

STATE CORPORATION COMMISSION
 DEC 2 8 1996
 State Corporation Commission

BEFORE THE STATE CORPORATION COMMISSION
 OF THE STATE OF KANSAS

In the matter of the Application of)
 WESTERN RESOURCES, INC.)
 a Kansas Corporation, for authority to issue)
 and sell additional Common Stock)
 and incur Indebtedness)

Docket No. 97-WSRE-368-SEC

APPLICATION

Western Resources, Inc. ("Western Resources"), Topeka, Kansas pursuant to K.S.A. 66-125, governing the issuance of securities by utilities subject to the Commission's regulatory jurisdiction, hereby applies to the Commission for an Order and Certificate for the issuance and sale of additional Common Stock and incur indebtedness. In support of this Application, Western Resources provides the following information:

1. Western Resources proposes to issue and sell, from time to time, in one or more public or private offerings or transactions, up to 100,000,000 shares of additional common stock, \$5.00 par value ("Additional Common Stock") and additional indebtedness in the form of notes, securities or other evidences of indebtedness in an amount not to exceed \$1.5 billion ("Debt") (collectively the "Securities").

Additional Common Stock

2. The Additional Common Stock will be subject to the applicable provisions of Western Resources' Amended and Restated Articles of Incorporation, on file with the Commission and incorporated herein by reference.

3. Western Resources may issue and sell the Additional Common Stock in one or more offerings in any of the following ways: (i) in a public offering through an underwriter or underwriters,

(ii) in a private placement directly to a limited number of purchasers or to a single purchaser, or (iii) in an offering through agents.

4. If the Additional Common Stock is issued for cash, Western Resources proposes to add the proceeds of the sale of the Additional Common Stock to its general funds. Such funds will be used to repay short-term indebtedness, refinance certain long-term indebtedness and for general corporate purposes. Western Resources proposes to offer the Additional Common Stock for sale from time to time, in one or more offerings, as market conditions and Western Resources' need for funds dictate. If the Additional Common Stock is issued for securities or property other than cash, Western Resources will utilize the Additional Common Stock to acquire additional business assets or securities of other companies.

5. If the Additional Common Stock is issued in a public offering it will be the subject of a Registration Statement under the Securities Act of 1933 to be filed with the Securities and Exchange Commission, which will be supplied to the Commission when available.

6. Western Resources seeks an Order of the Commission authorizing, among other things, the issue and sale of the Additional Common Stock, pursuant to one or more public or private offerings or transactions. Pricing for the Additional Common Stock will be: (i) for a cash price of not less than \$1.00 per share below the closing price of Western Resources' common stock reported on the New York Stock Exchange immediately preceding the pricing of the Additional Common Stock, or (ii) in exchange for securities or property other than cash having a value substantially equal to the aggregate amount of Additional Common Stock exchanged therefore based upon a per share value of not less than \$1.00 per share below the average high and low sales prices of Western Resources' common stock reported on the New York Stock Exchange for the 20 consecutive trading

days ending with the third trading day immediately preceding the acceptance of the assets or securities in exchange for the Additional Common Stock. Any underwriter's commission for any issue of Additional Common Stock will be negotiated at the time based upon then prevailing market conditions.

Debt

7. Western Resources also proposes to borrow or incur indebtedness, from time to time, additional funds under one or more facilities or transactions, through one or more public or private transactions, including but not limited to, the issuance of notes or other evidences of indebtedness, in an aggregate amount not to exceed \$1.5 billion at any one time outstanding. The effective cost of the Debt will be an interest rate per annum not in excess of the higher of: (i) a rate based upon the rates at which dollar deposits are offered in the London Interbank market (LIBOR), plus 2.00% depending on the ratings then assigned by Standard and Poor's Corporation ("S&P") and Moody's Investors Service ("Moody's") to Western Resources' First Mortgage Bonds and/or senior unsecured indebtedness, (ii) the prime rate offered by the lender or a reference bank, plus 1.00%, (iii) a rate based on the secondary market rate for certificates of deposits subject to certain adjustments, plus 2.00%, (iv) a rate based on the rates for overnight federal funds transactions as published by the Federal Reserve Bank of New York plus 1.50%, (v) the rates obtained from bids selected by Western Resources through an auction mechanism known as a competitive advance facility or other similar arrangement, and (vi) United States treasury pricing bonds or notes plus 2.50%.

8. The Debt may be secured by the pledge of all or a part of the issued and outstanding capital stock of one or more of Western Resources' subsidiaries or other assets of Western Resources or its subsidiaries.

9. The final maturity date of the Debt will not be later than the 30th anniversary of the date on which the indebtedness is incurred.

10. The Debt will be subject to a number of conditions to be negotiated with the lenders based upon market conditions at the time. The Debt may also contain certain affirmative and negative covenants applicable to Western Resources and its subsidiaries. Western Resources will use its best efforts to obtain such terms and conditions as it believes to be reasonable under the circumstances taking into account then prevailing market conditions.

11. The Debt will be used to repay or refinance short and/or long term indebtedness, for general corporate purposes including commercial paper support, and for the acquisition of additional business assets or securities of other companies.

12. The proposed issuance and sale of the Securities and the filing of this Application have been authorized by resolutions adopted by Western Resources' Board of Directors on December 17, 1996, a certified copy of which is filed herewith.

13. Western Resources has attached hereto and makes a part hereof a balance sheet showing its assets and liabilities as of September 30, 1996.

14. The issuance and sale of the Securities are necessary for the purposes set forth herein, and the money or property to be procured thereby is reasonably required for said purposes and appropriate for the lawful purposes of Western Resources.

15. Western Resources requests the entry of the Commission's order and certificate in accordance with the prayer set forth below. Western Resources believes that this verified Application provides the Commission with sufficient facts and information to make the proper disposition of this Application without a hearing.

WHEREFORE, Western Resources, Inc. requests that the Commission issue an Order and Certificate or Certificates pursuant to K.S.A. 66-125,

(i) authorizing Western Resources to issue and sell up to 100,000,000 shares of Additional Common Stock on the terms and subject to the limitations recited hereinabove;

(ii) authorizing the issuance and sale of the not to exceed \$1.5 billion of Debt on the terms and subject to the limitations recited hereinabove;

(iii) authorizing the issuance and sale of the Securities for the purposes specified herein;
and

(iv) that the Commission's Order be effective on or before January 20, 1997.

DATED at Topeka, Kansas this 23rd day of December, 1996.

Respectfully submitted,

WESTERN RESOURCES, INC.

By: 

Richard D. Terrill

Secretary and Associate General Counsel

COUNSEL:


Richard D. Terrill (Ks. # 10171)
Secretary and Associate General Counsel
John K. Rosenberg (Ks. # 10530)
Executive Vice President and General Counsel
WESTERN RESOURCES, INC.
P.O. Box 889, 818 Kansas Avenue
Topeka, KS 66601
(913) 575-6322

Frank A. Caro, Jr. (Ks. #11678)
Polsinelli, White, Vardeman & Shalton
700 West 47th Street, Suite 1000
Kansas City, Missouri 64112
(816) 753-1000

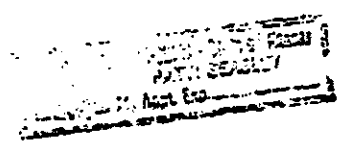
STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

VERIFICATION

James A. Martin, being duly sworn, upon his oath, deposes and says that he is a Vice President of Western Resources, Inc.; that he has read and is familiar with the foregoing filing; and that the statements therein and in the exhibits filed therewith are true to the best of his knowledge, information, and belief.


James A. Martin

SUBSCRIBED AND SWORN to before me this 23rd day of December, 1996.




Notary Public

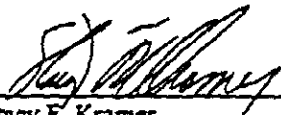
My Appointment expires:

November 18, 2000

CERTIFICATE

I, STACY F. KRAMER, Assistant Secretary, hereby certify that I am the duly elected Assistant Secretary of Western Resources, Inc., and as such officer, have charge of the books and certain records, including the minute books, of said Company; that annexed hereto is a true and correct copy of certain resolutions adopted by the Board of Directors at a meeting duly called and held on December 17, 1996, at which meeting a quorum of said Board was present and voted throughout; and that said resolutions are now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of Western Resources, Inc. this 23rd day of December, 1996.



Stacy F. Kramer
Assistant Secretary

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Timothy E. McKee, Chair
Susan M. Seltsam
John Wine

In the Matter of the Application of Western)
Resources, Inc. a Kansas Corporation, for) Docket No.
Authority to Issue and Sell Additional) 97-WSRE-368-SEC
Common Stock and Incur Indebtedness.)

ORDER AND CERTIFICATE

COMES NOW, the above captioned matter for consideration and determination before the State Corporation Commission of the State of Kansas ["Commission"] for consideration and determination pursuant to K.S.A. 66-125. This matter is a request by Western Resources, Inc. ["WRI"] for authority to issue up to 100,000,000 additional shares of common stock, \$5.00 par value, and \$1.5 billion in additional debt.

BACKGROUND

1. WRI proposes to use the funds generated for general corporate purposes, repayment of short and long term debt, and the acquisition of additional business assets or securities of other companies.
2. WRI requests authority to issue the additional stock and indebtedness from time to time as market conditions and the need for capital dictate. The additional shares would be sold through public offerings, private placements, transactions or offerings through agents. The additional shares would be issued for

either cash, securities, property other than cash or a combination thereof. The interest rate and price per share are controlled by price parameters, included in the application, which are based on the prevailing market rate and WRI common stock price at the date of issuance. The cash price will be not less than \$1.00 per share below the closing price of WRI common stock reported on the New York Stock Exchange immediately preceding the pricing of the additional stock. If exchanged for securities or property other than cash the additional stock may be so exchanged, if the securities or property have a value substantially equal to the aggregate amount of additional shares exchanged, and not less than \$1.00 per share below the average high and low sales prices for WRI common stock reported on the New York Stock Exchange for the 20 consecutive trading days ending with the third trading day immediately preceding the acceptance of the assets or securities in exchange for the additional shares.

3. WRI requests the authority to incur indebtedness through one or more public or private transactions not to exceed \$1.5 billion dollars. The effective cost of the additional debt will be an interest rate per annum not in excess of the higher of:

- a) a rate based upon the rates at which dollar deposits are offered in the London Interbank market plus two percent, depending on the ratings then assigned to WRI's First Mortgage Bonds and/or senior unsecured indebtedness;
- b) the prime rate offered by the lender or a reference bank plus one percent;

c) a rate based on the secondary market rate for certificates of deposits subject to certain adjustments plus two percent;

d) a rate based on the rates for overnight federal funds transactions as published by the Federal Reserve Bank of New York plus 1.50 percent;

e) the rates obtained from bids selected by WRI through an auction mechanism known as competitive advance facility or other similar arrangement; and

f) the equivalent of United States treasury pricing bonds or notes plus 2.5 percent.

The additional debt may be secured by the pledge of all or a part of the issued and outstanding capital stock of one or more of WRI's subsidiaries or other assets of WRI or its subsidiaries. The dates of maturity shall be thirty (30) years or less.

4. Upon review of this filing, it is the recommendation of Commission Staff ["Staff"] that WRI's application be granted.

FINDINGS AND CONCLUSIONS

5. The Commission finds and concludes that WRI is incorporated under the laws of the State of Kansas. WRI has its principal office and place of business located at 818 Kansas Avenue, Topeka, Kansas 66612.

6. WRI holds appropriate certificates of convenience and necessity authorizing it to transact the business of a natural gas and electric public utility within certain areas in the State of Kansas.

7. WRI seeks authority in the present application to issue up to 100,000,000 additional shares of common stock and \$1.5 billion in additional debt. The stock price shall be based on the prevailing WRI common stock price at the date of issuance. The interest rate will be based on the prevailing market at the date of issuance.

8. Staff has reviewed the amended application and has recommended that it be granted.

9. The Commission finds that granting WRI authority to enter into these transactions does not guarantee its recovery of related costs or inclusion of financed property in rate base.

10. The Commission retains the right to investigate the reasonableness of costs related to this transaction in future proceedings.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

WRI's application be granted, pursuant to K.S.A. 66-125, authorizing the issuance of up to 100,000,000 additional shares of common stock and \$1.5 billion in additional debt. The granting of authority to enter into these transactions does not guarantee WRI recovery of any related costs or inclusion of financed property in rate base.

WRI is further ordered to provide the Commission with final copies of all documents as the transactions are completed.

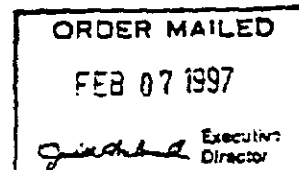
All parties have fifteen (15) days, plus three (3) days if service of this Order and Certificate is by mail, from the date of this Order and Certificate, in which to request reconsideration on any matter decided herein.

The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary and proper.

BY THE COMMISSION IT IS SO ORDERED.

McKee, Chr.; Seltsam, Com.; Wine, Com.

Dated: FEB 07 1997



Judith McConnell
Executive Director