SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 1997

OR

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

For the transition period from _____________________ to ______________________

Commission File Number 1-3523

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

KANSAS	48-0290150
(State or Other Jurisdiction of Incorporation or Organization)	(Employer Identification No.)

818 KANSAS AVENUE, TOPEKA, KANSAS	66612
(Address of Principal Executive Offices)	(Zip Code)

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

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

Yes X No

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

Class	Outstanding at July 30, 1997
Common Stock, $5.00 par value	65,220,373

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

	June 30, 1997	December 31, 1996
ASSETS		
UTILITY PLANT:		
Electric plant in service	$5,495,749	$5,448,489
Natural gas plant in service	860,752	834,330
	6,356,501	6,282,819
Less - Accumulated depreciation	2,131,200	2,058,596
	4,225,301	4,224,223
Construction work in progress	93,487	93,834
Nuclear fuel (net)	43,998	38,461
Net utility plant	4,362,786	4,356,518
INVESTMENTS AND OTHER PROPERTY:		
Investments in ADT (net)	609,265	590,102
Security business and other property	614,839	584,647
Decommissioning trust	34,638	33,041
	1,258,742	1,207,790
CURRENT ASSETS:		
Cash and cash equivalents	1,899	3,724
Accounts receivable and unbilled revenues (net)	277,676	318,966
Fossil fuel, at average cost	38,719	39,061
Gas stored underground, at average cost	30,508	30,027
Materials and supplies, at average cost	61,679	66,167
Prepayments and other current assets	38,508	36,503
	448,989	494,448
DEFERRED CHARGES AND OTHER ASSETS:		
Deferred future income taxes	259,537	217,257
Corporate-owned life insurance (net)	85,455	86,179
Regulatory assets	228,895	241,039
Other	57,915	44,550
	631,802	589,025
TOTAL ASSETS	$6,702,319	$6,647,781
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION (see statement):		
Common stock equity	$1,633,381	$1,624,680
Cumulative preferred and preference stock	74,858	74,858
Western Resources obligated mandatorily redeemable preferred securities of subsidiary trust holding solely subordinated debentures	220,000	220,000
Long-term debt (net)	1,406,654	1,681,583
	3,334,893	3,601,121
CURRENT LIABILITIES:		
Short-term debt	1,272,658	980,740
Accounts payable	153,502	180,540
Accrued taxes	75,613	83,813
Accrued interest and dividends	64,627	70,193
Other	57,284	36,806
	1,623,684	1,352,092
DEFERRED CREDITS AND OTHER LIABILITIES:		
Deferred income taxes	1,147,402	1,110,372
Deferred investment tax credits	122,169	125,528
Deferred gain from sale-leaseback	227,693	233,060
Other	246,478	225,608
	1,743,742	1,694,568

COMMITMENTS AND CONTINGENCIES (Notes 5 and 7)		
TOTAL CAPITALIZATION AND LIABILITIES	$6,702,319	$6,647,781

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

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

	Three Months Ended June 30, 1997	1996
OPERATING REVENUES:		
Electric	$ 274,396	$ 294,231
Natural gas	179,607	141,890
Total operating revenues	454,003	436,121
OPERATING EXPENSES:		
Fuel used for generation:		
Fossil fuel	56,384	60,598
Nuclear fuel	5,999	5,618
Power purchased	8,700	6,852
Natural gas purchases	57,166	49,561
Other operations	149,846	136,487
Maintenance	28,696	30,152
Depreciation and amortization	56,458	43,102
Amortization of phase-in revenues	4,386	4,386
Taxes:		
Federal income	5,721	11,014
State income	2,266	3,952
General	22,301	25,379
Total operating expenses	397,923	377,101
OPERATING INCOME	56,080	59,020
OTHER INCOME AND DEDUCTIONS:		
Corporate-owned life insurance (net)	(749)	(1,565)
Equity in earnings of investees and other (net)	17,738	5,332
Income taxes (net)	2,089	2,296
Total other income and deductions	19,078	6,063
INCOME BEFORE INTEREST CHARGES	75,158	65,083
INTEREST CHARGES:		
Long-term debt	23,570	26,605
Other	28,168	10,415
Allowance for borrowed funds used during construction (credit)	(915)	(683)
Total interest charges	50,823	36,337
NET INCOME	24,335	28,746
PREFERRED AND PREFERENCE DIVIDENDS	1,229	3,354
EARNINGS APPLICABLE TO COMMON STOCK	$ 23,106	$ 25,392
AVERAGE COMMON SHARES OUTSTANDING	65,045,268	63,465,666
EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING	$ .36	$ .40
DIVIDENDS DECLARED PER COMMON SHARE	$ .525	$ .515

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

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

	Six Months Ended June 30, 1997	1996
OPERATING REVENUES:		
Electric.	$ 542,704	$ 563,216
Natural gas	537,496	428,527
Total operating revenues.	1,080,200	991,743
OPERATING EXPENSES:		
Fuel used for generation:		
Fossil fuel	111,988	121,588
Nuclear fuel.	12,290	7,375
Power purchased	14,545	14,897
Natural gas purchases	216,279	200,084
Other operations.	335,268	279,246
Maintenance	54,632	54,991
Depreciation and amortization	107,243	85,415
Amortization of phase-in revenues	8,772	8,772
Taxes:		
Federal income.	26,475	26,808
State income.	7,631	7,763
General	47,343	50,511
Total operating expenses.	942,466	857,450
OPERATING INCOME.	137,734	134,293
OTHER INCOME AND DEDUCTIONS:		
Corporate-owned life insurance (net).	(3,469)	(3,749)
Equity in earnings of investees and other (net)	24,998	11,069
Income taxes (net).	5,542	985
Total other income and deductions	27,071	8,305
INCOME BEFORE INTEREST CHARGES.	164,805	142,598
INTEREST CHARGES:		
Long-term debt.	47,365	53,104
Other	53,858	17,575
Allowance for borrowed funds used during construction (credit)	(1,786)	(1,616)
Total interest charges.	99,437	69,063
NET INCOME.	65,368	73,535
PREFERRED AND PREFERENCE DIVIDENDS.	2,459	6,709
EARNINGS APPLICABLE TO COMMON STOCK	$ 62,909	$ 66,826
AVERAGE COMMON SHARES OUTSTANDING	64,926,833	63,314,691
EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING	$ .97	$ 1.06
DIVIDENDS DECLARED PER COMMON SHARE	$ 1.05	$ 1.03

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

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

	Twelve Months Ended June 30, 1997	1996
OPERATING REVENUES:		
Electric.	$1,176,921	$1,193,343
Natural gas	958,355	726,030
Total operating revenues.	2,135,276	1,919,373
OPERATING EXPENSES:		
Fuel used for generation:		
Fossil fuel	236,390	239,491
Nuclear fuel.	24,877	17,036
Power purchased	27,240	24,992
Natural gas purchases	370,950	321,538

Other operations	664,017	535,207
Maintenance	98,763	109,168
Depreciation and amortization	205,550	168,415
Amortization of phase-in revenues	17,544	17,545
Taxes:		
Federal income	69,724	74,516
State income	18,903	19,563
General	93,884	98,232
Total operating expenses	1,827,842	1,625,703
OPERATING INCOME	307,434	293,670
OTHER INCOME AND DEDUCTIONS:		
Corporate-owned life insurance (net)	(1,969)	(2,880)
Special charges from ADT	(18,181)	-
Equity in earnings of investees and other (net)	45,652	25,932
Income taxes (net)	7,547	6,484
Total other income and deductions	33,049	29,536
INCOME BEFORE INTEREST CHARGES	340,483	323,206
INTEREST CHARGES:		
Long-term debt	100,002	101,217
Other	83,093	34,134
Allowance for borrowed funds used during construction (credit)	(3,395)	(4,065)
Total interest charges	179,700	131,286
NET INCOME	160,783	191,920
PREFERRED AND PREFERENCE DIVIDENDS	10,589	13,419
EARNINGS APPLICABLE TO COMMON STOCK	$ 150,194	$ 178,501
AVERAGE COMMON SHARES OUTSTANDING	64,631,972	62,903,857
EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING	$ 2.32	$ 2.84
DIVIDENDS DECLARED PER COMMON SHARE	$ 2.08	$ 2.04

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)

	Six Months Ended June 30,	
	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 65,368	$ 73,535
Depreciation and amortization	117,573	90,555
Amortization of nuclear fuel	9,803	5,602
Amortization of phase-in revenues	8,772	8,772
Corporate-owned life insurance	(13,930)	(12,565)
Amortization of gain from sale-leaseback	(5,367)	(4,820)
Deferred acquisition costs	(14,534)	(5,910)
Equity in earnings of investees	(25,791)	(11,788)
Changes in working capital items:		
Accounts receivable and unbilled revenues (net)	41,290	25,292
Fossil fuel	342	8,373
Gas stored underground	(481)	300
Accounts payable	(27,038)	(17,184)
Accrued taxes	(12,239)	(10,998)
Other	17,015	(2,333)
Changes in other assets and liabilities	(15,726)	(21,332)
Net cash flows from operating activities	145,057	125,499
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Additions to utility plant	105,592	86,906
Purchase of ADT common stock	-	443,520
Non-utility investments (net)	27,092	4,761
Corporate-owned life insurance policies	24,557	50,828

Death proceeds of corporate-owned life insurance policies	(2,155)	-
Net cash flows used in investing activities	155,086	586,015
CASH FLOWS FROM FINANCING ACTIVITIES:		
Short-term debt (net)	291,918	536,305
Bonds retired	(65)	(16,135)
Revolving credit agreements (net)	(273,594)	(50,000)
Other long-term debt (net).	(1,405)	20
Borrowings against life insurance policies.	47,782	44,321
Repayment of borrowings against life insurance policies .	(652)	-
Common stock issued (net)	13,996	16,103
Dividends on preferred, preference and common stock . . .	(69,776)	(71,008)
Net cash flows from financing activities.	8,204	459,606
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,825)	(910)
CASH AND CASH EQUIVALENTS:		
Beginning of the period	3,724	2,414
End of the period	$ 1,899	$ 1,504
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest on financing activities (net of amount capitalized).	$ 130,152	$ 95,490
Income taxes.	41,430	49,104

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

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

	Twelve Months Ended June 30, 1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income.	$ 160,783	$ 191,920
Depreciation and amortization	217,646	170,133
Amortization of nuclear fuel.	19,886	12,862
Amortization of phase-in revenues	17,544	17,545
Corporate-owned life insurance.	(31,078)	(17,307)
Amortization of gain from sale-leaseback.	(10,187)	(9,639)
Deferred acquisition costs.	(40,142)	(5,910)
Equity in earnings of investees	(23,376)	(11,788)
Changes in working capital items:		
Accounts receivable and unbilled revenues (net)	(31,476)	(53,157)
Fossil fuel	7,650	3,882
Gas stored underground.	(2,702)	4,550
Accounts payable.	5,499	14,239
Accrued taxes	25,468	(19,007)
Other	37,673	9,596
Changes in other assets and liabilities	(58,344)	(24,048)
Net cash flows from operating activities	294,844	283,871
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Additions to utility plant.	218,195	216,542
Purchase of ADT common stock.	145,842	443,520
Security business acquisitions.	368,535	-
Non-utility investments (net)	28,894	10,714
Corporate-owned life insurance policies	27,736	51,962
Death proceeds of corporate-owned life insurance policies .	(12,808)	(10,900)
Net cash flows used in (from) investing activities. . .	776,394	711,838
CASH FLOWS FROM FINANCING ACTIVITIES:		
Short-term debt (net)	532,903	456,955
Bonds retired	(65)	(16,135)
Revolving credit agreement (net).	1,406	(57,500)
Other long-term debt issued	(1,425)	20
Other mandatorily redeemable securities	120,000	100,000
Redemption of preference stock.	(100,000)	-
Borrowings against life insurance policies.	49,439	45,789
Repayment of borrowings against life insurance policies . .	(5,615)	(5,269)
Common stock issued (net)	31,105	43,688
Dividends on preferred, preference and common stock	(145,803)	(140,555)
Net cash flows from (used in) financing activities. . .	481,945	426,993

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	395	(974)
CASH AND CASH EQUIVALENTS:		
Beginning of the period	1,504	2,478
End of the period	$ 1,899	$ 1,504
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest on financing activities (net of amount capitalized)	$ 205,297	$ 147,164
Income taxes	59,018	85,105

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

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

	June 30, 1997		December 31, 1996	
COMMON STOCK EQUITY (see statement):				
Common stock, par value $5 per share, authorized 85,000,000 shares, outstanding 65,081,753 and 63,847,133 shares, respectively	$ 325,408		$ 323,126	
Paid-in capital	751,147		739,433	
Retained earnings	556,826		562,121	
	1,633,381	49%	1,624,680	45%
CUMULATIVE PREFERRED AND PREFERENCE STOCK:				
Preferred stock not subject to mandatory redemption, Par value $100 per share, authorized 600,000 shares, outstanding -				
4 1/2% Series, 138,576 shares	13,858		13,858	
4 1/4% Series, 60,000 shares	6,000		6,000	
5% Series, 50,000 shares	5,000		5,000	
	24,858		24,858	
Preference stock subject to mandatory redemption, Without par value, $100 stated value, Authorized 4,000,000 shares, outstanding -				
7.58% Series, 500,000 shares	50,000		50,000	
	74,858	2%	74,858	2%
WESTERN RESOURCES OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES OF SUBSIDIARY TRUSTS HOLDING SOLELY COMPANY SUBORDINATED DEBENTURES	220,000	7%	220,000	6%
LONG-TERM DEBT:				
First mortgage bonds	825,000		825,000	
Pollution control bonds	521,617		521,682	
Revolving credit agreement	-		275,000	
Other long-term debt	65,191		65,190	
Less:				
Unamortized premium and discount (net)	5,154		5,289	
	1,406,654	42%	1,681,583	47%
	$3,334,893	100%	$3,601,121	100%

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

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

	Common Stock	Paid-in Capital	Retained Earnings

BALANCE DECEMBER 31, 1995, 62,855,961 shares.	$314,280	$697,962	$540,868
Net income.			73,535
Cash dividends:			
Preferred and preference stock.			(6,709)
Common stock, $1.03 per share			(65,263)
Issuance of 991,172 shares of common stock.	4,955	23,876	(1,247)
BALANCE JUNE 30, 1996, 63,847,133 shares.	319,235	721,838	541,184
Net income.			95,415
Cash dividends:			
Preferred and preference stock.			(8,130)
Common stock, $1.03 per share			(66,348)
Issuance of 778,126 shares of common stock.	3,891	17,595	
BALANCE DECEMBER 31, 1996, 64,625,259 shares.	323,126	739,433	562,121
Net income.			65,368
Cash dividends:			
Preferred and preference stock.			(2,459)
Common stock, $1.05 per share			(68,204)
Issuance of 456,494 shares of common stock.	2,282	11,714	
BALANCE JUNE 30, 1997, 65,081,753 shares.	$325,408	$751,147	$556,826

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

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

1. ACCOUNTING POLICIES AND OTHER INFORMATION

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

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

The company currently applies accounting standards that recognize the economic effects of rate regulation Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation", (SFAS 71) and, accordingly, has recorded regulatory assets and liabilities related to its generation, transmission and distribution operations. In 1996, the KCC initiated a generic docket to study electric restructuring issues. A retail wheeling task force has been created by the Kansas Legislature to study competitive trends in retail electric services. During the 1997 session of the Kansas Legislature, bills were introduced to increase competition in the electric industry. Among the matters under consideration is the recovery by utilities of costs in excess of competitive cost levels. There can be no assurance at this time that such costs will be recoverable if open competition is initiated in the electric utility market. In the event the company determines that it no longer meets the criteria set forth in SFAS 71, the accounting impact would be an extraordinary non-cash charge to operations of an amount that would be material. Criteria that give rise to the discontinuance of SFAS 71 include, (1) increasing competition that restricts the company's ability to establish prices to recover specific costs, and (2) a significant change in the manner in which rates are set by regulators from a cost-based regulation to another form of regulation. The company periodically reviews these criteria to ensure the continuing application of SFAS 71 is appropriate. Based on current evaluation of the various factors

and conditions that are expected to impact future cost recovery, the company believes that its net regulatory assets are probable of future recovery. Any regulatory changes that would require the company to discontinue SFAS 71 based upon competitive or other events may significantly impact the valuation of the company's net regulatory assets and certain utility plant investments, particularly the Wolf Creek facility. At this time, the effect of competition and the amount of regulatory assets which could be recovered in such an environment cannot be predicted. See Note 6 for further discussion on regulatory assets.

Environmental Remediation: Effective January 1, 1997, the company adopted the provisions of Statement of Position (SOP) 96-1, "Environmental Remediation Liabilities". This statement provides authoritative guidance for recognition, measurement, display, and disclosure of environmental remediation liabilities in financial statements. The company's best current estimate of the most likely range of environmental costs to be incurred per site based upon limited current information presently available is approximately $100,000 to $10 million. It should be noted that additional information and testing could result in costs significantly below or in excess of the amounts noted above to be incurred. The KCC has permitted another Kansas utility to recover certain remediation costs through rates. To the extent that such remediation costs are not recovered through rates, the costs could be material to the company's financial position or results of operations, depending on the degree of remediation required and number of years over which the remediation must be completed.

Consolidated Statements of Cash Flows: For purposes of the Consolidated Statements of Cash Flows, the company considers highly liquid collateralized debt instruments purchased with a maturity of three months or less to be cash equivalents.

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

	June 30, 1997	December 31, 1996
	(Dollars in Millions)	
Cash surrender value of contracts (1).	$609.4	$563.0
Borrowings against contracts	(523.9)	(476.8)
COLI (net).	$ 85.5	$ 86.2

(1) Cash surrender value of contracts as presented represents the value of the policies as of the end of the respective policy years and not as of June 30, 1997 and December 31, 1996.

Income is recorded for increases in cash surrender value and net death proceeds. Interest expense is recognized for COLI borrowings except for certain contracts entered into in 1993 and 1992. The net income generated from COLI contracts purchased prior to 1992 including the tax benefit of the interest deduction and premium expenses are recorded as Corporate-owned Life Insurance (net) on the Consolidated Statements of Income. The income from increases in cash surrender value and net death proceeds was $6.7 million, $10.9 million, and $26.1 million for the three, six, and twelve months ended June 30, 1997, respectively, compared to $5.4 million, $10.2 million, and $24.7 million for the three, six, and twelve months ended June 30, 1996, respectively. The interest expense deduction taken was $7.4 million, $14.4 million, and $28.1 million for

the three, six, and twelve months ended June 30, 1997, respectively, compared to $7.0 million, $13.9 million, and $27.6 million for the three, six, and twelve months ended June 30, 1996, respectively.

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

In 1996, Congress passed legislation that will phase out tax benefits associated with the 1992 and 1993 COLI policies and eliminate the benefit altogether beginning after 1999. The loss of tax benefits will significantly reduce COLI earnings. The company filed an application with the KCC on May 9, 1997 requesting approval to invest in an Affordable Housing Tax Credit program in replacement of the 1992 and 1993 COLI policies. The company has the ability to seek recovery of postretirement and postemployment costs through the rate making process. Regulatory precedents established by the KCC are expected to permit the accrued costs of postretirement and postemployment benefits to be recovered in rates. If a suitable COLI replacement product cannot be found, or these costs cannot be recovered in rates, the company may be required to expense the regulatory asset of approximately $46 million. The legislation had minimal impact on the company's COLI policies entered into prior to 1992. See Notes 9 and 12 to the Consolidated Financial Statements of the company's 1996 Annual Report on Form 10-K for additional disclosure.

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

2. MERGER AGREEMENT WITH KANSAS CITY POWER & LIGHT COMPANY

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

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

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

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

The company estimates it will incur approximately $48 million of transaction costs associated with the KCPL Merger. The company anticipates expensing these costs in the first reporting period subsequent to closing the KCPL Merger.

3. STRATEGIC ALLIANCE WITH ONEOK INC.

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

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

4. INVESTMENTS

During 1996, the company acquired approximately 38.3 million common shares of ADT Limited (ADT) for approximately $589 million and made an offer to acquire the remaining ADT common shares it did not already own. This offer was rejected by ADT. The company's offer was withdrawn on July 2, 1997. On July 2, 1997, ADT merged with Tyco International (Tyco). The merger was completed in a stock for stock transaction. At the merger date, the company's 38.3 million ADT common shares were converted to approximately 18 million common shares of Tyco. This amount represents less than 10% of the total Tyco common shares outstanding. Due to the consummation of this merger, the company is no longer interested in maintaining a significant investment in Tyco. The company discontinued the equity method of accounting for this investment following the merger and will reclassify this investment as an available for sale security in July of 1997 pursuant to Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities." The company's average basis in its Tyco common stock approximates $35 per share. The market price of the Tyco common stock as reported on the New York Stock Exchange at the close of business on July 29, 1997 was $80.19 per common share.

The company has sold approximately 5 million shares or $387 million of Tyco stock and now holds 13.5 million shares of Tyco. The company will record a material gain on the sale of these shares of Tyco stock during the third quarter of 1997. Net proceeds from the Tyco stock sale will be used to repay short-term debt, for corporate acquisitions and for other corporate purposes.

5. LEGAL PROCEEDINGS

On December 18, 1996, Westar Capital filed a complaint in the U.S. District Court for the Southern District of Florida against ADT and others. The complaint alleges that ADT breached its fiduciary duty to its shareholders in connection with certain warrants granted to Republic Industries and actions taken with respect to the company's offer for ADT. On April 16, 1997, Westar Capital filed a petition with the Supreme Court of Bermuda alleging that the ADT/Tyco merger wrongly deprived ADT shareholders of appraisal rights under the Bermuda Companies Act. The cases are currently pending.

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

On January 8, 1997, Innovative Business Systems, Ltd. (IBS) filed suit against the company and Westinghouse Electric Corporation (WEC), Westinghouse Security Systems, Inc. (WSS), and WestSec, Inc. (WestSec), a wholly-owned subsidiary of the company established to acquire the assets of WSS, in Dallas County, Texas district court (Cause No 97-00184) alleging, among other things, breach of contract by WEC and interference with contract against the company in connection with the sale by WEC of the assets of WSS to the company. IBS claims that WEC improperly transferred software owned by IBS to the company and that the company is not entitled to its use. The company has demanded WEC defend and indemnify it. WEC and the company have denied IBS' allegations and are vigorously defending against them. While the loss of use of the license could have a material impact on the operations of WestSec, management does not believe that the ultimate disposition of this matter will have a material adverse effect upon the company's overall financial condition or results of operations.

The company and its subsidiaries are involved in various other legal, environmental, and regulatory proceedings. Management believes that adequate provision has been made and accordingly believes that the ultimate dispositions of these matters will not have a material adverse effect upon the company's overall financial position or results of operations.

6. RATE MATTERS AND REGULATION

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

	June 30, 1997	December 31, 1996
	(Dollars in Thousands)	
Coal contract settlement costs	$ 18,537	$ 21,037
Service line replacement	10,337	12,921
Post employment/retirement benefits	46,224	40,834
Deferred plant costs	31,125	31,272
Phase-in revenues	17,545	26,317
Debt issuance costs	75,520	78,532
Deferred cost of gas purchased	21,009	21,332
Other regulatory assets	8,597	8,794
Total regulatory assets	$228,894	$241,039

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

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

On November 27, 1996, the KCC issued a Suspension Order and on December 3, 1996, an order was issued which suspended, subject to refund, the collection of costs related to purchases from Kansas Pipeline Partnership (KPP) included in the company's cost of gas rider (COGR).

On July 29, 1997, the KCC approved a settlement agreement between the company and certain entities affiliated with The Bishop Group, Ltd. (Bishop Entities), including KPP, and the KCC staff which settles all major outstanding issues between the company and the Bishop Entities. The settlement agreement also terminates several proceedings before the KCC, including the investigation of the company's purchasing practices and the resulting suspension of the company's COGR in the December 3, 1996 order. Dismissal of the KCC investigation ends the suspension and eliminates any potential refund liability for gas costs related to purchases from KPP included in the company's COGR.

On May 30, 1997, the company and KCPL jointly filed applications with the KCC and the Missouri Public Service Commission asking for approval of a combination of the two companies.

7. COMMITMENTS AND CONTINGENCIES

Manufactured Gas Sites: The company has been associated with 15 former manufactured gas sites located in Kansas which may contain coal tar and other potentially harmful materials. The company and the Kansas Department of Health and Environment (KDHE) entered into a consent agreement governing all future work at the 15 sites. The terms of the consent agreement will allow the company to investigate these sites and set remediation priorities based upon the results of the investigations and risk analysis. The prioritized sites will be investigated over a ten year period. The agreement will allow the company to set mutual objectives with the KDHE in order to expedite effective response activities and to control costs and environmental impact. As of June 30, 1997, the costs incurred for site investigation and risk assessment have been minimal. Since the site investigations are preliminary, no formal agreement on costs to be incurred has been reached, but the minimum potential liability would not be material to the financial statements. An accrual for these environmental contingencies has not been reflected in the accompanying financial statements. In accordance with the terms of the ONEOK agreement, ownership of twelve of the aforementioned sites will be transferred to New ONEOK upon closing. The ONEOK agreement limits the company's liabilities to an immaterial amount for future remediation of these sites.

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

Clean Air Act: The Clean Air Act Amendments of 1990 (the Act) require a two-phase reduction in certain emissions. To meet the monitoring and reporting requirements under the acid rain program, the company installed continuous monitoring and reporting equipment at a total cost of approximately $10 million as of June 30, 1997. The company does not expect material expenditures to be needed to meet Phase II sulfur dioxide requirements.

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

Decommissioning: The company accrues decommissioning costs over the expected life of the Wolf Creek generating facility. The accrual is based on estimated unrecovered decommissioning costs which consider inflation over the remaining estimated life of the generating facility and are net of expected earnings on amounts recovered from customers and deposited in an external trust fund.

Approval of the 1996 Decommissioning Cost Study was received from the KCC on February 28, 1997. Based on the study, the company's share of these decommissioning costs, under the immediate dismantlement method, is estimated to be approximately $624 million during the period 2025 through 2033, or approximately $192 million in 1996 dollars. These costs were calculated using an assumed inflation rate of 3.6% over the remaining service life from 1996 of 29 years.

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

The company's investment in the decommissioning fund, including reinvested earnings approximated $34.6 million and $33.0 million at June 30, 1997 and December 31, 1996, respectively. Trust fund earnings accumulate in the fund balance and increase the recorded decommissioning liability. These amounts are reflected in Investments and Other Property, Decommissioning trust, and the related liability is included in Deferred Credits and Other Liabilities, Other, on the Consolidated Balance Sheets.

The staff of the SEC has questioned certain current accounting practices used by nuclear electric generating station owners regarding the recognition, measurement, and classification of decommissioning costs for nuclear electric generating stations. In response to these questions, the Financial Accounting Standards Board is expected to issue new accounting standards for removal costs, including decommissioning, in 1998. If current electric utility industry accounting practices for such decommissioning costs are changed: (1) annual decommissioning expenses could increase, (2) the estimated present value of decommissioning costs could be recorded as a liability rather than as accumulated depreciation, and (3) trust fund income from the external decommissioning trusts could be reported as investment income rather than as a reduction to decommissioning expense. When revised accounting guidance is issued, the company will also have to evaluate its effect on accounting for removal costs of other long-lived assets. The company is not able to predict what effect such changes would have on results of operations, financial position, or related regulatory practices until the final issuance of revised accounting guidance, but such effect could be material.

The company carries premature decommissioning insurance which has several restrictions. One of these is that it can only be used if Wolf Creek incurs an

accident exceeding $500 million in expenses to safely stabilize the reactor, to decontaminate the reactor and reactor station site in accordance with a plan approved by the Nuclear Regulatory Commission (NRC), and to pay for on-site property damages. This decommissioning insurance will only be available if the insurance funds are not needed to implement the NRC-approved plan for stabilization and decontamination.

Nuclear Insurance: The Price-Anderson Act limits the combined public liability of the owners of nuclear power plants to $8.9 billion for a single nuclear incident. If this liability limitation is insufficient, the U.S.

Congress will consider taking whatever action is necessary to compensate the public for valid claims. The Wolf Creek owners (Owners) have purchased the maximum available private insurance of $200 million and the balance is provided by an assessment plan mandated by the NRC. Under this plan, the Owners are jointly and severally subject to a retrospective assessment of up to $79.3 million ($37.3 million, company's share) in the event there is a major nuclear incident involving any of the nation's licensed reactors. This assessment is subject to an inflation adjustment based on the Consumer Price Index and applicable premium taxes. There is a limitation of $10 million ($4.7 million, company's share) in retrospective assessments per incident, per year.

The Owners carry decontamination liability, premature decommissioning liability, and property damage insurance for Wolf Creek totaling approximately $2.8 billion ($1.3 billion, company's share). This insurance is provided by a combination of "nuclear insurance pools" ($500 million) and Nuclear Electric Insurance Limited (NEIL) ($2.3 billion). In the event of an accident, insurance proceeds must first be used for reactor stabilization and site decontamination. The company's share of any remaining proceeds can be used for property damage or premature decommissioning costs up to $1.3 billion (company's share). Premature decommissioning insurance cost recovery is excess of funds previously collected for decommissioning (as discussed under "Decommissioning").

The Owners also carry additional insurance with NEIL to cover costs of replacement power and other extra expenses incurred during a prolonged outage resulting from accidental property damage at Wolf Creek. If losses incurred at any of the nuclear plants insured under the NEIL policies exceed premiums, reserves, and other NEIL resources, the company may be subject to retrospective assessments under the current policies of approximately $8 million per year.

Although the company maintains various insurance policies to provide coverage for potential losses and liabilities resulting from an accident or an extended outage, the company's insurance coverage may not be adequate to cover the costs that could result from a catastrophic accident or extended outage at Wolf Creek. Any substantial losses not covered by insurance, to the extent not recoverable through rates, would have a material adverse effect on the company's financial condition and results of operations.

Fuel Commitments: To supply a portion of the fuel requirements for its generating plants, the company has entered into various commitments to obtain nuclear fuel and coal. Some of these contracts contain provisions for price escalation and minimum purchase commitments. At December 31, 1996, WCNOC's nuclear fuel commitments (company's share) were approximately $15.4 million for uranium concentrates expiring at various times through 2001, $59.4 million for enrichment expiring at various times through 2003, and $70.3 million for fabrication through 2025. At December 31, 1996, the company's coal contract commitments in 1996 dollars under the remaining terms of the contracts were approximately $2.6 billion. The largest coal contract expires in 2020, with the remaining coal contracts expiring at various times through 2013.

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

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

8. INCOME TAXES

Total income tax expense included in the Consolidated Statements of Income

reflects the Federal statutory rate of 35%. The Federal statutory rate produces effective income tax rates of 27.9%, 33.1%, and 33.1% for the three, six, and twelve month periods ended June 30, 1997 compared to 31.6%, 32.5%, and 31.9% for the three, six, and twelve month periods ended June 30, 1996. The effective income tax rates vary from the Federal statutory rate due to permanent differences, including the amortization of investment tax credits, and accelerated amortization of certain deferred income taxes.

9. MERGER AGREEMENT WITH PROTECTION ONE, INC.

On July 30, 1997, Protection One, Inc. (Protection One), a publicly held security provider, and the company entered into an agreement to combine the security assets of both companies. Under the agreement, the company will contribute its security business assets, approximately $250 million in cash and additional funding for a special dividend to current Protection One shareholders of $7.00 per common share in exchange for an 80.1% equity interest on a fully-diluted basis. The aggregate amount of this dividend is expected to approximate $117 million. Protection One will assume approximately $47 million in debt of Westar Security. As of March 31, 1997, Protection One reported approximately $265 million of long-term debt, all or a portion of which may be reduced by the cash payment in the transaction. The company will utilize short-term borrowings, long-term borrowings or funds received from the sale of Tyco stock to fund this transaction.

Protection One serves approximately 228,000 customers with a large concentration of its customers in the western portion of the United States. The company plans to account for this acquisition using the purchase method of accounting. The proposed transaction is subject to satisfaction of customary conditions, including approval by Protection One shareholders. The company expects to consummate this transaction during the second half of 1997.

WESTERN RESOURCES, INC.

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations in the company's 1996 Annual Report on Form 10-K. The following updates the information provided in the 1996 Annual Report on Form 10-K and analyzes certain changes in the results of operations between the three, six, and twelve month periods ended June 30, 1997 and comparable periods of 1996.

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

FINANCIAL CONDITION

General: Net income for the second quarter of 1997 was $24.3 million, down from net income of $28.7 million for the same period of 1996. The company earned $0.36 per share of common stock for the second quarter of 1997, a decrease of $0.04 per share from the second quarter of 1996. Operating revenues were $454 million and $436 million for the three months ended June 30, 1997 and 1996, respectively.

Net income for the six and twelve months ended June 30, 1997, was $65.4 million and $160.8 million, respectively, compared to $73.5 million and $191.9 million for the same periods of 1996. The company earned $0.97 and $2.32 per share of common stock, respectively, for the six and twelve months ended June 30, 1997 compared to $1.06 and $2.84 for the comparable periods of 1996.

Operating revenues were $1.1 billion and $2.1 billion for the six and twelve months ended June 30, 1997, respectively. These revenues compare to $1.0 billion and $1.9 billion for the same periods of 1996.

The changes in net income, earnings per share, and operating revenues are primarily due to the reasons discussed below in Results of Operations.

A quarterly dividend of $0.525 per share was declared in the second quarter of 1997, for an indicated annual rate of $2.10 per share. The book value per share was $25.10 at June 30, 1997, down slightly from $25.14 at December 31, 1996. There were 65,045,268 and 63,465,666 average shares outstanding for the second quarter of 1997 and 1996, respectively.

Liquidity and Capital Resources: The company's short-term financing requirements are satisfied, as needed, through the sale of commercial paper, short-term bank loans and borrowings under unsecured lines of credit maintained with banks. At June 30, 1997, short-term borrowings amounted to $1.3 billion, of which $968 million was commercial paper and the balance was from uncommitted bank loans.

The company's short-term debt balance at June 30, 1997, increased approximately $292 million from December 31, 1996. The increase was primarily a result of the company's converting $275 million borrowed under a revolving credit agreement to short-term debt during the first quarter of 1997.

At June 30, 1997, the company had bank credit arrangements available of $973 million, of which $0 was outstanding.

The company maintains a $350 million revolving credit agreement that expires on October 5, 1999. Under the terms of this agreement, the company may, at its option, borrow at different market-based interest rates and is required, among other restrictions, to maintain a total debt to total capitalization ratio of not greater than 65% at all times. A facility fee is paid on the $350 million commitment. The unused portion of the revolving credit facility may be used to provide support for commercial paper. At June 30, 1997, the company had $0 borrowed under the facility.

The company currently has an effective registration statement under which up to $550 million in bonds and other debt securities are registered for sale. The company currently expects to sell these debt securities in the third quarter of 1997. Net proceeds of any securities sales will be used primarily to repay short-term debt, for corporate acquisitions and for other corporate purposes.

The company estimates it will incur approximately $48 million of transaction costs associated with the KCPL Merger. The company anticipates expensing these costs in the first reporting period subsequent to closing the KCPL Merger.

Due to the consummation of the ADT and Tyco merger, the company is no longer interested in maintaining a significant investment in Tyco and has reclassified this investment as an available for sale security in July of 1997 subsequent to the ADT/Tyco merger. See Note 4 of the Notes to the Consolidated Financial Statements.

Subsequent to the ADT/Tyco merger which was completed on July 2, 1997, the company has sold approximately 5 million shares or $387 million of Tyco stock and now holds 13.5 million shares of Tyco. The company will record a material gain on the sale of these shares of Tyco stock during the third quarter of 1997. This gain will be material to the company's financial position and results of operations. Net proceeds from the Tyco stock sale will be used to repay short-term debt, for corporate acquisitions and for other corporate purposes. See Note 4 of the Notes to the Consolidated Financial Statements.

RESULTS OF OPERATIONS

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

The following table reflects changes in electric sales for the three, six, and twelve months ended June 30, 1997 from the comparable periods of 1996.

Increase (decrease) in electric sales volumes:

	3 Months ended	6 Months ended	12 Months ended
Residential	(6.7)%	(4.4)%	(4.3)%
Commercial	(3.0)%	(1.2)%	(0.4)%
Industrial	0.3%	(1.3)%	(2.2)%
Other	1.7%	2.5%	0.5%
Total retail sales	(3.0)%	(2.2)%	(2.2)%
Wholesale and interchange	(16.3)%	7.2%	28.8%
Total electric sales	(6.5)%	0.1%	4.6%

Electric revenues decreased 6.7% for the three months ended June 30, 1997 compared to the same period of 1996. The decrease is largely due to decreased residential, commercial, and interchange (sales to other utilities) sales as a result of mild spring temperatures compared to last year. Also contributing to the decrease in interchange sales was missed sales opportunities as a result of a coal-fired plant having been taken off-line for unscheduled maintenance during the second quarter. The company's service territory experienced a 53% decrease in the number of cooling degree days during the second quarter of 1997, as compared to the second quarter of 1996 and a 47% lower than normal number of cooling degree days.

Electric revenues were lower 3.6% percent and 1.4%, respectively for the six and twelve months ended June 30, 1997 compared to the same periods of 1996. The decrease was due to decreased residential, commercial and industrial sales as a result of milder spring and winter temperatures experienced during the first six months of 1997 compared to the same period of 1996.

Electric revenues were also lower for all three periods due to the rate reductions implemented on February 1, 1997. See Note 6 of the Notes to the Consolidated Financial Statements.

The following table reflects changes in natural gas sales for the three, six, and twelve months ended June 30, 1997 from the comparable periods of 1996.

Increase (decrease) in natural gas sales volumes:

	3 Months ended	6 Months ended	12 Months ended
Residential	7.7%	(10.4)%	(2.4)%
Commercial	(4.1)%	(13.6)%	(7.5)%
Industrial	(43.6)%	(34.8)%	(30.9)%
Transportation	(4.1)%	(3.2)%	(4.9)%
Other	32.3%	40.9%	54.1%
Total Deliveries	6.4%	(4.7)%	1.9%

Regulated natural gas revenues increased 11.7% for the three months ended June 30, 1997 compared to June 30, 1996 primarily due to the gas revenue increase authorized by the KCC on July 11, 1996 and as a result of higher gas costs passed on to customers through the cost of gas rider (COGR). Regulated natural gas revenues increased 8.1% and 16.2% for the six and twelve months ended June 30, 1997, respectively, compared to the same periods of 1996 as a result of higher gas costs passed on to customers through the COGR, increased as-available gas sales, and the gas revenue increase ordered by the KCC on July 11, 1996. See Note 6 of the Notes to the Consolidated Financial Statements.

Non-regulated gas revenues decreased approximately $3 million to approximately $49 million, or 6%, for the three months ended June 30, 1997 compared to June 30, 1996. Non-regulated gas revenues for the three months ended June 30, 1997 decreased primarily as a result of a 9% decrease in the market prices of gas sold by the company's wholly-owned subsidiary Westar Gas Marketing, Inc. (Westar Gas Marketing).

Non-regulated gas revenues increased approximately $20 million to approximately $128 million, or 19%, and approximately $68 million to approximately $267 million, or 34%, for the six and twelve months ended June 30, 1997, respectively, compared to the same periods of 1996. Non-regulated gas revenues for the six and twelve months ended June 30, 1997 increased primarily as a result of 26% and 39% increases, respectively, in the market prices of gas sold by the company's wholly-owned subsidiary Westar Gas Marketing.

When the alliance with ONEOK is complete, the company will contribute its regulated and non-regulated natural gas business to New ONEOK in exchange for a 45% equity interest. See Note 3 of the Notes to the Consolidated Financial Statements.

Operating Expenses: Total operating expenses increased 6% for the three months ended June 30, 1997 compared to the same period of 1996. The increase is primarily attributable to the amortization of goodwill related to the company's subsidiary acquisitions. Also contributing to the increase in total operating expenses was increased purchased power due to a coal-fired plant having been

taken off-line for maintenance during the first half of 1997. The increase was partially offset by decreased income tax expense.

Total operating expenses increased 10% and 12% for the six and twelve months ended June 30, 1997 compared to the same periods of 1996. These increases are primarily attributable to the amortization of goodwill related to the company's subsidiary acquisitions. Also contributing to the increases in total operating expenses was increased nuclear fuel due to Wolf Creek having been taken off-line for its eighth refueling and maintenance outage during the first quarter of 1996. Amortization of the acquisition adjustment related to the KGE merger

also contributed to the increase for the twelve month period ended June 30, 1997.

The amortization of the acquisition adjustment associated with the company's 1992 acquisition of KGE, which began in August 1995, amounted to $5.3 million, $10.3 million and $21.1 million for the three, six and twelve months ended June 30, 1997, respectively, compared to $5.0 million, $10.0 million and $16.7 million for the three, six, and twelve months ended June 30, 1996, respectively. On January 15, 1997, the KCC fixed the annual merger savings level at $40 million which provides complete recovery of the acquisition premium amortization expense and a return on the acquisition premium.

Other Income and Deductions: Other income and deductions, net of taxes, increased $13.0 million, and $18.8 million for the three and six months ended June 30, 1997 compared to same periods of 1996. These increases are primarily attributable to the company's $7.5 million net gain on the sale of a non-strategic equity investment.

Other income and deductions, net of taxes, increased $3.8 million for the twelve months ended June 30, 1997 compared to 1996 primarily due to earnings from subsidiary investments. Partially offsetting this increase was a one-time restructuring charge recorded by ADT Limited, in which the company, at that time, owned approximately 25% of the common stock as discussed in Note 4 of the Notes to the Consolidated Financial Statements.

Interest Charges and Preferred and Preference Dividend Requirements: Total interest charges increased 40%, 44%, and 37% for the three, six, and twelve months ended June 30, 1997 from the comparable periods in 1996, respectively. The increases for the three and six months ended interest charges reflects interest paid on higher short-term debt balances to finance the company's investment in ADT and the purchase of WSS. The increase for the twelve months ended interest charges reflects interest paid on higher short-term debt balances to finance the company's investment in ADT. The increases also reflect interest payments related to the company's mandatory redeemable preference stock which was issued in December of 1995 and July of 1996. Partially offsetting the higher interest charges were lower preferred and preference dividends due to the redemption of preference stock in July 1996. See discussion above in Liquidity and Capital Resources regarding higher short-term debt balances.

WESTERN RESOURCES, INC.
Part II Other Information

Item 4. Submission of Matters to a Vote of Security Holders

The company's Annual Meeting of Shareholders was held on May 29, 1997. At the meeting the shareholders, representing 54,725,392 shares either in person or by proxy, voted to:

Elect the following directors to serve a term of three years:

	Votes For	Votes Against
John C. Dicus	53,179,901	1,545,313
John E. Hayes, Jr.	53,173,289	1,551,925
Russell W. Meyer, Jr.	53,196,052	1,529,162
Louis W. Smith	53,155,150	1,570,776

The following directors will continue to serve their unexpired terms: David H. Hughes, John H. Robinson, Frank J. Becker, Gene A. Budig, C.Q. Chandler, Thomas R. Clevenger, and David C. Wittig.

Item 5. Other Information

Merger Agreement with Protection One, Inc.: See Note 9 of the Notes to the

Consolidated Financial Statements.

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

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

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

Investments: See Note 4 of the Notes to the Consolidated Financial Statements.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit 12 - Computation of Ratio of Consolidated Earnings to Fixed Charges for 12 Months Ended June 30, 1997 (filed electronically)

Exhibit 27 - Financial Data Schedule (filed electronically)

(b) Reports on Form 8-K:

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

Form 8-K filed July 25, 1997 - Proforma financial statements of the company and KCPL as of March 31, 1997.

SIGNATURES

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

Western Resources, Inc.

Date July 30, 1997 By /s/ S. L. KITCHEN
S. L. Kitchen, Executive Vice President
and Chief Financial Officer

Date July 30, 1997 By /s/ JERRY D. COURINGTON
Jerry D. Courington,
Controller

Exhibit 12

WESTERN RESOURCES, INC.

Computations of Ratio of Earnings to Fixed Charges and Computations of Ratio of Earnings to Combined Fixed Charges and Preferred and Preference Dividend Requirements
(Dollars in Thousands)

	Unaudited Twelve Months Ended June 30, 1997	Year Ended December 31, 1996	1995	1994	1993	1992
Net Income	$160,783	$168,950	$181,676	$187,447	$177,370	$127,884
Taxes on Income.	81,080	86,102	83,392	99,951	78,755	46,099
Net Income Plus Taxes. . . .	241,863	255,052	265,068	287,398	256,125	173,983
Fixed Charges:						
Interest on Long-Term Debt . .	100,002	105,741	95,962	98,483	123,551	117,464
Interest on Other Indebtedness	65,868	34,685	27,487	20,139	19,255	20,009
Interest on Other Mandatorily Redeemable Securities. . . .	17,225	12,125	372	-	-	-
Interest on Corporate-owned Life Insurance Borrowings. .	33,663	35,151	32,325	26,932	16,252	5,294
Interest Applicable to Rentals.	32,927	32,965	31,650	29,003	28,827	27,429
Total Fixed Charges. . . .	249,685	220,667	187,796	174,557	187,885	170,196
Preferred and Preference Dividend Requirements:						
Preferred and Preference Dividends.	10,589	14,839	13,419	13,418	13,506	12,751
Income Tax Required.	5,340	7,562	6,160	7,155	5,997	4,596
Total Preferred and Preference Dividend Requirements. . . .	15,929	22,401	19,579	20,573	19,503	17,347
Total Fixed Charges and Preferred and Preference Dividend Requirements.	265,614	243,068	207,375	195,130	207,388	187,543
Earnings (1)	$491,548	$475,719	$452,864	$461,955	$444,010	$344,179
Ratio of Earnings to Fixed Charges	1.97	2.16	2.41	2.65	2.36	2.02
Ratio of Earnings to Combined Fixed Charges and Preferred and Preference Dividend Requirements.	1.85	1.96	2.18	2.37	2.14	1.84

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

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AT JUNE 30, 1997 AND THE STATEMENT OF INCOME AND THE STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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DEC-31-1997
JUN-30-1997
PER-BOOK
4,362,786
1,258,742
448,989
631,802
0
6,702,319
325,408
751,147
556,826
1,633,381
270,000
24,858
1,406,654
305,009
0
967,649
0
0
0
0
2,094,768
6,702,319
1,080,200
28,564
908,360
942,466
137,734
27,071
164,805
99,437
65,368
2,459
62,909
68,204
47,365
145,057
0.97
0