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 September 30, 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 October 29, 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)

	September 30, 1997	December 31, 1996
ASSETS		
UTILITY PLANT:		
Electric plant in service	$3,515,682	$3,487,213
Less - Accumulated depreciation	1,033,113	974,451
	2,482,569	2,512,762
Construction work in progress	44,128	33,197
Nuclear fuel (net)	39,160	38,461
Net utility plant	2,565,857	2,584,420
INVESTMENTS AND OTHER PROPERTY:		
Decommissioning trust	42,081	33,041
Other	10,108	9,093
	52,189	42,134
CURRENT ASSETS:		
Cash and cash equivalents	44	44
Accounts receivable and unbilled revenues (net)	81,343	75,671
Advances to parent company (net)	35,999	250,733
Fossil fuel, at average cost	10,685	13,459
Materials and supplies, at average cost	29,192	30,187
Prepayments and other current assets	25,758	16,991
	183,021	387,085
DEFERRED CHARGES AND OTHER ASSETS:		
Regulatory asset - recoverable taxes	206,800	164,520
Regulatory assets	105,129	122,388
Corporate-owned life insurance (net)	10,899	10,341
Other	3,527	7,999
	326,355	305,248
TOTAL ASSETS	$3,127,422	$3,318,887
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION (see statements):		
Common stock equity	$1,165,790	$1,182,351
Long-term debt (net)	684,096	684,068
	1,849,886	1,866,419
CURRENT LIABILITIES:		
Short-term debt	-	222,300
Accounts payable	51,138	48,819
Accrued taxes	38,789	35,358
Accrued interest	13,737	9,445
Other	7,134	6,726
	110,798	322,648
DEFERRED CREDITS AND OTHER LIABILITIES:		
Deferred income taxes	782,682	753,511
Deferred investment tax credits	67,288	69,722
Deferred gain from sale-leaseback	224,736	233,060
Other	92,032	73,527
	1,166,738	1,129,820
COMMITMENTS AND CONTINGENCIES (Note 2)		
TOTAL CAPITALIZATION AND LIABILITIES	$3,127,422	$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 September 30, 1997	Three Months Ended September 30, 1996
OPERATING REVENUES.	$ 191,066	$ 193,198
OPERATING EXPENSES:		
Fuel used for generation:		
Fossil fuel	28,861	29,082
Nuclear fuel (net).	6,388	6,299
Power purchased	(474)	1,916
Other operations.	38,055	31,355
Maintenance	12,420	11,388
Depreciation and amortization	24,000	23,847
Amortization of phase-in revenues	4,386	4,386
Taxes:		
Federal income.	19,486	18,156
State income	4,802	4,825
General	10,662	12,512
Total operating expenses.	148,586	143,766
OPERATING INCOME.	42,480	49,432
OTHER INCOME AND DEDUCTIONS:		
Corporate-owned life insurance (net).	(2,811)	2,648
Miscellaneous (net)	797	1,091
Income taxes (net).	3,382	2,563
Total other income and deductions	1,368	6,302
INCOME BEFORE INTEREST CHARGES.	43,848	55,734
INTEREST CHARGES:		
Long-term debt.	11,526	11,505
Other	975	3,937
Allowance for borrowed funds used during construction (credit).	(428)	(444)
Total interest charges.	12,073	14,998
NET INCOME.	$ 31,775	$ 40,736

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

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

	Nine Months Ended September 30, 1997	Nine Months Ended September 30, 1996
OPERATING REVENUES.	$ 483,683	$ 501,270
OPERATING EXPENSES:		
Fuel used for generation:		
Fossil fuel	61,983	73,062
Nuclear fuel (net).	18,678	13,674
Power purchased	6,878	8,740
Other operations.	109,816	101,031
Maintenance	39,586	38,726
Depreciation and amortization	72,719	70,709
Amortization of phase-in revenues	13,158	13,158
Taxes:		
Federal income.	31,149	30,828
State income	8,320	8,817
General	31,018	36,600
Total operating expenses.	393,305	395,345
OPERATING INCOME.	90,378	105,925
OTHER INCOME AND DEDUCTIONS:		
Corporate-owned life insurance (net).	(6,280)	(1,101)
Miscellaneous (net)	2,138	2,662
Income taxes (net).	8,836	7,890
Total other income and deductions	4,694	9,451
INCOME BEFORE INTEREST CHARGES.	95,072	115,376
INTEREST CHARGES:		
Long-term debt.	34,533	34,804
Other	3,531	8,306
Allowance for borrowed funds used during construction (credit).	(1,431)	(1,423)
Total interest charges.	36,633	41,687
NET INCOME.	$ 58,439	$ 73,689

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 September 30, 1997	1996
OPERATING REVENUES.	$ 636,983	$ 639,452
OPERATING EXPENSES:		
Fuel used for generation:		
Fossil fuel	80,745	91,898
Nuclear fuel (net).	24,966	18,251
Power purchased	9,621	9,835
Other operations.	143,505	128,877
Maintenance	49,803	50,696
Depreciation and amortization	98,319	93,686
Amortization of phase-in revenues	17,544	17,545
Taxes:		
Federal income.	36,477	39,089
State income	9,958	10,910
General	40,601	47,719
Total operating expenses.	511,539	508,506
OPERATING INCOME.	125,444	130,946
OTHER INCOME AND DEDUCTIONS:		
Corporate-owned life insurance (net).	(7,428)	2,016
Miscellaneous (net)	2,873	3,844
Income taxes (net).	11,299	12,375
Total other income and deductions	6,744	18,235
INCOME BEFORE INTEREST CHARGES.	132,188	149,181
INTEREST CHARGES:		
Long-term debt.	46,033	46,567
Other	6,983	9,690
Allowance for borrowed funds used during construction (credit).	(1,852)	(2,363)
Total interest charges.	51,164	53,894
NET INCOME.	$ 81,024	$ 95,287

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)

	Nine Months Ended September 30, 1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 58,439	$ 73,689
Depreciation and amortization	72,719	70,709
Amortization of nuclear fuel	14,910	10,694
Amortization of phase-in revenues	13,158	13,158
Corporate-owned life insurance policies	(20,649)	(23,334)
Amortization of gain from sale-leaseback	(8,324)	(7,230)
Changes in other working capital items:		
Accounts receivable and unbilled revenues (net)	(5,672)	(9,751)
Fossil fuel	2,774	1,894
Accounts payable	2,319	(7,011)
Interest and taxes accrued	7,723	45,476
Other	(6,311)	(2,664)
Changes in other assets and liabilities	(6,143)	(19,213)
Net cash flows from operating activities	124,943	146,417
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Additions to utility plant	66,923	47,430
Corporate-owned life insurance policies	25,104	24,905
Death proceeds of corporate-owned life insurance policies	(1,810)	(9,010)
Net cash flows used in investing activities	90,217	63,325
CASH FLOWS FROM FINANCING ACTIVITIES:		
Short-term debt (net)	(222,300)	160,000
Advances to parent company (net)	214,734	(192,471)
Bonds retired	(65)	(16,135)
Borrowings against life insurance policies	48,488	45,136
Repayments of borrowings against life insurance policies	(583)	(4,611)
Dividends to parent company	(75,000)	(75,000)
Net cash flows from (used in) financing activities	(34,726)	(83,081)
NET INCREASE IN CASH AND CASH EQUIVALENTS	0	11
CASH AND CASH EQUIVALENTS:		
BEGINNING OF PERIOD	44	53
END OF PERIOD	$ 44	$ 64
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest on financing activities (net of amount capitalized)	$ 57,609	$ 59,873
Income taxes	52,100	21,600

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 September 30, 1997	Twelve Months Ended September 30, 1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 81,024	$ 95,287
Depreciation and amortization	98,319	93,686
Amortization of nuclear fuel	19,901	14,201
Amortization of phase-in revenues	17,544	17,545
Corporate-owned life insurance policies	(27,028)	(37,125)
Amortization of gain from sale-leaseback	(10,734)	(9,639)
Changes in other working capital items:		
Accounts receivable and unbilled revenues (net)	4,898	3,208
Fossil fuel	4,943	196
Accounts payable	7,366	(547)
Interest and taxes accrued	(18,619)	(3,326)
Other	774	3,213
Changes in other assets and liabilities	3,298	8,454
Net cash flows from operating activities	181,686	185,153
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Additions to utility plant	88,125	75,518
Corporate-owned life insurance policies	25,846	29,609
Death proceeds of corporate-owned life insurance	(2,245)	(19,343)
Net cash flows used in investing activities	111,726	85,784
CASH FLOWS FROM FINANCING ACTIVITIES:		
Short-term debt (net)	(210,000)	180,950
Advances to parent company (net)	191,420	(75,979)
Bonds retired	(65)	(16,135)
Borrowings against life insurance policies	49,330	46,604
Repayment of borrowings against life insurance policies	(665)	(9,796)
Dividends to parent company	(100,000)	(225,000)
Net cash flows from (used in) financing activities	(69,980)	(99,356)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(20)	13
CASH AND CASH EQUIVALENTS:		
BEGINNING OF PERIOD	64	51
END OF PERIOD	$ 44	$ 64
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest on financing activities (net of amount capitalized)	$ 76,448	$ 77,407
Income taxes	62,600	32,600

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

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

					September 30, 1997		December 31, 1996	
COMMON STOCK EQUITY (see statement):								
Common stock, without par value, authorized and issued 1,000 shares.					$1,065,634		$1,065,634	
Retained earnings					100,156		116,717	
Total common stock equity					1,165,790	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).					3,601		3,694	
Total long-term debt					684,096	37%	684,068	37%
TOTAL CAPITALIZATION.					$1,849,886	100%	$1,866,419	100%

(a) Market-Adjusted Tax Exempt Securities (MATES). As of September 30, 1997, the rate on these bonds was 3.83%.

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		58,439
Dividend to parent company		(75,000)
BALANCE SEPTEMBER 30, 1997, 1,000 shares	$1,065,634	$ 100,156

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. The company has 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. These 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.

The company currently applies accounting standards that recognize the economic effects of rate regulation pursuant to 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.

The Kansas Legislature has created a Retail Wheeling Task Force (the Task Force) to study the implications of a deregulated and more competitive market for electric services. The Task Force is primarily composed of legislators, regulators, consumer advocates and representatives from the electric industry. A draft bill under consideration by the Task Force would implement competition for retail electric service beginning July 1, 2001. The Task Force is also evaluating how certain investments which were approved and incurred under the existing regulatory model should be recovered. Certain of these investments may not be recoverable. These investments are commonly referred to as "stranded costs". At this date, it is not possible to predict the results of the Task Force's effect or the impact it may have on the company.

There can be no assurance at this time that stranded costs will be fully 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 recoverability 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 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's best current estimate of the most likely range of remediation costs to be incurred based upon limited current information presently available is approximately $1.5 million to $6 million. 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. Clean up costs will depend upon the degree of remediation required and number of years over which the remediation must be completed. Management believes that adequate provision has been made for these costs and accordingly believes that the ultimate disposition of this matter will not have a material adverse effect upon the company's overall financial position or results of operations.

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:

	September 30, 1997	December 31, 1996
	(Dollars in Millions)	
Cash surrender value of contracts.(1). .	$453.1	$404.6
Borrowings against contracts	(442.2)	(394.3)
COLI (net)	$ 10.9	$ 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 September 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. 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 $5.4 million, $16.3 million, and $22.0 million for the three, nine and twelve months ended September 30, 1997, respectively, compared to $9.5 million, $19.7 million and $29.6 million for the three, nine and twelve months ended 1996, respectively. The interest expense deduction taken was $8.2 million, $22.6 million and $29.4 million for the three, nine and twelve months ended September 30, 1997, respectively, compared to $6.9 million, $20.8 million and $27.6 million for the three, nine and twelve months ended September 30, 1996, respectively.

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

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 September 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, 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.

For additional information on Commitments and Contingencies, see Note 2 of the company's 1996 Annual Report on Form 10-K.

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:

	September 30, 1997	December 31, 1996
	(Dollars in Thousands)	
Coal contract settlement costs	$ 10,442	$ 11,655
Deferred plant costs	31,052	31,272
Phase-in revenues	13,159	26,317
Debt issuance costs	43,781	45,989
Other regulatory assets	6,695	7,155
Total	$105,129	$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%. The Federal statutory rate produces effective income tax rates of 39.7% and 33.4% for the three month periods, 34.4% and 30.1% for the nine month periods, and 30.2% and 28.3% for the twelve month periods ended September 30, 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 combined with 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 mid-1998.

KCPL is a public utility company engaged in the generation, transmission, distribution, and sale of electricity to 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, nine and twelve month periods ended September 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, expectations or goals are also forward-looking statements. Such statements address future events and conditions concerning capital expenditures, earnings, litigation, rate and other regulatory matters, liquidity and capital resources, interest rates, environmental matters, 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: The company had net income of $31.8 million and $58.4 million for the three and nine months ended September 30, 1997 compared to $40.7 million and $73.7 million for the same periods in 1996, respectively. The decreases in net income were primarily due to the implementation of a $36.3 million rate reduction on February 1, 1997 and the positive impact on income for the third quarter of 1996 resulting from the receipt of death benefit proceeds under COLI contracts which were recorded during that quarter. See Note 3 of the Notes to Financial Statements for more information on the rate proceedings, and Note 1 for information on COLI.

Net income for the twelve months ended September 30, 1997, of $81.0 million, decreased from net income of $95.3 million for the comparable period of 1996. The decrease was primarily attributable to the $36.3 million rate reduction, a May 1996 interim rate reduction of $8.7 million which became permanent on February 1, 1997, and the positive impact on income resulting from the receipt of death benefit proceeds under COLI contracts which were recorded during the third quarter of 1996 and fourth quarter of 1995.

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 September 30, 1997 short-term borrowings amounted to $0 million compared to $222.3 million at December 31, 1996. Proceeds from the repayment of advances to the company's parent company have been used to repay all current outstanding short-term debt. The proceeds received are reflected in the decrease in Current Assets, Advances to parent company (net) on the Balance Sheets.

In June 1997, the company increased its borrowings against the accumulated cash surrender values of COLI policies by $45.1 million and received an additional $2.0 million from increased borrowings on WCNOC COLI policies. Total 1997 COLI borrowings have amounted to $48.5 million.

OPERATING RESULTS

The following discussion explains variances for the three, nine and twelve months ended September 30, 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, electric utility regulatory restructuring, 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 September 30, 1997 from the comparable periods of 1996.

Increase (decrease) in electric sales volumes:

	3 Months Ended	9 Months Ended	12 Months Ended
Residential	12.9%	2.3%	3.2%
Commercial	3.9%	0.7%	2.3%
Industrial	3.0%	(0.9)%	(0.8)%
Total Retail	6.5%	0.5%	1.2%
Wholesale & Interchange	(50.8)%	(8.8)%	20.2%
Total electric sales	(6.7)%	(1.6)%	5.1%

Revenues for the three months ended September 30, 1997, of $191.1 million decreased approximately one percent from revenues of $193.2 million for the comparable period of 1996. The slight decrease is primarily due to the decrease in interchange sales to power brokers. Although retail sales increased for the third quarter, revenues were negatively effected by rate reductions.

Revenues for the nine and twelve months ended September 30, 1997, of $483.7 million and $637.0 million, decreased approximately four and one percent, respectively, from revenues of $501.3 million and $639.5 million for the comparable periods of 1996. Revenues decreased in all retail customer classes. These decreases are primarily attributable to the implementation of the a $36.3 million rate reduction on February 1, 1997 and a May 1996 $8.7 million interim rate reduction which became permanent on February 1, 1997.

Partially offsetting the decrease in revenues for the twelve months ended September 30, 1997 was the increase in interchange sales to power brokers. Interchange sales to power brokers operate on a low profit margin and are immaterial to the company's operating income.

Operating Expenses: Total operating expenses increased approximately three percent for the three months ended September 30, 1997, compared to the same period of 1996. The increase was primarily attributable to increases in other operating and maintenance expenses due to a coal-fired plant being off-line for unscheduled maintenance and an incremental increase in the La Cygne 2 generating unit monthly lease payment.

Total operating expenses remain virtually unchanged for the nine months ended September 30, 1997 compared to the same period of 1996. Decreases in fossil fuel and purchase power expenses were partially offset by an increase in nuclear fuel expense due to Wolf Creek having been taken off-line for its eighth refueling and maintenance outage during the first quarter of 1996. Increased other operations expense as a result of a coal-fired plant being off-line for unscheduled maintenance and an the increase in La Cygne's monthly lease payment also contributed to the offset.

Total operating expenses increased less than one percent for the twelve months ended September 30, 1997 compared to the same period of 1996. Increases in other operating expenses due to the increase in La Cygne's monthly lease payment and the increase in net generation as a result of increased sales to interchange customers were offset by decreases in property taxes and federal and state income taxes due to the decrease in net income.

Wolf Creek was taken off-line on October 4, 1997 for its ninth refueling and maintenance outage. The outage is expected to last approximately 60 days during which time electric demand will be met primarily by the company's coal-fired operating units. The company anticipates its operating expenses will increase during the fourth quarter of 1997 as a result of Wolf Creek being taken out of service.

Other Income and Deductions: Other income and deductions, net of taxes, decreased for the three, nine, and twelve months ended September 30, 1997, compared to the same periods of 1996 due to the positive impact on income during the earlier periods resulting from receipt of death benefit proceeds from COLI policies recorded during the third quarter of 1996 and the fourth quarter of 1995. The increase in interest expense of $1.3 million relating to COLI borrowings for the three months ended September 30, 1997, also contributed to the decreases.

Interest Expense: Interest expense decreased $2.9 million, $5.1 million, and $2.7 million for the three, nine, and twelve months ended September 30, 1997, respectively, compared to the same periods of 1996. These decreases are attributed to the decrease in short-term debt balance held during the first nine months of 1997. Proceeds from the repayment of advances to the company's parent company have been used to repay all current outstanding short-term debt. The proceeds received are reflected in the decrease in Current Assets, Advances to parent company (net) on the Balance Sheets.

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 September 30, 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 October 29, 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 Fixed Charges
and Preferred and Preference Dividend Requirements
(Dollars in Thousands)

	Unaudited Twelve Months Ended September 30, 1997	1996	1995	1994	1993
Net Income.	$ 81,024	$ 96,274	$110,873	$104,526	$108,103
Taxes on Income	35,136	36,258	51,787	55,349	46,896
Net Income Plus Taxes.	116,160	132,532	162,660	159,875	154,999
Fixed Charges:					
Interest on Long-Term Debt. . . .	46,033	46,304	47,073	47,827	53,908
Interest on Other Indebtedness. .	6,983	11,758	5,190	5,183	6,075
Interest on Corporate-owned Life Insurance Borrowings . . .	29,436	27,636	25,357	20,990	11,865
Interest Applicable to Rentals. .	25,480	25,539	25,375	25,096	24,967
Total Fixed Charges	107,932	111,237	102,995	99,096	96,815
Earnings (1).	$224,092	$243,769	$265,655	$258,971	$251,814
Ratio of Earnings to Fixed Charges.	2.08	2.19	2.58	2.61	2.60

		1992	
	Pro Forma 1992 (2)	April 1 to Dec. 31 (Successor)	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.

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

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9-MOS
DEC-31-1997
SEP-30-1997
PER-BOOK
2,565,857
52,189
183,021
326,355
0
3,127,422
1,065,634
0
100,156
1,165,790
0
0
684,096
0
0
0
0
0
0
0
1,277,536
3,127,422
483,683
30,633
353,836
393,305
90,378
4,694
95,072
36,633
58,439
0
58,439
0
34,533
124,943
0
0