 2.02. Results of Operations and Financial Condition

On August 6, 2014, we issued a press release announcing our earnings for the period ended June 30, 2014. A copy of our August 6, 2014 press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. We are also including our 2014 Second Quarter Earnings package, which is attached hereto as Exhibit 99.2 and is incorporated herein by reference. The information furnished pursuant to this Item 2.02, including Exhibits 99.1 and 99.2, will not be incorporated by reference into any registration statement filed by us under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

Exhibit 99.1 Press Release dated August 6, 2014

Exhibit 99.2 2014 Second Quarter Earnings package and 2014 Earnings Guidance August Update

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 hereunto duly authorized.

WESTAR ENERGY, INC.

Date: August 6, 2014 By: /s/ Larry D. Irick
Name: Larry D. Irick
Title: Vice President, General Counsel and Corporate Secretary

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
Exhibit 99.1	Press Release dated August 6, 2014
Exhibit 99.2	2014 Second Quarter Earnings package and 2014 Earnings Guidance August Update



Westar Energy announces 2nd quarter 2014 results.

TOPEKA, Kan., Aug. 6, 2014 - Westar Energy, Inc. (NYSE:WR) today announced earnings of \$53 million, or \$0.41 per share, for the second quarter 2014 compared with earnings of \$67 million, or \$0.53 per share, for the second quarter 2013. Without COLI proceeds, second quarter 2013 earnings would have been \$57 million or \$0.45 per share. Earnings for the six months ended June 30, 2014 were \$122 million, or \$0.95 per share, compared with \$118 million, or \$0.93 per share, for the same period in 2013. Without COLI proceeds, the first half of 2013 earnings would have been \$108 million or \$0.86 per share.

Lower net income for the three months ended June 30, 2014 was driven largely by no corporate-owned life insurance proceeds and higher planned maintenance costs for the generating fleet. These factors were partially offset by higher revenues for the quarter.

Higher net income for the six months ended June 30, 2014 was largely driven by higher revenues. The higher revenues are due principally from higher energy sales from colder weather in the first quarter and higher prices resulting from investments in air quality controls and transmission infrastructure.

Earnings Guidance

The company affirmed its 2014 earnings guidance of \$2.30 to \$2.45 per share. The earnings guidance drivers are located under Supplemental Materials within the investor section of the company website at www.WestarEnergy.com.

Conference Call and Additional Company Information

Westar Energy management will host a conference call Thursday, Aug. 7 with the investment community at 10 a.m. ET (9 a.m. CT). Investors, media and the public may listen to the conference call by dialing 866-318-8620, participant code 77563283. A webcast of the live conference call will be available at www.WestarEnergy.com.

Members of the media are invited to listen to the conference call and then contact Gina Penzig with any follow-up questions.

This earnings announcement, a package of detailed second quarter financial information, the company's quarterly report on Form 10-Q for the period ended June 30, 2014 and other filings the company has made with the Securities and Exchange Commission are available on the company's website at www.WestarEnergy.com.

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Westar Energy announces 2nd quarter results

Westar Energy, Inc. (NYSE: WR) is Kansas' largest electric utility. For more than a century, we have provided Kansans the safe, reliable electricity needed to power their businesses and homes. Every day our team of professionals takes on projects to generate and deliver electricity, protect the environment and provide excellent service to our nearly 700,000 customers. Westar has 7,200 MW of electric generation capacity fueled by coal, uranium, natural gas, wind and landfill gas. We are also a leader in electric transmission in Kansas. Our innovative customer service programs include mobile-enabled customer care, digital meters and paving the way for electric vehicle adoption. Our employees live, volunteer and work in the communities we serve.

For more information about Westar Energy, visit us on the Internet at <http://www.WestarEnergy.com>.

Forward-looking statements: Certain matters discussed in this news release 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 "believe," "anticipate," "target," "expect," "pro forma," "estimate," "intend," "guidance" or words of similar meaning. Forward-looking statements describe future plans, objectives, expectations or goals. Although Westar Energy believes that its expectations are based on reasonable assumptions, all forward-looking statements involve risk and uncertainty. The factors that could cause actual results to differ materially from these forward-looking statements include those discussed herein as well as (1) those discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2013 (a) under the heading, "Forward-Looking Statements," (b) in ITEM 1. Business, (c) in ITEM 1A. Risk Factors, (d) in ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and (e) in ITEM 8. Financial Statements and Supplementary Data: Notes 13 and 15; (2) those discussed in the company's Quarterly Report on Form 10-Q filed Aug. 6, 2014, (a) in ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (b) in Part I, Financial Information, ITEM 1. Financial Statements: Notes 10 and 11; and (3) other factors discussed in the company's filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date such statement was made, and the company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement was made.

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Bruce.Burns@westarenergy.com

Westar Energy announces 2nd quarter results

Westar Energy, Inc. Condensed Consolidated Statements of Income (Unaudited)

	Three Months Ended Jun. 30,				Six Months Ended Jun. 30,			
	2014	2013	Change	% Change	2014	2013	Change	% Change
(Dollars In Thousands, Except Per Share Amounts)								
REVENUES:								
Residential	\$ 175,671	\$ 165,302	\$ 10,369	6.3	\$ 367,958	\$ 330,678	\$ 37,280	11.3
Commercial	178,194	165,172	13,022	7.9	339,294	313,128	26,166	8.4
Industrial	106,984	92,820	14,164	15.3	201,480	183,745	17,735	9.7
Other retail	(3,033)	2,228	(5,261)	(236.1)	(11,557)	(944)	(10,613)	(a)
Total Retail Revenues	457,816	425,522	32,294	7.6	897,175	826,607	70,568	8.5
Wholesale	82,434	81,783	651	0.8	193,047	168,253	24,794	14.7
Transmission	63,700	52,804	10,896	20.6	125,166	104,315	20,851	20.0
Other	8,718	9,480	(762)	(8.0)	25,836	16,626	9,210	55.4
Total Revenues	612,668	569,589	43,079	7.6	1,241,224	1,115,801	125,423	11.2
OPERATING EXPENSES:								
Fuel and purchased power	164,779	152,700	12,079	7.9	338,618	304,452	34,166	11.2
SPP network transmission costs	55,533	44,600	10,933	24.5	107,491	88,396	19,095	21.6
Operating and maintenance	101,839	87,999	13,840	15.7	193,629	172,154	21,475	12.5
Depreciation and amortization	70,882	67,597	3,285	4.9	140,992	134,443	6,549	4.9
Selling, general and administrative	62,168	54,477	7,691	14.1	118,653	103,422	15,231	14.7
Taxes other than income tax	34,738	30,704	4,034	13.1	69,571	61,482	8,089	13.2
Total Operating Expenses	489,939	438,077	51,862	11.8	968,954	864,349	104,605	12.1
INCOME FROM OPERATIONS	122,729	131,512	(8,783)	(6.7)	272,270	251,452	20,818	8.3
OTHER INCOME (EXPENSE):								
Investment earnings	3,175	1,690	1,485	87.9	5,553	5,749	(196)	(3.4)
Other income	5,658	13,711	(8,053)	(58.7)	11,575	17,427	(5,852)	(33.6)
Other expense	(2,287)	(2,354)	67	2.8	(7,952)	(7,715)	(237)	(3.1)
Total Other Income	6,546	13,047	(6,501)	(49.8)	9,176	15,461	(6,285)	(40.7)
Interest expense	47,303	45,798	1,505	3.3	93,543	90,082	3,461	3.8
INCOME BEFORE INCOME TAXES	81,972	98,761	(16,789)	(17.0)	187,903	176,831	11,072	6.3
Income tax expense	26,150	29,310	(3,160)	(10.8)	61,111	54,123	6,988	12.9
NET INCOME	55,822	69,451	(13,629)	(19.6)	126,792	122,708	4,084	3.3
Less: Net income attributable to noncontrolling interests	2,349	2,263	86	3.8	4,365	4,375	(10)	(0.2)
NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.	\$ 53,473	\$ 67,188	\$ (13,715)	(20.4)	\$ 122,427	\$ 118,333	\$ 4,094	3.5
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO WESTAR ENERGY, INC. (See 10-Q Note 2):								
Basic earnings per common share	\$ 0.41	\$ 0.53	\$ (0.12)	(22.6)	\$ 0.95	\$ 0.93	\$ 0.02	2.2
Diluted earnings per common share	\$ 0.40	\$ 0.52	\$ (0.12)	(23.1)	\$ 0.93	\$ 0.92	\$ 0.01	1.1
AVERAGE EQUIVALENT COMMON SHARES OUTSTANDING (in thousands):								
Basic	129,363	127,311	2,052	1.6	129,185	127,254	1,931	1.5
Diluted	131,973	127,930	4,043	3.2	131,779	127,735	4,044	3.2
DIVIDENDS DECLARED PER COMMON SHARE								
	\$ 0.35	\$ 0.34	\$ 0.01	2.9	\$ 0.70	\$ 0.68	\$ 0.02	2.9
Effective income tax rate	31.90%	29.68%			32.52%	30.61%		

(a) Change greater than 1,000%.

Westar Energy, Inc.

Second Quarter 2014 Earnings

Released August 6, 2014

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Bruce Burns
Director Investor Relations
785-575-8227
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NOTE:

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended June 30, 2014 should be read in conjunction with this financial information. The enclosed statements have been prepared for the purpose of providing information concerning the Company and not in connection with any sale, offer for sale, or solicitation to buy any securities.

Westar Energy, Inc.
Condensed Consolidated Statements of Income
(Unaudited)

	Three Months Ended June 30,			
	2014	2013	Change	% Change
(Dollars in Thousands, Except Per Share Amounts)				
REVENUES:				
Residential	\$ 175,671	\$ 165,302	\$ 10,369	6.3
Commercial	178,194	165,172	13,022	7.9
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SPP network transmission costs	55,533	44,600	10,933	24.5
Operating and maintenance	101,839	87,999	13,840	15.7
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Total Operating Expenses	489,939	438,077	51,862	11.8
INCOME FROM OPERATIONS	122,729	131,512	(8,783)	(6.7)
OTHER INCOME (EXPENSE):				
Investment earnings	3,175	1,690	1,485	87.9
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Other expense	(2,287)	(2,354)	67	2.8
Total Other Income	6,546	13,047	(6,501)	(49.8)
Interest expense	47,303	45,798	1,505	3.3
INCOME BEFORE INCOME TAXES	81,972	98,761	(16,789)	(17.0)
Income tax expense	26,150	29,310	(3,160)	(10.8)
NET INCOME	55,822	69,451	(13,629)	(19.6)
Less: Net income attributable to noncontrolling interests	2,349	2,263	86	3.8
NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.	\$ 53,473	\$ 67,188	\$ (13,715)	(20.4)
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO WESTAR ENERGY, INC. (See 10-Q Note 2):				
Basic earnings per common share	\$ 0.41	\$ 0.53	\$ (0.12)	(22.6)
Diluted earnings per common share	\$ 0.40	\$ 0.52	\$ (0.12)	(23.1)
AVERAGE EQUIVALENT COMMON SHARES OUTSTANDING (in thousands):				
Basic	129,363	127,311	2,052	1.6
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DIVIDENDS DECLARED PER COMMON SHARE	\$ 0.35	\$ 0.34	\$ 0.01	2.9
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The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended June 30, 2014 should be read in conjunction with this financial information.

Westar Energy, Inc.
Condensed Consolidated Statements of Income
(Unaudited)

	Six Months Ended June 30,			
	2014	2013	Change	% Change
(Dollars in Thousands, Except Per Share Amounts)				
REVENUES:				
Residential	\$ 367,958	\$ 330,678	\$ 37,280	11.3
Commercial	339,294	313,128	26,166	8.4
Industrial	201,480	183,745	17,735	9.7
Other retail	(11,557)	(944)	(10,613)	(a)
Total Retail Revenues	897,175	826,607	70,568	8.5
Wholesale	193,047	168,253	24,794	14.7
Transmission	125,166	104,315	20,851	20.0
Other	25,836	16,626	9,210	55.4
Total Revenues	1,241,224	1,115,801	125,423	11.2
OPERATING EXPENSES:				
Fuel and purchased power	338,618	304,452	34,166	11.2
SPP network transmission costs	107,491	88,396	19,095	21.6
Operating and maintenance	193,629	172,154	21,475	12.5
Depreciation and amortization	140,992	134,443	6,549	4.9
Selling, general and administrative	118,653	103,422	15,231	14.7
Taxes other than income tax	69,571	61,482	8,089	13.2
Total Operating Expenses	968,954	864,349	104,605	12.1
INCOME FROM OPERATIONS	272,270	251,452	20,818	8.3
OTHER INCOME (EXPENSE):				
Investment earnings	5,553	5,749	(196)	(3.4)
Other income	11,575	17,427	(5,852)	(33.6)
Other expense	(7,952)	(7,715)	(237)	(3.1)
Total Other Income	9,176	15,461	(6,285)	(40.7)
Interest expense	93,543	90,082	3,461	3.8
INCOME BEFORE INCOME TAXES	187,903	176,831	11,072	6.3
Income tax expense	61,111	54,123	6,988	12.9
NET INCOME	126,792	122,708	4,084	3.3
Less: Net income attributable to noncontrolling interests	4,365	4,375	(10)	(0.2)
NET INCOME ATTRIBUTABLE TO WESTAR ENERGY, INC.	\$ 122,427	\$ 118,333	\$ 4,094	3.5
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO WESTAR ENERGY, INC. (See 10-Q Note 2):				
Basic earnings per common share	\$ 0.95	\$ 0.93	\$ 0.02	2.2
Diluted earnings per common share	\$ 0.93	\$ 0.92	\$ 0.01	1.1
AVERAGE EQUIVALENT COMMON SHARES OUTSTANDING (in thousands):				
Basic	129,185	127,254	1,931	1.5
Diluted	131,779	127,735	4,044	3.2
DIVIDENDS DECLARED PER COMMON SHARE	\$ 0.70	\$ 0.68	\$ 0.02	2.9
Effective income tax rate	32.52%	30.61%		

(a) Change greater than 1,000%.

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended June 30, 2014 should be read in conjunction with this financial information.

Westar Energy, Inc.
Condensed Consolidated Balance Sheets
(Dollars in Thousands, Except Par Values)
(Unaudited)

	June 30, 2014	December 31, 2013
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 10,751	\$ 4,487
Accounts receivable, net of allowance for doubtful accounts of \$4,503 and \$4,596, respectively	259,205	250,036
Fuel inventory and supplies	256,521	239,511
Deferred tax assets	41,878	37,954
Prepaid expenses	18,058	15,821
Regulatory assets	136,809	135,408
Other	24,931	23,608
Total Current Assets	748,153	706,825
PROPERTY, PLANT AND EQUIPMENT, NET	7,816,120	7,551,916
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET	291,253	296,626
OTHER ASSETS:		
Regulatory assets	599,721	620,006
Nuclear decommissioning trust	185,896	175,625
Other	230,099	246,140
Total Other Assets	1,015,716	1,041,771
TOTAL ASSETS	\$ 9,871,242	\$ 9,597,138
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ —	\$ 250,000
Current maturities of long-term debt of variable interest entities	28,098	27,479
Short-term debt	343,300	134,600
Accounts payable	171,162	233,351
Accrued dividends	45,182	43,604
Accrued taxes	76,592	69,769
Accrued interest	55,556	80,457
Regulatory liabilities	54,185	35,982
Other	85,579	80,184
Total Current Liabilities	859,654	955,426
LONG-TERM LIABILITIES:		
Long-term debt, net	3,215,805	2,968,958
Long-term debt of variable interest entities, net	166,720	194,802
Deferred income taxes	1,423,021	1,363,148
Unamortized investment tax credits	190,702	192,265
Regulatory liabilities	307,053	293,574
Accrued employee benefits	325,449	331,558
Asset retirement obligations	177,755	160,682
Other	74,140	68,194
Total Long-Term Liabilities	5,880,645	5,573,181
COMMITMENTS AND CONTINGENCIES (See 10-Q Notes 10 and 11)		
EQUITY:		
Westar Energy, Inc. Shareholders' Equity:		
Common stock, par value \$5 per share; authorized 275,000,000 shares; issued and outstanding 129,272,835 shares and 128,254,229 shares, respective to each date	646,364	641,271
Paid-in capital	1,718,017	1,696,727
Retained earnings	756,442	724,776
Total Westar Energy, Inc. Shareholders' Equity	3,120,823	3,062,774
Noncontrolling Interests	10,120	5,757
Total Equity	3,130,943	3,068,531
TOTAL LIABILITIES AND EQUITY	\$ 9,871,242	\$ 9,597,138

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended June 30, 2014 should be read in conjunction with this financial information.

Westar Energy, Inc.
Condensed Consolidated Statements of Cash Flows
(In Thousands)
(Unaudited)

	Six Months Ended June 30,	
	2014	2013
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net income	\$ 126,792	\$ 122,708
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	140,992	134,443
Amortization of nuclear fuel	10,304	8,631
Amortization of deferred regulatory gain from sale leaseback	(2,748)	(2,748)
Amortization of corporate-owned life insurance	8,712	4,138
Non-cash compensation	3,945	4,146
Net deferred income taxes and credits	58,097	45,409
Stock-based compensation excess tax benefits	544	(399)
Allowance for equity funds used during construction	(9,718)	(5,689)
Changes in working capital items:		
Accounts receivable	(10,586)	(15,271)
Fuel inventory and supplies	(16,248)	11,780
Prepaid expenses and other	(4,891)	2,396
Accounts payable	(16,199)	(24,838)
Accrued taxes	8,293	16,196
Other current liabilities	(32,477)	(58,624)
Changes in other assets	1,828	(28,048)
Changes in other liabilities	16,674	17,080
Cash Flows from Operating Activities	<u>283,314</u>	<u>231,310</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(427,124)	(398,998)
Purchase of securities - trusts	(4,410)	(59,986)
Sale of securities - trusts	5,552	75,475
Investment in corporate-owned life insurance	(15,903)	(17,408)
Proceeds from investment in corporate-owned life insurance	1,773	101,085
Proceeds from federal grant	—	876
Investment in affiliated company	1,418	—
Other investing activities	(1,544)	(2,362)
Cash Flows used in Investing Activities	<u>(440,238)</u>	<u>(301,318)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Short-term debt, net	208,533	70,617
Proceeds from long-term debt	171,785	245,813
Retirements of long-term debt	(177,500)	(100,000)
Retirements of long-term debt of variable interest entities	(27,305)	(25,474)
Repayment of capital leases	(1,628)	(1,539)
Borrowings against cash surrender value of corporate-owned life insurance	56,577	57,948
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(1,123)	(100,060)
Stock-based compensation excess tax benefits	(544)	399
Issuance of common stock	20,699	2,992
Distributions to shareholders of noncontrolling interests	—	(1,658)
Cash dividends paid	(84,419)	(80,886)
Other financing activities	(1,887)	—
Cash Flows from Financing Activities	<u>163,188</u>	<u>68,152</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>6,264</u>	<u>(1,856)</u>
CASH AND CASH EQUIVALENTS:		
Beginning of period	4,487	5,829
End of period	<u>\$ 10,751</u>	<u>\$ 3,973</u>

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended June 30, 2014 should be read in conjunction with this financial information.

Westar Energy, Inc.
2nd Quarter 2014 vs. 2013

Earnings Variances

	(\$ per share)	Change (Dollars in Thousands)	(\$ per share)
2013 basic earnings attributable to common stock		\$ 67,188	\$ 0.53
Favorable/(Unfavorable)			
Retail		32,294	A
Wholesale		651	
Transmission		10,896	
Other revenues		(762)	
Fuel and purchased power		(12,079)	B
SPP network transmission costs		(10,933)	
Gross Margin		20,067	
Operating and maintenance		(13,840)	C
Depreciation and amortization		(3,285)	D
Selling, general and administrative		(7,691)	E
Taxes other than income tax		(4,034)	F
Other income (expense)		(6,501)	G
Interest expense		(1,505)	
Income tax expense		3,160	H
Net income attributable to noncontrolling interests		(86)	
Change in shares outstanding	(0.01)		
2014 basic earnings attributable to common stock		\$ 53,473	\$ 0.41

Major factors influencing the period to period change in EPS -- Favorable/(Unfavorable)

- A Due primarily to increased average retail prices (see page 7 for changes by customer class)
- B Due primarily to an increase in purchased power
- C Due primarily to higher planned maintenance costs at coal-fired plants -- (\$9.2M); and higher costs at Wolf Creek incurred during a scheduled outage-- (\$4.3M)
- D Due principally to property additions and implementing new software systems
- E Due principally to higher benefit costs including the effect of restructuring insurance contracts in 2013 used to fund those benefits -- (\$4.5M)
- F Due primarily to higher property tax expense that is largely offset by increased prices -- (\$3.5M)
- G Due primarily to no COLI death benefits this year -- (\$10.0M); higher equity AFUDC -- \$1.8M
- H Due primarily to lower income before income taxes

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended June 30, 2014 should be read in conjunction with this financial information.

Westar Energy, Inc.
YTD June 2014 vs. 2013

Earnings Variances

	(\$ per share)	Change (Dollars in Thousands)	(\$ per share)
2013 basic earnings attributable to common stock		\$ 118,333	\$ 0.93
Favorable/(Unfavorable)			
Retail		70,568	A
Wholesale		24,794	B
Transmission		20,851	
Other revenues		9,210	C
Fuel and purchased power		(34,166)	D
SPP network transmission costs		(19,095)	
Gross Margin		72,162	
Operating and maintenance		(21,475)	E
Depreciation and amortization		(6,549)	F
Selling, general and administrative		(15,231)	G
Taxes other than income tax		(8,089)	H
Other income (expense)		(6,285)	I
Interest expense		(3,461)	
Income tax expense		(6,988)	J
Net income attributable to noncontrolling interests		10	
Change in shares outstanding	(0.01)		
2014 basic earnings attributable to common stock		\$ 122,427	\$ 0.95

Major factors influencing the period to period change in EPS -- Favorable/(Unfavorable)

- A Due primarily to increased average retail prices (see page 8 for changes by customer class)
- B Due to a 10% increase in MWh sales at higher average prices (see page 8 for changes by customer class)
- C Due primarily to an increase in energy marketing margins from favorable market conditions primarily in Q1 -- \$11.1M
- D Due primarily to higher average cost of purchased power
- E Due primarily to higher costs at Wolf Creek incurred during a planned outage -- (\$11.4M); and higher costs for planned maintenance at coal fired plants -- (\$7.0M)
- F Due principally to property additions and implementing new software systems
- G Due principally to higher benefit costs including the effect of restructuring insurance contracts in 2013 -- (\$7.8M); integration costs associated with implementing new software systems -- (\$2.3M)
- H Due primarily to higher property tax expense that is largely offset by increased prices -- (\$6.8M)
- I Due primarily to no COLI death benefits this year -- (\$10.0M); higher equity AFUDC -- \$4.0 M
- J Due primarily to higher income before income taxes

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended June 30, 2014 should be read in conjunction with this financial information.

Westar Energy, Inc.
Revenue, Sales and Energy Supply

Supplemental Data

	Three Months Ended June 30,			
	2014	2013	Change	% Change
Revenues	(Dollars In Thousands)			
Residential	\$ 175,671	\$ 165,302	\$ 10,369	6.3
Commercial	178,194	165,172	13,022	7.9
Industrial	106,984	92,820	14,164	15.3
Other retail	3,521	3,170	351	11.1
Provision for rate refunds	(6,554)	(942)	(5,612)	(595.8)
Total Retail Revenues	457,816	425,522	32,294	7.6
Tariff-based wholesale	63,976	62,490	1,486	2.4
Market-based wholesale	18,458	19,293	(835)	(4.3)
Transmission	63,700	52,804	10,896	20.6
Other	8,718	9,480	(762)	(8.0)
Total Revenues	\$ 612,668	\$ 569,589	\$ 43,079	7.6
Electricity Sales	(Thousands of MWh)			
Residential	1,416	1,460	(44)	(3.0)
Commercial	1,842	1,856	(14)	(0.8)
Industrial	1,447	1,312	135	10.3
Other retail	21	21	—	—
Total Retail	4,726	4,649	77	1.7
Tariff-based wholesale	1,191	1,327	(136)	(10.2)
Market-based wholesale	813	721	92	12.8
Total wholesale	2,004	2,048	(44)	(2.1)
Total Electricity Sales	6,730	6,697	33	0.5
	(Dollars per MWh)			
Total retail	\$ 96.87	\$ 91.53	\$ 5.34	5.8
Tariff-based wholesale	\$ 53.72	\$ 47.09	\$ 6.63	14.1
Market-based wholesale	\$ 22.70	\$ 26.76	\$ (4.06)	(15.2)
Fuel and Purchased Power	(Dollars In Thousands)			
Fuel used for generation	\$ 115,813	\$ 130,158	\$ (14,345)	(11.0)
Purchased power	59,071	30,518	28,553	93.6
Subtotal	174,884	160,676	14,208	8.8
RECA recovery and other	(10,105)	(7,976)	(2,129)	(26.7)
Total fuel and purchased power expense	\$ 164,779	\$ 152,700	\$ 12,079	7.9
Electricity Supply	(Thousands of MWh)			
Generated - Gas	321	514	(193)	(37.5)
Coal	4,459	4,748	(289)	(6.1)
Nuclear	633	837	(204)	(24.4)
Wind	116	110	6	5.5
Subtotal electricity generated	5,529	6,209	(680)	(11.0)
Purchased	1,501	910	591	64.9
Total Electricity Supply	7,030	7,119	(89)	(1.3)
	(Dollars per MWh)			
Average cost of fuel used for generation	\$ 20.95	\$ 20.96	\$ (0.01)	—
Average cost of purchased power	\$ 39.35	\$ 33.54	\$ 5.81	17.3
Average cost of fuel and purchased power	\$ 24.88	\$ 22.57	\$ 2.31	10.2
Degree Days	2013/			
	2014	20 yr Avg	Change	% Change
Cooling				

Actual compared to last year	553	496	57	11.5
Actual compared to 20 year average	553	457	96	21.0
Heating				
Actual compared to last year	393	581	(188)	(32.4)
Actual compared to 20 year average	393	385	8	2.1

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended June 30, 2014 should be read in conjunction with this financial information.

Westar Energy, Inc.
Revenue, Sales and Energy Supply

Supplemental Data

	Six Months Ended June 30,			
	2014	2013	Change	% Change
Revenues				
(Dollars In Thousands)				
Residential	\$ 367,958	\$ 330,678	\$ 37,280	11.3
Commercial	339,294	313,128	26,166	8.4
Industrial	201,480	183,745	17,735	9.7
Other retail	6,982	6,367	615	9.7
Provision for rate refunds	(18,539)	(7,311)	(11,228)	(153.6)
Total Retail Revenues	897,175	826,607	70,568	8.5
Tariff-based wholesale	131,870	134,239	(2,369)	(1.8)
Market-based wholesale	61,177	34,014	27,163	79.9
Transmission	125,166	104,315	20,851	20.0
Other	25,836	16,626	9,210	55.4
Total Revenues	\$ 1,241,224	\$ 1,115,801	\$ 125,423	11.2
Electricity Sales				
(Thousands of MWh)				
Residential	3,125	3,003	122	4.1
Commercial	3,602	3,558	44	1.2
Industrial	2,786	2,624	162	6.2
Other retail	42	43	(1)	(2.3)
Total Retail	9,555	9,228	327	3.5
Tariff-based wholesale	2,563	2,807	(244)	(8.7)
Market-based wholesale	1,918	1,286	632	49.1
Total wholesale	4,481	4,093	388	9.5
Total Electricity Sales	14,036	13,321	715	5.4
(Dollars per MWh)				
Total retail	\$ 93.90	\$ 89.58	\$ 4.32	4.8
Tariff-based wholesale	\$ 51.45	\$ 47.82	\$ 3.63	7.6
Market-based wholesale	\$ 31.90	\$ 26.45	\$ 5.45	20.6
Fuel and Purchased Power				
(Dollars In Thousands)				
Fuel used for generation	\$ 254,463	\$ 257,812	\$ (3,349)	(1.3)
Purchased power	98,522	59,534	38,988	65.5
Subtotal	352,985	317,346	35,639	11.2
RECA recovery and other	(14,367)	(12,894)	(1,473)	(11.4)
Total fuel and purchased power expense	\$ 338,618	\$ 304,452	\$ 34,166	11.2
Electricity Supply				
(Thousands of MWh)				
Generated - Gas	625	864	(239)	(27.7)
Coal	9,640	9,934	(294)	(3.0)
Nuclear	1,527	1,292	235	18.2
Wind	229	214	15	7.0
Subtotal electricity generated	12,021	12,304	(283)	(2.3)
Purchased	2,546	1,767	779	44.1
Total Electricity Supply	14,567	14,071	496	3.5
(Dollars per MWh)				
Average cost of fuel used for generation	\$ 21.17	\$ 20.95	\$ 0.22	1.1
Average cost of purchased power	\$ 38.70	\$ 33.69	\$ 5.01	14.9
Average cost of fuel and purchased power	\$ 24.23	\$ 22.55	\$ 1.68	7.5
Degree Days				
	2014	2013/ 20 yr Avg	Change	% Change

Cooling				
Actual compared to last year	553	496	57	11.5
Actual compared to 20 year average	553	459	94	20.5
Heating				
Actual compared to last year	3,196	3,092	104	3.4
Actual compared to 20 year average	3,196	2,814	382	13.6

The Notes to the Condensed Consolidated Financial Statements in the company's Quarterly Report on Form 10-Q for the period ended June 30, 2014 should be read in conjunction with this financial information.

Westar Energy, Inc.

Capitalization

	June 30, 2014		December 31, 2013	
	(Dollars in Thousands)			
Current maturities of long-term debt	\$	—	\$	250,000
Current maturities of long-term debt of VIEs		28,098		27,479
Long-term debt, net		3,215,805		2,968,958
Long-term debt of variable interest entities, net		166,720		194,802
Total long-term debt		3,410,623	52.1%	3,441,239
Common equity		3,120,823	47.7%	3,062,774
Noncontrolling interests		10,120	0.2%	5,757
Total capitalization	\$	6,541,566	100.0%	\$ 6,509,770
GAAP Book value per share	\$	24.14	\$	23.88
Period end shares outstanding (in thousands)		129,273		128,254

Outstanding Long-Term Debt

	CUSIP	June 30, 2014	December 31, 2013
	(Dollars in Thousands)		
Westar Energy:			
First Mortgage Bond series:			
6.00% Series due July 2014	95709TAA8	\$ 250,000	\$ 250,000
5.15% Series due January 2017	95709TAB6	125,000	125,000
8.625% Series due December 2018	95709TAG5	300,000	300,000
5.10% Series due July 2020	95709TAD2	250,000	250,000
5.95% Series due January 2035	95709TAC4	125,000	125,000
5.875% Series due July 2036	95709TAE0	150,000	150,000
4.125% Series due March 2042	95709TAH3	550,000	550,000
4.10% Series due April 2043	95709TAJ9	430,000	250,000
4.625% Series due September 2043	95709TAK6	250,000	250,000
		<u>2,430,000</u>	<u>2,250,000</u>
Pollution control bond series:			
Variable series due April 2032 (Wamego)	933623BN9	30,500	30,500
Variable series due April 2032 (St Marys)	792609AF6	45,000	45,000
		<u>75,500</u>	<u>75,500</u>
Total Westar Energy		<u>2,505,500</u>	<u>2,325,500</u>
KGE			
First mortgage bond series:			
6.70% Series due June 2019	485260BL6	300,000	300,000
6.15% Series due May 2023	485260B@1	50,000	50,000
6.53% Series due December 2037	485260BJ1	175,000	175,000
6.64% Series due May 2038	485260B#9	100,000	100,000
		<u>625,000</u>	<u>625,000</u>
Pollution control bond series:			
Variable rate series due April 2027 (LaCygne)	502828AJ5	21,940	21,940
5.3% Series due June 2031	121825BW2	—	108,600
5.3% Series due June 2031	933623BR0	—	18,900
4.85% Series due June 2031	121825CB7	50,000	50,000
5.0% Series due June 2031	121825CF8	—	50,000
Variable rate series due April 2032 (St Marys)	792609AE9	14,500	14,500
Variable rate series due April 2032 (Wamego)	933623BM1	10,000	10,000
		<u>96,440</u>	<u>273,940</u>
Total KGE		<u>721,440</u>	<u>898,940</u>
Total long-term debt		3,226,940	3,224,440
Unamortized debt discount		(11,135)	(5,482)
Long-term debt due within one year		—	(250,000)
Total long-term debt, net	\$	3,215,805	\$ 2,968,958

Westar Energy, Inc.
GAAP to Non-GAAP Reconciliation

Fuel and purchased power costs fluctuate with electricity sales and unit costs. As permitted by regulators, prices are adjusted to reflect changes in the costs of fuel and purchased power. Fuel and purchased power costs for wholesale customers are recovered at prevailing market prices or based on a predetermined formula with a price adjustment approved by FERC. As a result, changes in fuel and purchased power costs are offset in revenues with minimal impact on net income. For this reason, Westar management believes that gross margin is useful for understanding and analyzing changes in operating performance from one period to the next. Gross margin is calculated as total revenues, including transmission revenues, less the sum of fuel and purchased power costs and amounts billed by the SPP for network transmission costs (SPP NITS). Accordingly, gross margin reflects transmission revenues and costs on a net basis.

The calculations of gross margin for the three and six months ended June 30, 2014 and 2013 are shown in the table below. The table also includes a reconciliation of gross margin to income from operations for both periods. Income from operations is the GAAP financial measure most directly comparable to gross margin.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	Change	2014	2013	Change
	(Dollars in Thousands)					
Revenues	\$ 612,668	\$ 569,589	\$ 43,079	\$ 1,241,224	\$ 1,115,801	\$ 125,423
Less: Fuel and purchased power expense	164,779	152,700	12,079	338,618	304,452	34,166
SPP network transmission costs	55,533	44,600	10,933	107,491	88,396	19,095
Gross Margin	<u>\$ 392,356</u>	<u>\$ 372,289</u>	<u>\$ 20,067</u>	<u>\$ 795,115</u>	<u>\$ 722,953</u>	<u>\$ 72,162</u>
Gross margin	\$ 392,356	\$ 372,289	\$ 20,067	\$ 795,115	\$ 722,953	\$ 72,162
Less: Operating and maintenance expense	101,839	87,999	13,840	193,629	172,154	21,475
Depreciation and amortization expense	70,882	67,597	3,285	140,992	134,443	6,549
Selling, general and administrative expense	62,168	54,477	7,691	118,653	103,422	15,231
Taxes other than income tax	34,738	30,704	4,034	69,571	61,482	8,089
Income from operations	<u>\$ 122,729</u>	<u>\$ 131,512</u>	<u>\$ (8,783)</u>	<u>\$ 272,270</u>	<u>\$ 251,452</u>	<u>\$ 20,818</u>

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