FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

[x] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1997

[ ] 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 1-7324

KANSAS GAS AND ELECTRIC COMPANY
(Exact name of registrant as specified in its charter)

KANSAS	48-1093840
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

P.O. BOX 208
WICHITA, KANSAS 67201
(Address of Principal Executive Offices)

316/261-6611
(Registrant's telephone number, including area code)

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

Yes X No

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

Class	Outstanding at May 14, 1997
Common Stock (No par value)	1,000 Shares

Registrant meets the conditions of General Instruction H(1)(a) and (b) to Form 10-Q and is therefore filing this form with a reduced disclosure format.

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KANSAS GAS AND ELECTRIC COMPANY
BALANCE SHEETS
(Dollars in Thousands)
(Unaudited)

	March 31, 1997	December 31, 1996
ASSETS		
UTILITY PLANT:		
Electric plant in service	$3,498,128	$3,487,213
Less - Accumulated depreciation	997,390	974,451
	2,500,738	2,512,762
Construction work in progress	35,224	33,197
Nuclear fuel (net).	35,810	38,461
Net utility plant	2,571,772	2,584,420
INVESTMENTS AND OTHER PROPERTY:		
Decommissioning trust	33,707	33,041
Other	9,407	9,093
	43,114	42,134
CURRENT ASSETS:		
Cash and cash equivalents	41	44
Accounts receivable and unbilled revenues (net)	59,466	75,671
Advances to parent company	67,321	250,733
Fossil fuel, at average cost.	13,046	13,459
Materials and supplies, at average cost	30,206	30,187
Prepayments and other current assets.	9,890	16,991
	179,970	387,085
DEFERRED CHARGES AND OTHER ASSETS:		
Deferred future income taxes	164,520	164,520
Corporate-owned life insurance (net).	9,862	10,341
Regulatory assets	116,717	122,388
Other	6,293	7,999
	297,392	305,248
TOTAL ASSETS	$3,092,248	$3,318,887
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION (See Statements):		
Common stock equity	$1,168,523	$1,182,351
Long-term debt (net).	684,034	684,068
	1,852,557	1,866,419
CURRENT LIABILITIES:		
Short-term debt	10,000	222,300
Accounts payable.	44,132	48,819
Accrued taxes	48,629	35,358
Accrued interest.	13,386	9,445
Other	7,058	6,726
	123,205	322,648
DEFERRED CREDITS AND OTHER LIABILITIES:		
Deferred income taxes	747,633	753,511
Deferred investment tax credits	68,910	69,722
Deferred gain from sale-leaseback	230,650	233,060
Other	69,293	73,527
	1,116,486	1,129,820
COMMITMENTS AND CONTINGENCIES (Note 2)		
TOTAL CAPITALIZATION AND LIABILITIES	$3,092,248	$3,318,887

The NOTES TO FINANCIAL STATEMENTS are an integral part of these statements.

KANSAS GAS AND ELECTRIC COMPANY
STATEMENTS OF INCOME
(Dollars in Thousands)
(Unaudited)

	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996
OPERATING REVENUES	$ 143,791	$ 145,034
OPERATING EXPENSES:		
Fuel used for generation:		
Fossil fuel	16,767	22,152
Nuclear fuel	6,291	1,757
Power purchased	3,166	4,360
Other operations	33,903	31,369
Maintenance	12,761	11,899
Depreciation and amortization	24,537	23,368
Amortization of phase-in revenues	4,386	4,386
Taxes:		
Federal income	5,799	5,080
State income	1,716	1,559
General	11,370	12,041
Total operating expenses	120,696	117,971
OPERATING INCOME	23,095	27,063
OTHER INCOME AND DEDUCTIONS:		
Corporate-owned life insurance (net)	(2,720)	(2,184)
Miscellaneous (net)	558	1,015
Income taxes (net)	2,799	2,589
Total other income and deductions	637	1,420
INCOME BEFORE INTEREST CHARGES	23,732	28,483
INTEREST CHARGES:		
Long-term debt	11,482	11,716
Other	1,557	1,675
Allowance for borrowed funds used during construction (credit)	(479)	(608)
Total interest charges	12,560	12,783
NET INCOME	$ 11,172	$ 15,700

The NOTES TO FINANCIAL STATEMENTS are an integral part of these statements.

KANSAS GAS AND ELECTRIC COMPANY
STATEMENTS OF INCOME
(Dollars in Thousands)
(Unaudited)

	Twelve Months Ended March 31, 1997	Twelve Months Ended March 31, 1996
OPERATING REVENUES.	$ 653,327	$ 630,345
OPERATING EXPENSES:		
Fuel used for generation:		
Fossil fuel	86,439	84,515
Nuclear fuel.	24,496	16,494
Power purchased	10,289	8,254
Other operations.	137,254	118,840
Maintenance	49,805	47,688
Depreciation and amortization	97,478	84,694
Amortization of phase-in revenues	17,544	17,545
Taxes:		
Federal income.	36,875	48,323
State income	10,612	12,521
General	45,512	46,648
Total operating expenses.	516,304	485,522
OPERATING INCOME.	137,023	144,823
OTHER INCOME AND DEDUCTIONS:		
Corporate-owned life insurance (net).	(2,785)	(3,136)
Miscellaneous (net)	2,940	3,800
Income taxes (net).	10,563	12,717
Total other income and deductions	10,718	13,381
INCOME BEFORE INTEREST CHARGES.	147,741	158,204
INTEREST CHARGES:		
Long-term debt.	46,070	47,021
Other	11,640	5,360
Allowance for borrowed funds used during construction (credit).	(1,715)	(2,878)
Total interest charges.	55,995	49,503
NET INCOME.	$ 91,746	$ 108,701

The NOTES TO FINANCIAL STATEMENTS are an integral part of these statements.

KANSAS GAS AND ELECTRIC COMPANY
STATEMENTS OF CASH FLOWS
(Dollars in Thousands)
(Unaudited)

	Three Months Ended March 31, 1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 11,172	$ 15,700
Depreciation and amortization	24,537	23,368
Amortization of nuclear fuel	5,014	1,198
Amortization of phase-in revenues	4,386	4,386
Corporate-owned life insurance	(5,512)	(5,940)
Amortization of gain from sale-leaseback	(2,410)	(2,410)
Changes in working capital items:		
Accounts receivable and unbilled revenues (net)	16,205	8,275
Fossil fuel	413	2,599
Accounts payable	(4,687)	989
Interest and taxes accrued	17,212	16,161
Other	7,828	8,027
Changes in other assets and liabilities	(3,988)	(11,051)
Net cash flows from operating activities	70,170	61,302
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Additions to utility plant	16,477	16,118
Corporate-owned life insurance policies	415	-
Net cash flows used in investing activities	16,892	16,118
CASH FLOWS FROM FINANCING ACTIVITIES:		
Short-term debt (net)	(212,300)	62,000
Advances to parent company (net)	183,413	(82,042)
Bonds retired	(65)	(135)
Borrowings against life insurance policies	671	-
Dividends to parent company	(25,000)	(25,000)
Net cash flows from (used in) financing activities	(53,281)	(45,177)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3)	7
CASH AND CASH EQUIVALENTS:		
BEGINNING OF PERIOD	44	53
END OF PERIOD	$ 41	$ 60
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest on financing activities (net of amount capitalized)	$ 8,414	$ 6,321
Income taxes	7,000	6,300

The NOTES TO FINANCIAL STATEMENTS are an integral part of these statements.

KANSAS GAS AND ELECTRIC COMPANY
STATEMENTS OF CASH FLOWS
(Dollars in Thousands)
(Unaudited)

	Twelve Months Ended March 31, 1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income.	$ 91,746	$ 108,701
Depreciation and amortization	97,478	84,694
Amortization of nuclear fuel.	19,501	12,484
Gain on sales of utility plant (net of tax)	-	(11)
Amortization of phase-in revenues	17,544	17,545
Corporate-owned life insurance.	(29,285)	(29,512)
Amortization of gain from sale-leaseback.	(9,640)	(9,640)
Changes in working capital items:		
Accounts receivable and unbilled revenues (net)	8,749	(6,776)
Fossil fuel	1,877	(579)
Accounts payable.	(7,640)	12,242
Interest and taxes accrued.	20,185	(10,471)
Other	4,222	477
Changes in other assets and liabilities	(2,709)	5,500
Net cash flows from operating activities.	212,028	184,654
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Additions to utility plant.	68,991	88,816
Sales of utility plant.	-	(140)
Corporate-owned life insurance policies	26,062	29,930
Death proceeds of corporate-owned life insurance.	(9,445)	(10,333)
Net cash flows used in investing activities	85,608	108,273
CASH FLOWS FROM FINANCING ACTIVITIES:		
Short-term debt (net)	(102,000)	102,000
Advances to parent company (net).	49,670	(44,548)
Bonds retired	(16,065)	(135)
Borrowings against life insurance policies.	46,649	46,490
Repayment of borrowings against life insurance policies . .	(4,693)	(5,185)
Dividends to parent company	(100,000)	(175,000)
Net cash flows from (used in) financing activities . . .	(126,439)	(76,378)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.	(19)	3
CASH AND CASH EQUIVALENTS:		
BEGINNING OF PERIOD	60	57
END OF PERIOD	$ 41	$ 60
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest on financing activities (net of amount capitalized)	$ 80,805	$ 72,071
Income taxes	32,800	48,400

The NOTES TO FINANCIAL STATEMENTS are an integral part of these statements.

KANSAS GAS AND ELECTRIC COMPANY
STATEMENTS OF CAPITALIZATION
(Dollars in Thousands)
(Unaudited)

				March 31, 1997		December 31, 1996	
COMMON STOCK EQUITY (see Statements):							
Common stock, without par value, authorized and issued 1,000 shares.				$1,065,634		$1,065,634	
Retained earnings				102,889		116,717	
Total common stock equity				1,168,523	63%	1,182,351	63%
LONG-TERM DEBT:							
First Mortgage Bonds:							
Series	Due	1997	1996				
7.6%	2003	135,000	135,000				
6-1/2%	2005	65,000	65,000				
6.20%	2006	100,000	100,000				
				300,000		300,000	
Pollution Control Bonds:							
5.10%	2023	13,757	13,822				
Variable (a)	2027	21,940	21,940				
7.0%	2031	327,500	327,500				
Variable (a)	2032	14,500	14,500				
Variable (a)	2032	10,000	10,000				
				387,697		387,762	
Total bonds.				687,697		687,762	
Less:							
Unamortized premium and discount (net).				3,663		3,694	
Total long-term debt				684,034	37%	684,068	37%
TOTAL CAPITALIZATION.				$1,852,557	100%	$1,866,419	100%

(a) Market-Adjusted Tax Exempt Securities (MATES). As of March 31, 1997, the rate on these bonds ranged from 3.69% to 3.74%.

The NOTES TO FINANCIAL STATEMENTS are an integral part of these statements.

KANSAS GAS AND ELECTRIC COMPANY
STATEMENTS OF COMMON STOCK EQUITY
(Dollars in Thousands)
(Unaudited)

	Common Stock	Retained Earnings
BALANCE DECEMBER 31, 1994, 1,000 shares.	$1,065,634	$ 159,570
Net income		110,873
Dividend to parent company		(150,000)
BALANCE DECEMBER 31, 1995, 1,000 shares.	1,065,634	120,443
Net income		96,274
Dividend to parent company		(100,000)
BALANCE DECEMBER 31, 1996, 1,000 shares.	1,065,634	116,717
Net Income		11,172
Dividend to parent company		(25,000)
BALANCE MARCH 31, 1997, 1,000 shares	$1,065,634	$ 102,889

The NOTES TO FINANCIAL STATEMENTS are an integral part of these statements.

KANSAS GAS AND ELECTRIC COMPANY
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

1. ACCOUNTING POLICIES AND OTHER INFORMATION

General: Kansas Gas and Electric Company (the company) is a rate-regulated electric utility and wholly-owned subsidiary of Western Resources, Inc. (Western Resources). The company is engaged in the production, purchase, transmission, distribution, and sale of electricity. The company serves approximately 277,000 electric customers in southeastern Kansas. At December 31, 1996, the company had no employees. All employees are provided by the company's parent, Western Resources which allocates costs related to the employees of the company.

The company owns 47% of the Wolf Creek Nuclear Operating Corporation (WCNOC), the operating company for the Wolf Creek Generating Station (Wolf Creek). The company records in its financial statements its proportionate share of all transactions of WCNOC as it does other jointly-owned facilities.

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) and the Federal Energy Regulatory Commission. 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 date, and to report amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 for SFAS 71, the accounting impact would be an extraordinary non-cash charge to operations of an amount that would be material. Criteria that give rise to the discontinuance of SFAS 71 include, (1) increasing competition that restricts the company's ability to establish prices to recover specific costs, and (2) a significant change in the manner in which rates are set by regulators from a cost-based regulation to another form of regulation. The company periodically reviews these criteria to ensure the continuing application of SFAS 71 is appropriate. Based on current evaluation of the various factors and conditions that are expected to impact future cost recovery, the company believes that its net regulatory assets are probable of future recovery. Any regulatory changes that would require the company to discontinue SFAS 71 based upon competitive or other events may significantly impact the valuation of the company's net regulatory assets and its utility plant investments, particularly the Wolf Creek facility. At this time, the effect of competition and the amount of regulatory assets which could be recovered in such an environment cannot be predicted. See Note 3 for further discussion on regulatory assets.

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

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 balance sheets:

	March 31, 1997	December 31, 1996
	(Dollars in Millions)	
Cash surrender value of contracts.(1). .	$404.8	$404.6
Borrowings against contracts	(394.9)	(394.3)
COLI (net)	$ 9.9	$ 10.3

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

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

Cash and Cash Equivalents: For purposes of the Statements of Cash Flows, cash and cash equivalents include cash on hand and highly liquid collateralized debt instruments purchased with maturities of three months or less.

2. COMMITMENTS AND CONTINGENCIES

Manufactured Gas Sites: The company has been associated with three former manufactured gas sites 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 three 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 analyses. The prioritized sites will be investigated over a ten year period. The agreement will allow the company to set mutual objectives with the KDHE in order to expedite effective response activities and to control costs and environmental impact. As of March 31, 1997, the costs incurred for site investigation and risk assessment have been minimal. Since the site investigations are preliminary, no formal agreement on costs to be incurred has been reached, and the minimum potential liability would not be material to the financial statements, an accrual for these environmental contingencies has not been reflected in the accompanying financial statements. 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 and number of years over which the remediation must be completed.

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

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

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

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

Nuclear Insurance: The Price-Anderson Act limits the combined public liability of the owners of nuclear power plants to $8.9 billion for a single nuclear incident. If this liability limitation is insufficient, the U.S. Congress will consider taking whatever action is necessary to compensate the public for valid claims. The Wolf Creek owners (Owners) have purchased the maximum available private insurance of $200 million and the balance is provided by an assessment plan mandated by the NRC. Under this plan, the Owners are jointly and severally subject to a retrospective assessment of up to $79.3 million ($37.3 million, company's share) in the event there is a major nuclear incident involving any of the nation's licensed reactors. This assessment is subject to an inflation adjustment based on the Consumer Price Index and applicable premium taxes. There is a limitation of $10 million ($4.7 million, company's share) in retrospective assessments per incident, per year.

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

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 has installed continuous monitoring and reporting equipment at a total cost of approximately $2.3 million as of December 31, 1996. The company does not expect material expenditures to be needed to meet Phase II sulfur dioxide requirements.

In the fourth quarter of 1996, the Environmental Protection Agency (EPA) issued new standards applying to NOx emissions from the company's effected coal units. Jeffrey 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.

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 $671 million. 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.

3. RATE MATTERS AND REGULATION

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

	March 31, 1997	December 31, 1996
	(Dollars in Thousands)	
Coal contract settlement costs	$ 11,252	$ 11,655
Deferred plant costs	31,199	31,272
Phase-in revenues	21,931	26,317
Debt issuance costs	45,252	45,989
Other regulatory assets	7,083	7,155
Total regulatory assets	$116,717	$122,388

See Note 3 included in the company's 1996 Annual Report on Form 10-K for additional information regarding regulatory assets.

KCC Rate Proceedings: On May 23, 1996, the company implemented an $8.7 million electric rate reduction on an interim basis. On October 22, 1996, Western Resources, the company, the KCC Staff, the City of Wichita, and the Citizens Utility Ratepayer Board filed an agreement with 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, the company's rates were reduced by $36.3 million, and in addition, the May 1996 interim reduction became permanent. The company's rates will be reduced by another $10 million effective June 1, 1998, and again on June 1, 1999. Two one-time rebates of $5 million will be credited to customers of Western Resources in January 1998 and 1999. A portion of these rebates will be credited to the company's customers. The agreement also fixed annual savings from the 1992 merger with Western Resources at $40 million. This level of merger savings provides for complete recovery of and a return on the acquisition premium.

4. INCOME TAXES

Total income tax expense included in the Statements of Income reflects the Federal statutory rate of 35 percent. The Federal statutory rate produces effective income tax rates of 29.7% and 20.5% for the three month periods and 28.7% and 30.7% for the twelve month periods ended March 31, 1997 and 1996, respectively. The effective income tax rates vary from the Federal statutory rate due to the permanent differences, including the amortization of investment tax credits, and accelerated amortization of certain deferred income taxes.

5. WESTERN RESOURCES AND KANSAS CITY POWER & LIGHT COMPANY MERGER AGREEMENT

On February 7, 1997, Kansas City Power & Light Company (KCPL) and Western Resources entered into an agreement whereby KCPL would be merged with and into Western Resources (KCPL Merger). The merger agreement provides for a tax-free, stock-for-stock transaction valued at approximately $2 billion. Under the terms of the agreement, KCPL shareholders will receive $32 of Western Resources common stock per KCPL share, subject to an exchange ratio collar of not less than 0.917 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 Western Resources' shareholders and various regulatory agencies. Western Resources expects to be able to close the KCPL Merger in the first half of 1998.

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, Western Resources, and the company have joint interests in certain electric generating assets, including Wolf Creek.

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 Item 7 of the company's Annual Report on Form 10-K for 1996.

The following updates the information provided in the 1996 Form 10-K, and analyzes the changes in the results of operations between the three and twelve month periods ended March 31, 1997 and comparable periods of 1996.

Certain matters discussed in this Form 10-Q are "forward-looking statements" intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. Such statements address future plans, objectives, expectations and events or conditions concerning various matters such as capital expenditures, earnings, litigation, rate and other regulatory matters, pending transactions, liquidity and capital resources, 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 ongoing state and federal activities; future economic conditions; legislation; regulation; competition; and other circumstances affecting anticipated rates, revenues and costs.

FINANCIAL CONDITION

General: The company had net income of $11.2 million for the first quarter of 1997 compared to $15.7 million for the first quarter in 1996. The decrease in net income was primarily due to the implementation of a $36.3 million rate reduction on February 1, 1997. See Note 3 of the Notes to Financial Statements for more information on the rate proceedings.

Net income for the twelve months ended March 31, 1997, of $91.7 million, decreased from net income of $108.7 million for the comparable period of 1996. The decrease was primarily attributable to increased interest charges and the $36.3 million rate reduction, and a May 1996 interim rate reduction of $8.7 million which became permanent on February 1, 1997.

Liquidity and Capital Resources: The company's liquidity is a function of its ongoing construction and maintenance program designed to improve facilities which provide electric service and meet future customer service requirements.

The company's short-term financing requirements are satisfied through short-term bank loans and uncommitted loan participation agreements. At March 31, 1997 short-term borrowing amounted to $10 million compared to $222.3 million at December 31, 1996.

In January 1997, the company increased its borrowings $0.7 million against the accumulated cash surrender values of corporate-owned life insurance policies.

OPERATING RESULTS

The following discussion explains variances for the three and twelve months ended March 31, 1997, to the comparable periods of 1996.

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 revenues will continue to be affected by weather conditions, the electric rate reduction which was implemented on February 1, 1997, competing fuel sources, customer conservation efforts, wholesale demand, and the overall economy of the company's service area.

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

Increase (decrease) in electric sales volumes:

	3 Months Ended	12 Months Ended
Residential	(1.7)%	2.5%
Commercial	1.6%	3.5%
Industrial	(5.0)%	(3.2)%
Total Retail	(2.3)%	0.3%
Wholesale & Interchange	89.3%	129.9%
Total electric sales	13.4%	18.5%

Revenues for the first quarter of 1997 decreased approximately one percent to $143.8 million, compared to first quarter 1996 revenues of $145.0 million. Revenues for the first quarter of 1997 decreased in all retail customer classes. These decreases are primarily due to the implementation of a $36.3 million rate reduction on February 1, 1997.

Partially offsetting the decrease in revenues for the first quarter of 1997 was the increase in interchange sales due to the increased sales to power brokers.

Revenues for the twelve months ended March 31, 1997, increased approximately four percent to $653.3 million from revenues of $630.3 million for the comparable period of 1996. The increase can be primarily attributed to increased interchange sales to power brokers as a result of the increase in competition within the wholesale market.

Partially offsetting the increase was the implementation of the above mentioned rate reduction and a May 1996 $8.7 million interim rate reduction which became permanent on February 1, 1997.

Operating Expenses: Total operating expenses increased approximately two percent for the first quarter of 1997 compared to the first quarter of 1996. The slight increase was primarily due to increased other operating and maintenance expenses due to the increase in net generation as a result of increased sales to interchange customers.

Total operating expenses increased approximately six percent for the twelve months ended March 31, 1997 compared to the same period of 1996. The increase was primarily attributable to the amortization of the acquisition adjustment and increased fuel and other operating expenses due to the increase in net generation as a result of increased sales to interchange customers.

Other Income and Deductions: Other income and deductions, net of taxes, decreased for the three and twelve months ended March 31, 1997, compared to the same periods of 1996 due to increased corporate-owned life insurance expense for the three month period and lower income tax credits for the twelve month period.

Interest Expense: Interest expense decreased less than two percent for the first quarter ended March 31, 1997, compared to the first quarter of 1996. The slight decrease can be attributed to the decrease in short-term debt during the first quarter of 1997.

Interest expense increased approximately thirteen percent for the twelve months ended March 31, 1997, compared to the same period of 1996. The increase resulted primarily from the higher short-term debt balances during 1996 as compared to 1995.

OTHER INFORMATION

Merger Implementation: In accordance with the KCC Merger order, amortization of the acquisition adjustment commenced in August 1995. The amortization will amount to approximately $20 million (pre-tax) per year for 40 years. Western Resources and the company (combined companies) can recover the amortization of the acquisition adjustment through cost savings under a sharing mechanism approved by the KCC.

KANSAS GAS AND ELECTRIC COMPANY
Part II Other Information

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

Information required by Item 4 is omitted pursuant to General Instruction H(2)(b) to Form 10-Q.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

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

Exhibit 27 - Financial Data Schedule (filed electronically)

(b) Reports on Form 8-K:

None

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.

KANSAS GAS AND ELECTRIC COMPANY

Date May 14, 1997

By /s/ Richard D. Terrill
Richard D. Terrill
Secretary, Treasurer and
General Counsel

Exhibit 12

KANSAS GAS AND ELECTRIC COMPANY
Computations of Ratio of Earnings to Fixed Charges and
Computation of Ratio of Earnings to Combined Fiaxed Charges
and Preferred and Preference Dividend Requirements
(Dollars in Thousands)

	Unaudited Twelve Months Ended March 31, 1997	1996	1995	1994	1993
Net Income.	$ 91,746	$ 96,274	$110,873	$104,526	$108,103
Taxes on Income	36,924	36,258	51,787	55,349	46,896
Net Income Plus Taxes.	128,670	132,532	162,660	159,875	154,999
Fixed Charges:					
Interest on Long-Term Debt. . . .	46,070	46,304	47,073	47,827	53,908
Interest on Other Indebtedness. .	11,640	11,758	5,190	5,183	6,075
Interest on Corporate-owned Life Insurance Borrowings . . .	27,674	27,636	25,357	20,990	11,865
Interest Applicable to Rentals. .	25,521	25,539	25,375	25,096	24,967
Total Fixed Charges	110,905	111,237	102,995	99,096	96,815
Earnings (1).	$239,575	$243,769	$265,655	$258,971	$251,814
Ratio of Earnings to Fixed Charges.	2.16	2.19	2.58	2.61	2.60

	Pro Forma 1992 (2)	1992 April 1 to Dec. 31 (Successor)	1992 January 1 to March 31 (Predecessor)
Net Income.	$ 77,981	$ 71,941	$ 6,040
Taxes on Income	20,378	23,551	(3,173)
Net Income Plus Taxes.	98,359	95,492	2,867
Fixed Charges:			
Interest on Long-Term Debt. . . .	57,862	42,889	14,973
Interest on Other Indebtedness. .	15,121	11,777	3,344
Interest on Corporate-owned Life Insurance Borrowings . . .	7,155	5,294	1,861
Interest Applicable to Rentals. .	30,212	22,133	8,079
Total Fixed Charges	110,350	82,093	28,257
Earnings (1).	$208,709	$177,585	$ 31,124
Ratio of Earnings to Fixed Charges.	1.89	2.16	1.10

(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.

(2) The pro forma information for the year ended December 31, 1992 was derived by combining the historical information of the three month period ended March 31, 1992 (Predecessor) and the nine month period ended December 31, 1992 (Successor). No purchase accounting adjustments were made for periods prior to the Merger in determining pro forma amounts because such adjustments would be immaterial. (See Note 1 of Notes to Financial Statements)

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

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3-MOS
DEC-31-1997
MAR-31-1997
PER-BOOK
2,571,772
43,114
179,970
297,392
0
3,092,248
1,065,634
0
102,889
1,168,523
0
0
687,034
10,000
0
0
0
0
0
0
1,229,691
3,092,248
143,791
4,716
113,181
120,696
23,095
637
23,732
12,560
11,172
0
11,172
0
11,482
70,170
0
0