

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)  
**October 22, 2004**

**WESTAR ENERGY, INC.**

(Exact name of registrant as specified in its charter)

**KANSAS**  
(State or Other Jurisdiction  
of Incorporation)

**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))
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**Section 7. Regulation FD Disclosure**

**Item 7.01 - Regulation FD Disclosure**

We are attending the 39<sup>th</sup> Annual Edison Electric Institute Financial Conference from October 24, 2004 to October 27, 2004 in San Diego, California. We are scheduled to give a presentation on Tuesday, October 26, 2004 at 11:45 a.m. (CDT). A copy of the presentation to be used at the conference is attached to this report. The presentation, or information contained in the presentation, may be shared in one or more informal meetings with analysts, investors or others as early as Sunday, October 24, 2004. The presentation is also available on our web site, <http://www.wr.com>.

**Section 9. Financial Statements and Exhibits**

**Item 9.01(c) - Exhibits**

Exhibit 99.1 Presentation to 39<sup>th</sup> Annual Edison Electric Institute Financial Conference on October 26, 2004.

**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.

**Westar Energy, Inc.**

Date: October 22, 2004

By: /s/ LARRY D. IRICK

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Larry D. Irick, Vice President, General Counsel and  
Corporate Secretary

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**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
99.1	Presentation to 39 <sup>th</sup> Annual Edison Electric Institute Financial Conference on October 26, 2004.



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**Edison Electric Institute**

**39<sup>th</sup> Annual Financial Conference**

San Diego, CA

October 24-27, 2004

## Forward-Looking Statements Disclosure

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The following presentation contains some “forward-looking statements” with respect to Westar Energy Inc.’s (“Westar”) future plans, expectations and goals, including management’s expectations with respect to future operating results and dividend growth. The Private Securities Litigation Reform Act of 1995 has established that these statements qualify for safe harbors from liability.

Although we believe that the expectations and goals reflected in such forward-looking statements are based on reasonable assumptions, all forward-looking statements involve risk and uncertainty. Therefore, actual results could vary materially from what we expect. Please review our 2003 annual report on Form 10-K/A for important risk factors that could cause results to differ materially from those in any such forward-looking statements. Any forward-looking statement speaks only as of the date such statement was made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement was made except as required by applicable laws or regulations.

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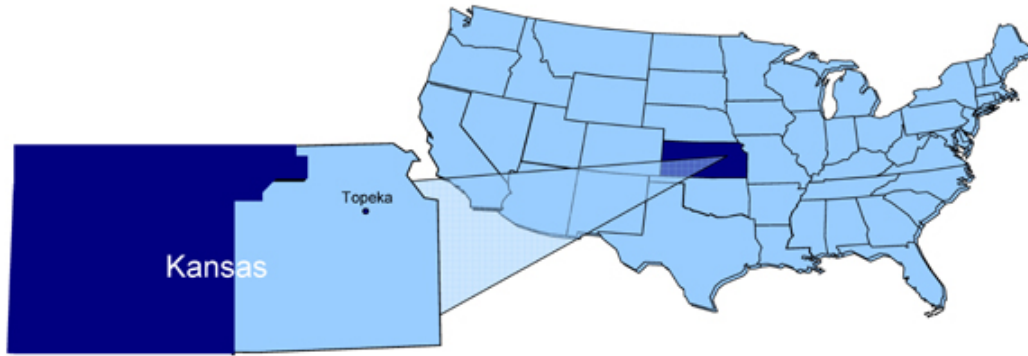
# Management Team Present

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- ◆ Jim Haines President and Chief Executive Officer
- ◆ Mark Ruelle Executive Vice President & Chief Financial Officer
- ◆ Doug Sterbenz Senior Vice President Generation and Marketing
- ◆ Greg Greenwood Treasurer
- ◆ Bruce Burns Director Investor Relations

# Westar Energy

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◆ Ticker (NYSE): WR



# Transformation Complete

## Proven, Conservative Business Strategy

*Westar has executed on the debt reduction agenda set out for investors & regulators*

Status	Expected Timing	Debt Reduction Plan Component
✔	Completed	Sale of ONEOK Stock – Tranche 1
✔	Completed	Obtain relief from legal order to restructure
✔	Completed	Obtain relief for Protection One interim support
✔	Completed	Common Dividend Reduction
✔	Completed	Sale of Protection One Europe
✔	Completed	Obtain KCC approval of Debt Reduction Plan
✔	Completed	Sale of ONEOK Stock – Tranche 2
✔	Completed	Sale of Utility Assets to Midwest Energy
✔	Completed	Sale of ONEOK Stock – Final Tranche
✔	Completed	Sale of Protection One
✔	Completed	Equity Issuance
✔	2003-04/Ongoing	Cash Flow From Operations

*Westar completed the plan on March 31<sup>st</sup>, 2004 – nine months ahead of deadline*

- ◆ Pure-play, Kansas-regulated, vertically integrated electric utility
- ◆ Reduced risk profile
  - Business
  - Financial
  - Operating
- ◆ Open communication and cooperation

# Strategy of Reducing Risk

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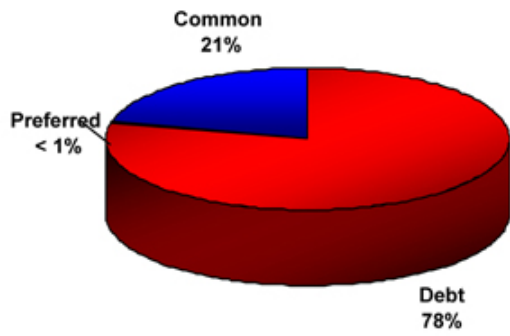
- ◆ Business
  - Single line of business
    - Non-utility assets <1% of assets
- ◆ Financial
  - Typical utility capital structure
- ◆ Operating
  - Regulatory
  - Fuel supply
  - System reliability

# Reduced Financial Risk

## Dramatic De-leveraging

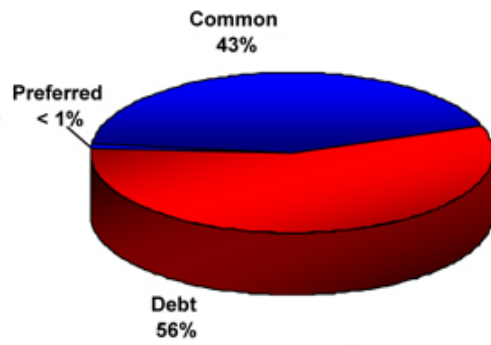
December 31, 2002  
(millions)

Debt	\$3,590
Preferred	21
Common	<u>957</u>
Total Capitalization	\$4,568



September 30, 2004  
(millions)

Debt	\$1,730
Preferred	21
Common	<u>1,311</u>
Total Capitalization	\$3,062



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## Reduced Operating Risk

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- ◆ New management and directors
- ◆ Re-established constructive regulatory relations with the KCC
- ◆ Diverse generating resources
- ◆ Secure base load fuel supplies
- ◆ Comprehensive risk management program
- ◆ Improved distribution reliability

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# Leadership

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- ◆ Senior Management
  - President & CEO, Jim Haines
  - EVP & COO, Bill Moore
  - EVP & CFO, Mark Ruelle
  - SVP Generation and Marketing, Doug Sterbenz
  
- ◆ Strong mix of operational, regulatory and financial experience
  - Each executive officer has president / CEO experience in utility operations

# Utility Operations

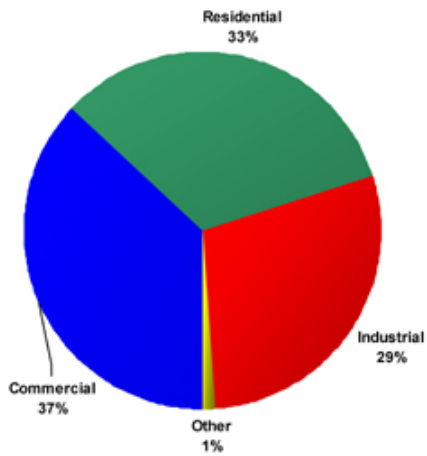
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- ◆ Key Operational Facts:
  - ≈ 650,000 customers
  - Nearly 6,000 MW of generation – 2004 reserve margin 20%
  - 11,000 sq mile service territory
  - 34,500 miles of T & D
  - 2,000 employees

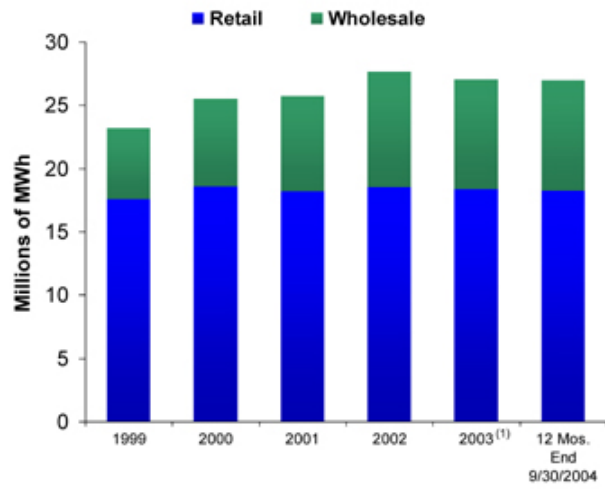
# Diverse Customer Base

**Retail Sales by Class - 2003**



1% annual customer growth ~ 2 – 3% retail sales growth.

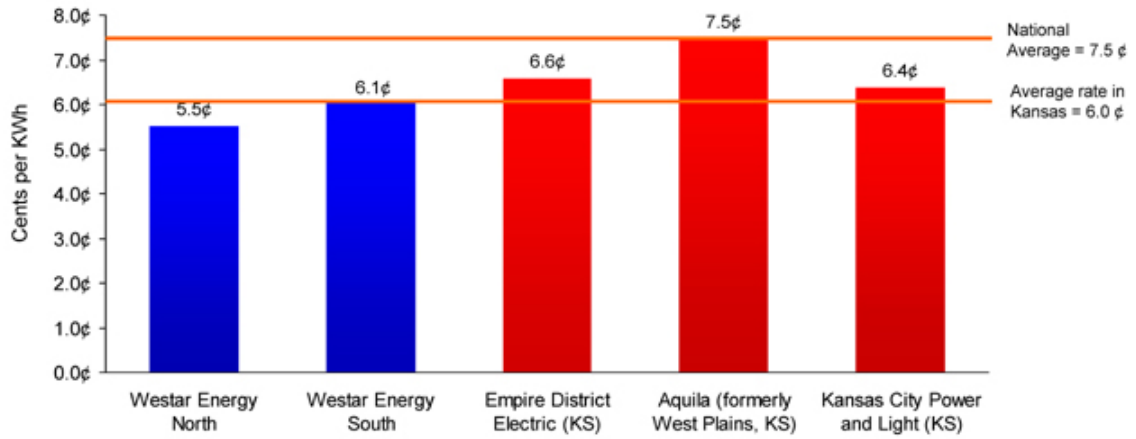
**MWh by Year**



(1) No adjustment for divestiture of 10,000 rural retail customers.

# Low Utility Rates

- ◆ Lowest rates in Kansas
- ◆ 26% and 18% below national average



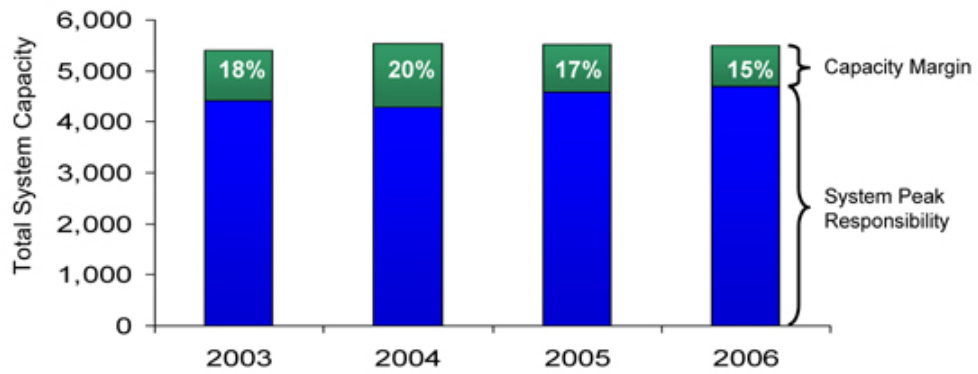
*Westar Energy North/South rate differential has largely been eliminated*

Source: EEI December 31, 2003

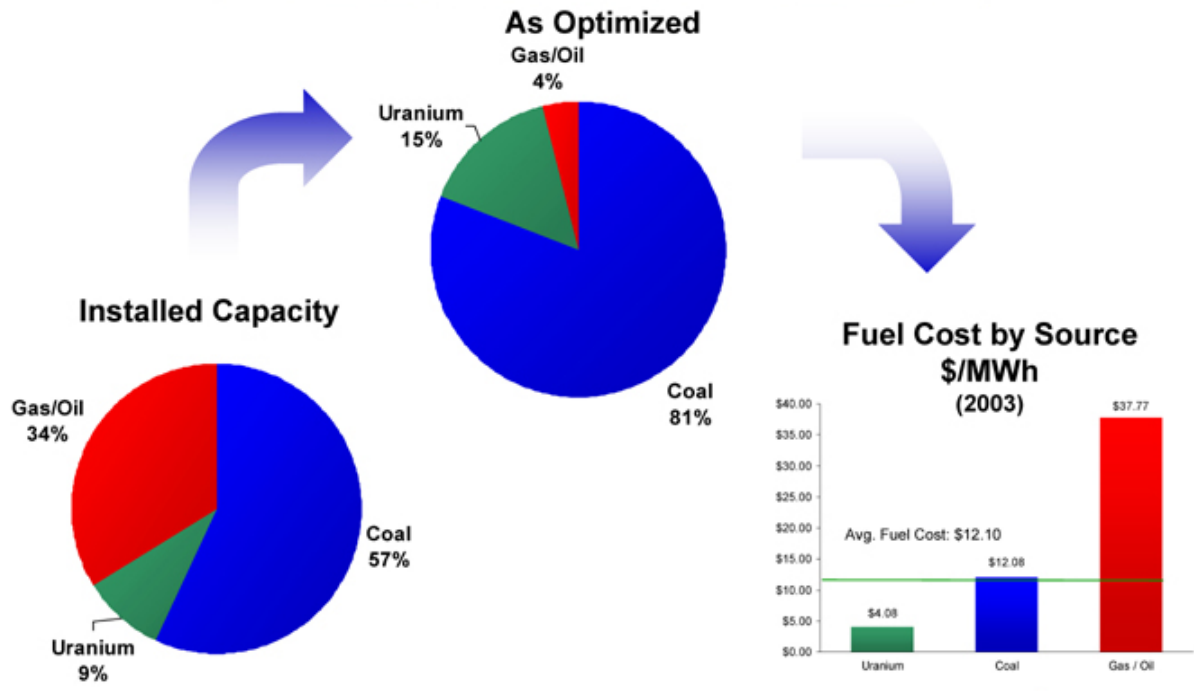


# Self-Sufficient Generation

- ◆ 100% of generating assets in regulated rate base
- ◆ Self-sufficiency minimizes market exposure

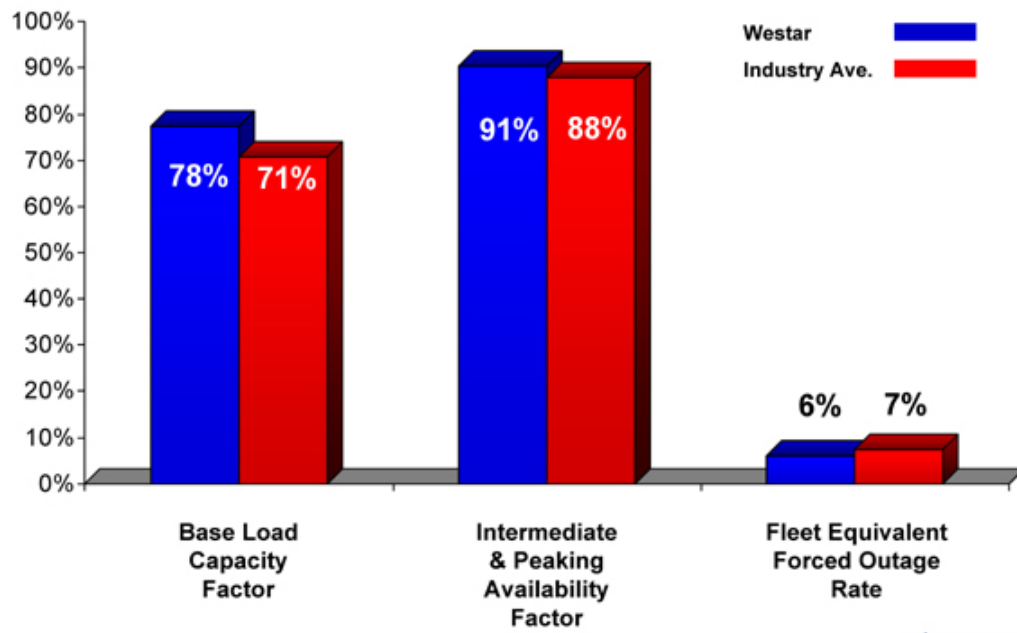


# Competitive Low-Cost Generation Portfolio



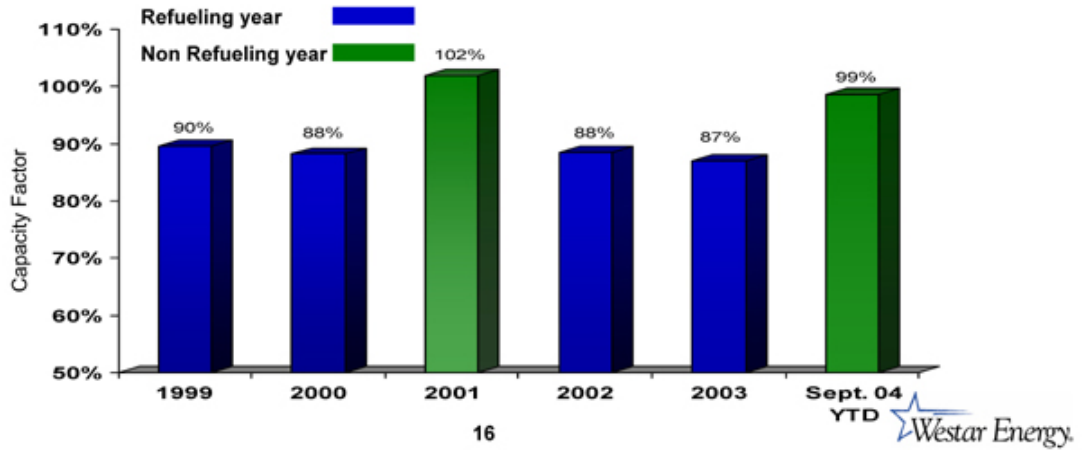
# High Performing Generating Assets

Twelve Months Ended September 30, 2004



# Wolf Creek

- ◆ Received a “2” (Exemplary) rating in last INPO assessment
  - Second highest on scale of 1 to 5
- ◆ All NRC oversight indicators green since 2000
- ◆ Three-year average production cost second lowest in the nation among single-unit systems; competitive with most multi-unit fleets



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# Fuel Supply

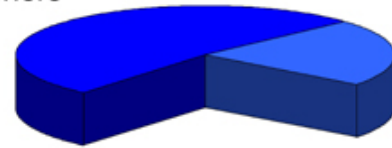
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# Coal Supply

## Westar-operated plant supply (80%)

- ◆ 75% under contract through 2020 (10+ MM tons/yr)
  - 70% w/cost escalators, but no market openers
  - 30% reopened on price every 5 years
    - Next reopening in 2008



- ◆ 25% under contract until 2007 – 2009 (3.5 MM tons/yr)
  - 100% at fixed price or capped through 2007
  - 70% at fixed price or capped through 2009

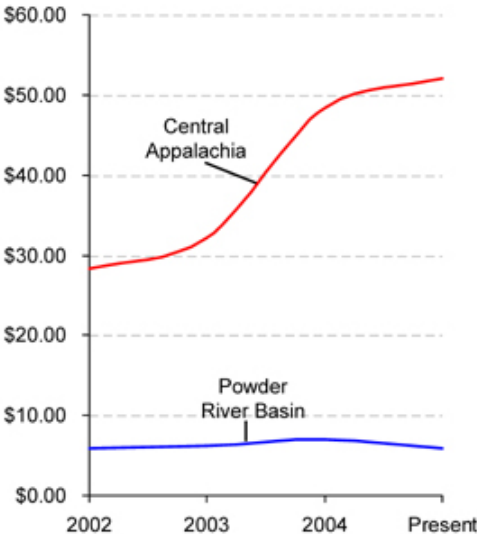


## Co-owned plant supply managed by GXP (20%)

- ◆ 98% under fixed price contract through 2005
- ◆ 75%, 42%, and 30% under fixed price contract for 2006, 2007 and 2008, respectively

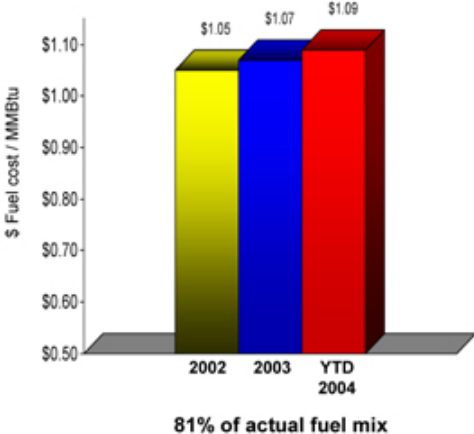
# Coal Prices

Spot Market Activity



Source: CSFB

Company Performance



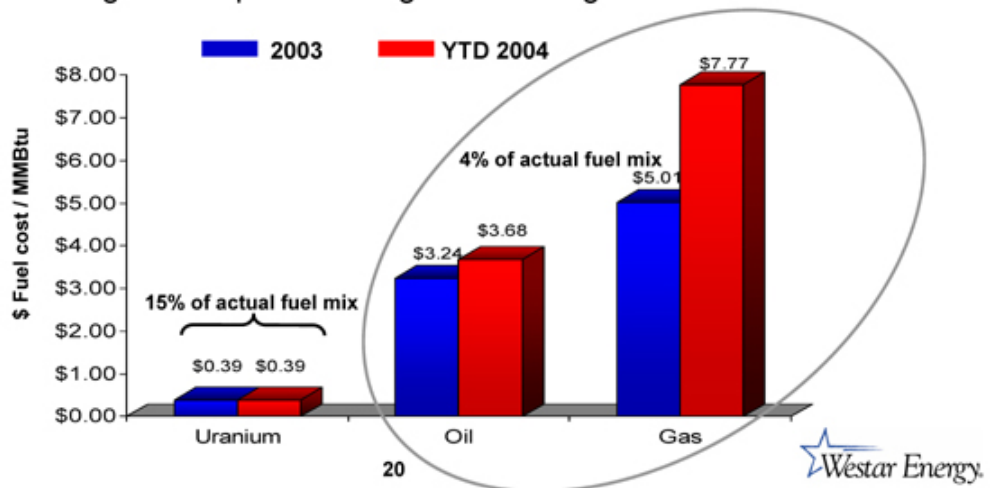
# Uranium and Gas/Oil

## ◆ Uranium

- 100% of uranium and uranium conversion under contract through September 2009

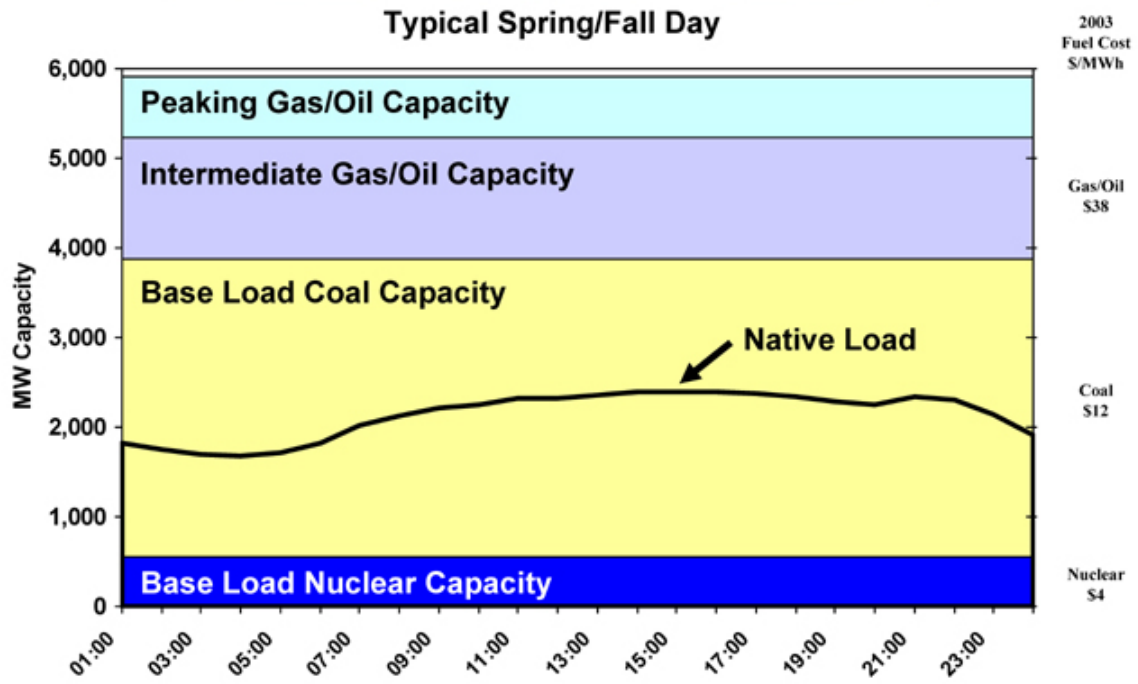
## ◆ Gas/Oil

- No significant quantities of gas or oil hedged





# Illustrative Market Opportunities



# **Energy Marketing Supports Plant Utilization**

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- ◆ Trades occur only where we can physically send and receive power (SPP, MAIN, ECAR, MAPP, SERC)
  
- ◆ Power sales and purchases physically backstopped by what we can consume or produce
  - Minimizes risk of loss in the event of counterparty failure
  - Utility has first call on any wholesale transaction to meet native load

***Energy Marketing enables Westar to optimize usage of its generation portfolio, maximizing value of assets while minimizing risk***

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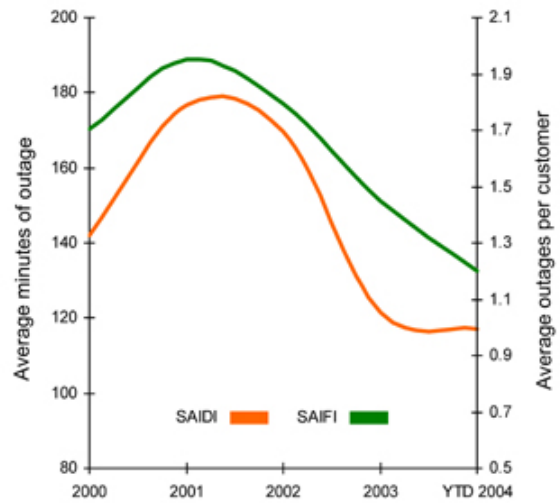
# Customer Operations

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# Reliability Improvement

- ◆ Improved tree trimming
- ◆ Infrared / inspection programs
- ◆ Fuse coordination
- ◆ Upgrade program for poorer performing circuits
- ◆ Increased pole inspection / replacements
- ◆ Apprentice program



SAIDI – System Average Interruption Duration Index  
SAIFI – System Average Interruption Frequency Index

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# Customer Relationship Management

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- ◆ “Virtual Hold”
- ◆ Estimated restoration time
- ◆ Online billing and payment options
- ◆ 41% IVR self-service
- ◆ 96% answered call rate August YTD
  - 87% answered within 30 seconds

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# Regulation

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# Rate-making in Kansas

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- ◆ Historical test year used, but open to forward-looking adjustments
  
- ◆ Statutory 240 days for rate cases
  
- ◆ History of allowing fair ROEs
  
- ◆ Openness toward new ideas
  - Allow fuel adjustment clause
  - Flow through of ad valorem tax changes
  - FAS 106/112 expense recovered through COLI / affordable housing tax credits
  
- ◆ Historical environmental cost recovery

## Rate & Regulatory Matters

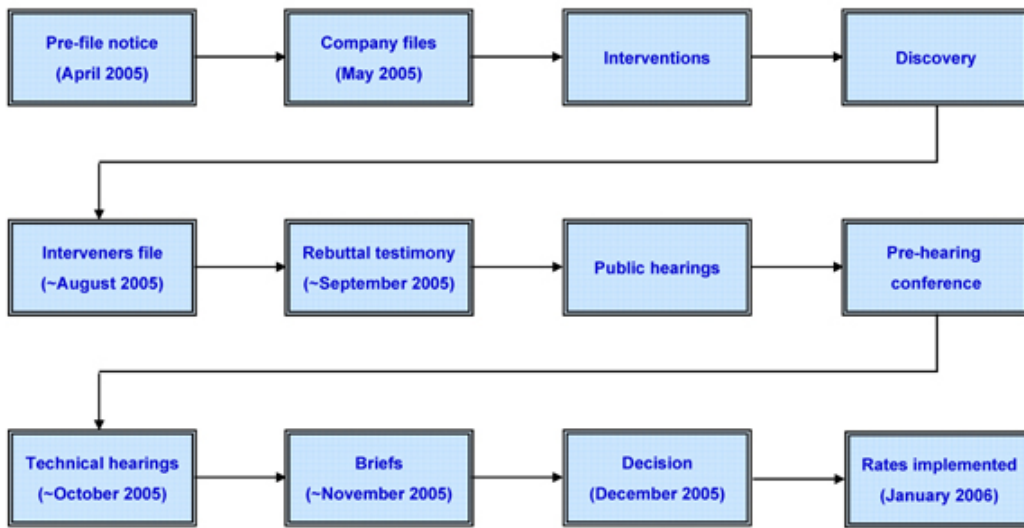
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- ◆ Rate case to be filed May 1, 2005
  - Based on 2004 test year
  - New rates to be effective January 2006
  
- ◆ Two rebates to retail customers
  - \$10.5 million May 1, 2005
  - \$10 million January 1, 2006
  - Amortizing \$8.5 million / yr



# 2005 Rate Case Timeline

*Approximate Dates*



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## EPA New Source Review

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- ◆ Nationwide investigation of modifications at coal-fired power plants
  
- ◆ Fall 2002 EPA issued Section 114 information request to Westar
  - Received notice of violation January 2004
  
- ◆ Settlement discussions ongoing with the EPA
  
- ◆ Expect recovery of clean air expenditures through rates

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# Transmission System Overview

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- ◆ Net investment of \$309 million
  - Represents 8% of total net utility plant
  
- ◆ Member of the Southwest Power Pool (SPP) since 1994
  
- ◆ FERC recently granted SPP RTO status
  - Participating in resolving multi-state issues

## Strong Liquidity and Credit Position

- ◆ \$300 million revolving credit facility
  - Undrawn as of September 30
  - \$38 million of cash on hand September 30
- ◆ Long-term debt reduced from \$3.6 billion to \$1.7 billion
  - More than \$530 million redeemed in 2004
- ◆ Refinanced more than \$600 million of long-term debt
  - \$386 million tax-exempt debt
  - \$225 million first mortgage bonds
- ◆ Light maturity ladder through 2006
  - 2004 - none
  - 2005 - \$ 65 million
  - 2006 - \$100 million

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# Current Focus

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# Current Objectives

Status	Timing	Objective
<b>Financial</b>		
<input checked="" type="checkbox"/>	Mid '04	Complete economic refinancing of callable debt
<input checked="" type="checkbox"/>	Mid '04	Re-establish equity research coverage
<input type="checkbox"/>	Late '04 – mid '05	Obtain investment grade credit quality
<input type="checkbox"/>	Late '04 – ongoing	Implement dividend policy consistent with pure utility company
<input type="checkbox"/>	Late '04 – mid '05	Realize value of remaining non-utility investments
<b>Regulatory and Legal</b>		
<input type="checkbox"/>	Late '04 – mid '05	Establish successful clean air plan
<input type="checkbox"/>	Mid '04 – mid '05	Develop, file and execute successful rate case
<input type="checkbox"/>	Late '04 – mid '05	Resolve shareholder litigation and former officer arbitration
<b>Business Planning</b>		
<input checked="" type="checkbox"/>	Sept '04	Complete successful KGAS separation
<input checked="" type="checkbox"/>	Late '04 – early '05	Continuous integration of business ethics training course
<input type="checkbox"/>	Annually	Meet generation and marketing performance targets
<input type="checkbox"/>	Annually	Meet employee safety targets
<input type="checkbox"/>	Mid '05 – late '05	Establish Generation and Marketing future resource plan
<input type="checkbox"/>	2005	Resolve SPP / RTO issues
<b>Customer Satisfaction and Community Relations</b>		
<input type="checkbox"/>	Annually	Meet customer operations reliability targets
<input type="checkbox"/>	Annually	Continued growth in community involvement efforts

## 2005 Focus

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- ◆ Continue to minimize operating risk
- ◆ Successful rate case
- ◆ Conclude legacy litigation
- ◆ Resolve EPA “new source” review
- ◆ Refine long-term energy supply plan
- ◆ FERC market power test
- ◆ Implement SPP RTO

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# Investment Considerations

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## **Common Dividend Policy**

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- ◆ Restore dividend to level consistent with peers
- ◆ Increase dividend to achieve 60% to 75% payout
- ◆ Dividend announcement later this year
  - Payable January 2005
- ◆ Next dividend review early 2006

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## Investment Highlights

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- ◆ Pure utility / constructive regulation
- ◆ Diverse customer mix / below average utility rates
- ◆ Reliable, low-cost generating assets
- ◆ Stable environment / improving returns
- ◆ Attractive dividend growth opportunity

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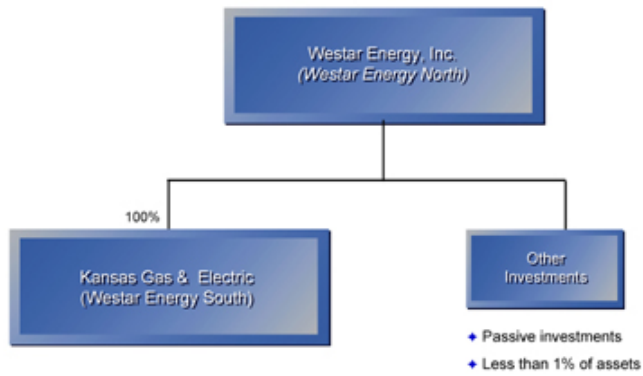
# Appendix

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# Business Structure

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***Westar Energy is currently an exempt holding company in addition to an operating utility as the parent of KGE***

# PUHCA

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- ◆ Currently exempt from registration under 1935 Act
  - Predominately the intrastate exemption
  
- ◆ SEC reevaluating continued eligibility for exemption
  
- ◆ Evaluate options, as needed
  - Reorganize corporate structure
  - Register under the Act
  
- ◆ We expect no material impact

# Remaining Non-Utility Investments

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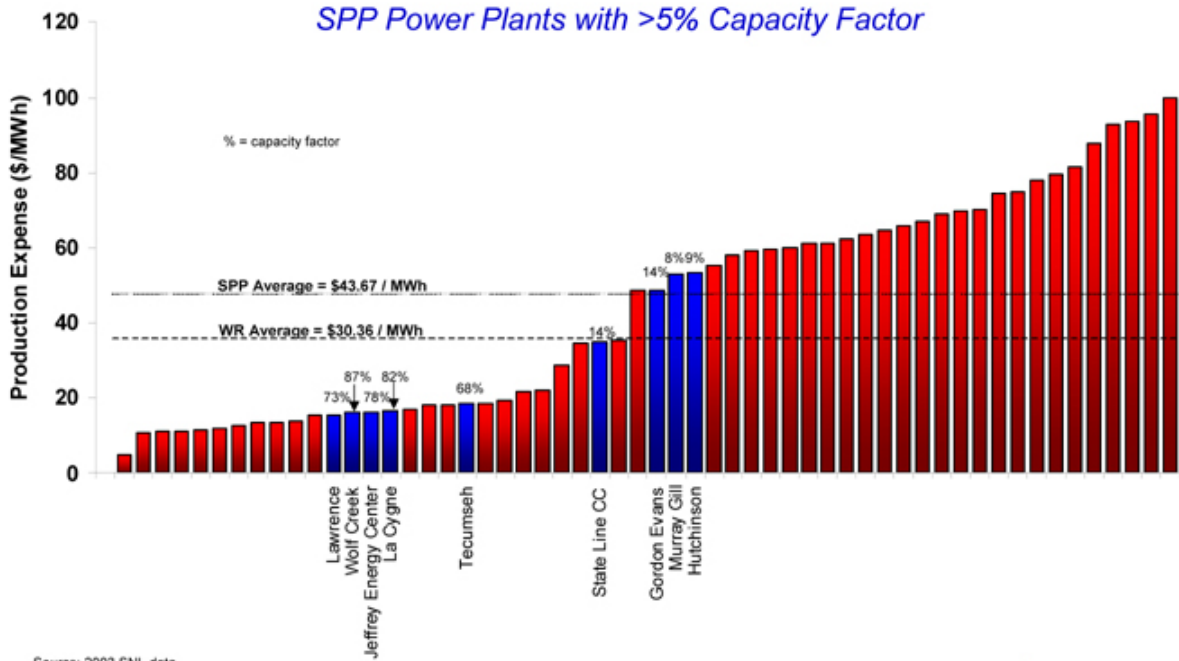
- ◆ Protection One
  - \$26.6 million 7 3/8% Sr. Notes
  - Tax sharing payment participation (up to \$15M)
  - Contingent value on sr. credit facility (up to \$21M)
  
- ◆ International Power Projects
  - Turkey Power Project
  - China Power Project

# Corporate-Owned Life Insurance

- ◆ Corporate-owned life insurance (COLI)
  - Income recorded for increases in cash surrender value and net death proceeds and is non-taxable
  - Interest expense recorded on amounts borrowed against policy value is tax deductible
  - Net premium payments made annually, majority covered by borrowing against increased cash surrender value
  - GAAP requires the amounts to be reported in operating, investing and financing sections on cash flow statement

	<u>2001</u>	<u>2002</u>	<u>2003</u>
Premiums	(23,732)	(23,774)	(23,866)
Increase in CSV	59,078	60,422	60,768
Death Benefits	314	2,308	0
Policy Interest	(44,961)	(46,182)	(47,159)
Tax Benefit	17,884	18,370	18,759

# Low-Cost Generation Fleet in Low-Cost Region



Source: 2003 SNL data.  
 Note: Data reflects SPP Power Plants with greater than 5% capacity factor.





# Regulation in Kansas

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- ◆ Three Commissioners appointed by governor (no more than 2 from same political party)

	<u>Term Ending</u>
● Brian Moline, (D) Chairman	March 15, 2006
● Robert Krehbiel, (D)	March 15, 2007
● Michael Moffet (R)	March 15, 2008
  
- ◆ Commission staff – combination of appointments and civil service positions
  - Staff of 46 in the utilities division
  
- ◆ Common interveners in Kansas regulatory process
  - Citizens Utility Ratepayers Board (CURB)
  - Kansas Industrial Consumers (KIC)
  - Wichita School District

# Westar Energy Market Data

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◆ Ticker	WR
◆ Trading range <sup>(1)</sup>	52-week \$18.06 - \$21.47 30-day \$19.96 - \$20.87
◆ Shares outstanding	85.9 million
◆ Market capitalization	\$1.8 billion
◆ Current annualized dividend yield	3.7%
◆ Equity research coverage:	Citigroup Lehman Brothers Wachovia Hibernia Southcoast

(1) Trading ended October 21, 2004.

# Westar Energy Investor Contact

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785-575-8227  
[bruce\\_burns@wr.com](mailto:bruce_burns@wr.com)

