

Notes for Intercompany Accounting Between Westar Energy and Westar Industries

General:

The accounting entries for intercompany transactions are recorded in accordance with Generally Accepted Accounting Principles (GAAP). Westar Energy and Westar Industries are treated as separate legal entities for accounting purposes.

Prior to October 2000:

Intercompany transactions between Westar Energy and Westar Industries were recorded in the intercompany accounts of each company. Generally during this time period, Westar Energy had an intercompany receivable from Westar Industries. The intercompany receivable balance was converted to contributed capital at the end of each calendar quarter. The entries were as follows:

Westar Energy/Western Resources

Dr. Investment in Westar Industries
Cr. Intercompany Receivable – Westar Industries

Westar Industries:

Dr. Intercompany Payable – Westar Energy
Cr. Paid in Capital

October 2000:

In accordance with directives from the Board of Directors and Executive Management, an intercompany note was set up between Westar Energy and Westar Industries for approximately \$238M. Note balance primarily consisted of proceeds from the sale of investments owned by Westar Industries that were deposited with Westar Energy. The entries to record the note were as follows:

Westar Energy/Western Resources:

Dr. Intercompany Payable - Westar Industries
Cr. Notes Payable – Westar Industries

Westar Industries:

Dr. Notes Receivable – Westar Energy
Cr. Intercompany Receivable – Westar Energy

February 2001:

In accordance with directives from the Board of Directors and Executive Management, converted \$350M of principal on the intercompany note receivable/payable between Westar Energy and Westar Industries to Westar Energy Common Stock. The entries were as follows:

Westar Energy/Western Resources:

Dr. Notes Payable – Westar Industries
Cr. Common Stock
Cr. Premium on Common Stock

Westar Industries:

Dr. Investment in Westar Energy Common Stock
Cr. Notes Receivable – Westar Energy

Western Resources, Inc.
Intercompany Payable to Westar Industries
June 30, 2000

Summary of Transactions Recorded on Westar Industries books:

| | <u>Debit</u> | <u>Credit</u> |
|--|--------------|---------------|
| 1) Cash | \$91,122,163 | |
| Marketable Securities | | \$66,599,432 |
| Gain on Sale of Investment | | 24,522,731 |
| To record the gain on the sale of marketable securities. | | |
| 2) Cash | 125,939,562 | |
| Investment in Hanover | | 34,832,961 |
| Gain on Sale of Investment | | 91,106,601 |
| To record the gain on the sale of Hanover common stock. | | |
| 3) Cash | 7,537,721 | |
| Investment in Derivatives | | 4,187,510 |
| Gain on Sale of Investment | | 3,350,211 |
| To record the gain on the sale of derivatives. | | |
| 4) Intercompany Receivable - Western Resources, Inc. | 224,599,446 | |
| Cash | | 224,599,446 |
| To record transfer of cash to parent company. | | |

Summary of Transactions Recorded on Western Resources Inc. books:

| | | |
|---|-------------|-------------|
| 1) Cash | 224,599,446 | |
| Intercompany Payable - Westar Industries | | 224,599,446 |
| To record transfer of cash from subsidiary. | | |

Western Resources, Inc.
Entries to Record Transfer of Oneok Investment to Westar Industries

Summary of Transactions Recorded on Westar Industries books:

2/01/00

| | <u>Debit</u> | <u>Credit</u> |
|--|---------------|---------------|
| 1) Investment in Oneok Paid In Capital | \$600,000,000 | \$600,000,000 |
| To record the transfer of Investment in Oneok from WR. | | |

Summary of Transactions Recorded on Western Resources Inc. books:

| | | |
|---|-------------|-------------|
| 1) Investment in Westar Industries Investment in Oneok | 600,000,000 | 600,000,000 |
| To record transfer of Investment in Oneok to Westar Industries. | | |

Entries to Record Western Resources' Equity Investments in Subs:

Summary of Transactions Recorded on Westar Industries books:

| | <u>Debit</u> | <u>Credit</u> |
|---|---------------|---------------|
| 1) Intercompany Payable to WR Paid In Capital | \$750,000,000 | \$750,000,000 |
| To record the transfer of Intercompany Pay - WR to Paid In Capital as equity investment from WR. | | |

Summary of Transactions Recorded on Western Resources Inc. books:

| | | |
|---|-------------|-------------|
| 1) Investment in Westar Industries Intercompany Receivable from Westar Industries | 750,000,000 | 750,000,000 |
| To record transfer of Intercompany Recv - Westar Ind. to Investment in Westar Industries as equity investment. | | |

Westlar Industries, Inc. / Western Resources, Inc.
 Account Analysis for 1450000 Note Receivable from Western Resources / 2231003 Note Payable to Westler Industries
 As of March 31, 2001

| | | Principal | Interest | Net Activity | Balance |
|----------------------------|--|------------------|---------------|------------------|----------------|
| Balance at 09/30/00 | | | | 0.00 | 0.00 |
| Oct: | Set up Note Receivable / Accrue Interest for October | 237,222,916.00 | 1,725,484.00 | 238,948,400.00 | 238,948,400.00 |
| Nov: | Note Activity / Accrue Interest for November | 76,786,786.71 | 1,915,892.53 | | |
| | Adjust October Balance / Accrued Interest | (6,276,974.18) | (41,458.54) | | |
| | Adjust November Balance / Accrued Interest | 7,000,000.00 | 50,546.34 | 79,434,792.86 | 318,383,192.86 |
| Dec: | Note Activity / Accrue Interest for December | 50,713,583.98 | 2,425,461.40 | | |
| | Adjust Note - WR purchase of lower from WComm | 150,000.00 | | | |
| | Adjust Note - Plane usage by WR | 883,577.00 | | | |
| | Adjust December Balance / Accrued Interest | 10,000,000.00 | 72,191.78 | | |
| | Revised Adjustment December Balance / Accrued Interest | (2,694,126.71) | (1,882.20) | | |
| | Record Oneok Tax Settlement on Mark to Market | (2,450,609.00) | | 59,098,196.25 | 377,481,389.11 |
| Balance at 12/31/00 | | 371,335,153.80 | 6,146,235.31 | 377,481,389.11 | |
| Jan: | Note Activity / Accrue Interest for January | 4,123,213.27 | 2,755,858.11 | 6,879,071.38 | 384,360,460.49 |
| Feb: | Note Activity / Accrue Interest for February | 10,015,684.67 | 2,406,592.74 | | |
| | Adjust Note - Plane usage by WR | 100,096.00 | | | |
| | Reverse Oneok Tax Settlement on Mark to Market | 2,450,609.00 | | | |
| | Record Investment in Western Resources common stk | (350,000,000.00) | | (335,027,017.59) | 49,333,442.90 |
| Mar: | Note Activity / Accrue Interest for February | 67,418,405.55 | 627,163.87 | | |
| | Adjust Note - Plane usage by WR | 243,840.96 | | 68,289,410.38 | 117,622,853.28 |
| Balance at 03/31/01 | | 105,687,003.25 | 11,935,850.03 | 117,622,853.28 | |

WI cr 4191000 dr 1450000
 WR dr 4301003 cr 2231003

Acc Analysis for 1450000 Note Receivable from Western Resources / 2231003 Note I ; Westlar Industries
 As of December 31, 2001

| | Principal | Interest | Net Activity | Balance |
|---|------------------|------------------|------------------|----------------|
| Balance at 12/31/00 | 371,335,153.80 | 6,146,235.31 | 377,481,389.11 | |
| Jan: Note Activity / Accrue Interest for January | JE 04070 / 19410 | 4,123,213.27 | 2,755,858.11 | 384,360,460.49 |
| Transfer 2000 Interest Income to Principal | | 6,146,235.31 | (6,146,235.31) | |
| Feb: Note Activity / Accrue Interest for February | JE 04070 / 19410 | 10,015,684.67 | 2,406,592.74 | |
| Adjust Note - Plane usage by WR | JE 04006 | 100,095.00 | | |
| Reverse Oneok Tax Settlement on Mark to Market | JE 02000 | 2,450,609.00 | | |
| Record Investment in Western Resources common stk | JE 01300 | (350,000,000.00) | (335,027,017.59) | 49,333,442.90 |
| Mar: Note Activity / Accrue Interest for March | JE 04070 / 19410 | 67,418,405.55 | 627,163.87 | |
| Adjust Note - Plane usage by WR | JE 04006 | 243,840.96 | | 117,622,853.28 |
| Apr: Note Activity / Accrue Interest for April | JE 04070 / 19410 | (1,965,205.42) | 816,539.99 | |
| Adjust Note - Plane usage by WR | JE 04006 | 114,975.81 | | 116,589,163.66 |
| May: Note Activity / Accrue Interest for May | JE 04070 / 19410 | (1,318,309.36) | 846,270.39 | |
| Adjust Note - Plane usage by WR | JE 04006 | 273,707.02 | | 116,390,839.71 |
| Jun: Accrue Interest for June | JE 19410 | | 814,174.66 | |
| Adjust Note - Plane usage by WR - May | JE 04006 | 152,228.88 | | |
| Adjust Note - Plane usage by WR - June | JE 52200 | 148,766.51 | | 117,506,009.76 |
| Jul: Accrue Interest for July | JE 19410 | | 848,328.18 | |
| Adjust Note - Refund of May advance to WRI | JE 04070 | 4,343.06 | | 118,358,681.00 |
| Aug: Accrue Interest for August | JE 19410 | | 855,537.60 | |
| Adjust Note - Plane usage by WR - July | JE 04006 | 150,322.34 | | 119,364,540.94 |
| Sep: Accrue Interest for September | JE 19410 | | 835,026.04 | |
| Adjust Note - Plane usage by WR - Aug | JE 04006 | 158,908.16 | | |
| Adjust Note - Income Tax payment | JE 52500 | (25,658,493.00) | | 94,699,982.94 |
| Oct: Accrue Interest for October | JE 19410 | | 835,026.04 | |
| Correction to Accrue Interest for October | JE 19412 | (150,734.53) | | |
| Adjust Note - Plane usage by WR - Sep | JE 04006 | 88,136.44 | | 95,472,411.69 |
| Nov: Accrue Interest for November | JE 19410 | | 612,249.10 | |
| Adjust Note - Plane usage by WR - Oct | JE 04006 | 175,680.10 | | |
| Adjust Note - Purchase of WR bonds by Westlar | JE 07502 | (3,563,927.73) | | 86,468,268.72 |
| Adjust Note - Purchase of WR bonds by Westlar | JE 07509 | (6,228,144.44) | | |
| Dec: Accrue Interest for December | JE 19410 | | 538,259.60 | |
| Payment by WR - November Interest | JE 07505 | (612,249.10) | | |
| Adjust Note - Purchase of WR bonds by Westlar | JE 075 | (19,002,444.44) | | |
| Adjust Note - Plane usage by WR - Nov | JE 04006 | 123,264.92 | | |
| Adjust Note - Plane usage by WR - Dec | JE 04008 | 158,828.99 | | 67,673,928.69 |
| Balance at 12/31/01 | 55,033,627.30 | 12,640,301.39 | 67,673,928.69 | |

WI cr 4191000 dr 1450000
 WR dr 4301003 cr 2231003
 1450000 v/s

Westar Industries, Inc. / Western Resources, Inc.
 Account Analysis for 1450000 Note Receivable from Western Resources / 2231003 Note Payable to Westar Industries
 As of March 31, 2002

| | Principal | Interest | Net Activity | Balance |
|--|-----------------|-----------------|-----------------|---------------|
| Balance at 12/31/01 | 55,033,627.30 | 12,640,301.39 | 67,673,928.69 | 67,673,928.69 |
| Jan: Note Activity / Accrue Interest for January | | 286,385.20 | | |
| Adjust Note - Purchase of WR bonds by Westar | (13,862,721.58) | (12,389,413.52) | | |
| Adjust Note - Purchase of WR bonds by Westar | (18,283,479.17) | | | |
| Adjust Note - Purchase of WR bonds by Westar | (6,028,958.33) | | | |
| Adjust Note - Purchase of WR bonds by Westar | (5,671,988.19) | | | |
| Adjust Note - Purchase of WR bonds by Westar | (5,012,440.97) | | | |
| Adjust Note - Purchase of WR bonds by Westar | (2,583,659.72) | | | |
| Adjust Note - Purchase of WR bonds by Westar | (2,003,402.78) | | | |
| Adjust Note - Purchase of WR bonds by Westar | (1,586,976.56) | | | |
| Interest Payment by WR | | (538,259.60) | (67,674,915.22) | (986.53) |
| Balance at 01/31/02 | (0.00) | (986.53) | (986.53) | |
| Feb: Correct January overpayment on note payable | | 986.53 | 986.53 | 0.00 |
| Balance at 02/28/02 | (0.00) | 0.00 | (0.00) | |
| Balance at 03/31/02 | 0.00 | 0.00 | 0.00 | |

2003

DATE: 03/07/01
TIME: 16:57
PAGE: 1

WESTAR INDUSTRIES INC.
MANUAL JOURNAL ENTRY

REPORT ID: WRMR/126
PCM ID : FSRMB126
CE: 3002

JE NUMBER: 01300 EFFECT DATE: 02/01/01
GRP DESC : RECORD INVESTMENT IN WESTERN RESOURCES
GROUP NUMBER: 01300GARRT GROUP DATE: 02/01/01
YEAR: 2001 VERSION: 00

| BUDG COST AREA | COST | ACCOUNT | LOC | ACTIVITY | PROD | WORK AREA | PROJECT | LEG DATA | REQ | EQUIP NUMBER | USER CODE | AMOUNT | STATISTIC | VFR | QUANTITY | UOM |
|----------------|------|---------|---------|----------|-------|-----------|------------|----------|-----|--------------|----------------|-----------------|-----------|------|----------|-----|
| 07501 | 299 | 90 | 0000000 | 00000 | 00000 | 07501 | 0000000000 | 35 | 00 | | | 350,000,000.00 | 0.00 | 00 | 0.00 | |
| 07501 | 299 | 90 | 0000000 | 00000 | 00000 | 07501 | 0000000000 | 35 | 00 | | | 350,000,000.00- | 0.00 | 00 | 0.00 | |
| TOTAL: | | | | | | | | | | | | | 0.00 | 0.00 | | |
| TOTAL DEBITS: | | | | | | | | | | | 350,000,000.00 | STATS DEBITS: | | 0.00 | | |
| TOTAL CREDITS: | | | | | | | | | | | 350,000,000.00 | STATS CREDITS: | | 0.00 | | |

REDACTED

EXPLANATION:

TO RECORD INVESTMENT IN WESTERN RESOURCES.

PREPARED BY: Bruce Morrison SUPERVISOR: T. O'Leary

UM3 3-7-01

ACCOUNTING REVIEW: Sci Tong

ACCOUNTING APPROVAL: Sci Tong

Approval: Sci Tong Date: _____
Approval: Sci Tong Date: _____

2003

DATE: 11/09/00 PAGE: 1
TIME: 13:06

WESTAR INDUSTRIES INC.
MANUAL JOURNAL ENTRY

REPORT ID: WRMR/126
PGM ID : FSKMB126

CE: 3002

JE NUMBER: 04071 EFFECT DATE: 10/01/00
GRP DESC : RECORD NOTE RECEIVABLE FROM WESTERN RESOURCES GROUP NUMBER: 04071GARBT GROUP DATE: 10/01/00
YEAR: 2000 VERSION: 00

| BUDG COST AREA | CODE | ACCOUNT | LOC | ACTIVITY | PROD | AREA | WORK | PROJECT | LEG DATA | ENT | IND | REQUEST | EQUIP NUMBER | USER CODE | AMOUNT | STATISTIC | VER | QUANTITY | UOM |
|----------------|------|---------|-----|----------|---------|-------|-------|------------|----------|-----|-----|---------|--------------|-----------|-----------------|-----------|------|----------|-----|
| ① | (| 07501 | Z99 | 90 | 0000000 | 00000 | 07501 | 0000000000 | 35 | 00 | | | | | 9,229,578.75 | 0.00 | 00 | 0.00 | |
| | | 07501 | Z99 | 90 | 0000000 | 00000 | 07501 | 0000000000 | 35 | 00 | | | | | 9,229,578.75- | 0.00 | 00 | 0.00 | |
| ② | (| 07501 | Z99 | 90 | 0000000 | 00000 | 07501 | 0000000000 | 35 | 00 | | | | | 237,222,916.00 | 0.00 | 00 | 0.00 | |
| | | 07501 | Z99 | 90 | 0000000 | 00000 | 07501 | 0000000000 | 35 | 00 | | | | | 237,222,916.00- | 0.00 | 00 | 0.00 | |
| ③ | (| 07501 | Z99 | 90 | 0000000 | 00000 | 07501 | 0000000000 | 35 | 00 | | | | | 1,725,484.00 | 0.00 | 00 | 0.00 | |
| | | 07501 | Z99 | 90 | 0000000 | 00000 | 07501 | 0000000000 | 35 | 00 | | | | | 1,725,484.00- | 0.00 | 00 | 0.00 | |
| TOTAL: | | | | | | | | | | | | | | | | 0.00 | 0.00 | | |

REDACTED

TOTAL DEBITS: 248,177,978.75 STATS DEBITS: 0.00
TOTAL CREDITS: 248,177,978.75 STATS CREDITS: 0.00

EXPLANATION:

- ① TO ADJUST INTERCO RECEIVABLE BALANCE AT 10/31/00.
- ② TO TRANSFER INTERCO RECEIVABLE BALANCE WITH WESTERN RESOURCES TO a/c 1450000 NOTE RECEIVABLE - WESTERN RESOURCES.
- ③ TO RECORD INTEREST INCOME ON NOTE RECEIVABLE FOR OCTOBER

PREPARED BY: Bruce Thompson SUPERVISOR: T. Oath ACCOUNTING REVIEW: Ken Young ACCOUNTING APPROVAL: Ken Young
VM3 11-9-00 APPROVAL: Ken Young DATE: 12-14-00

Ctl Ent: 3002 BA **seg value mba balance list** AAA / WRMBKKC
 From 07501 A CC Acct Loc Actv Prod WA Proj LE DI
 To 07501 999 1460100 A A A A A A A A
 Redisplay? N Rec type: P Year: 2000 Ver: 00
 Position cursor and press a function key. **BALANCE Amount**

| BA | CC | Acct | Loc | Actv | Prod | WA | Proj | LE | DI | Period | Amount |
|-------|-----|------|-----|---------|-------|-------|------------|----|----|--------|---------------|
| 07501 | A90 | | 90 | 0000000 | 00000 | 07501 | 0000000000 | 35 | 00 | 10 | 5,370,000.00- |
| 07501 | C20 | | 90 | 0000000 | 00000 | 07501 | 0000000000 | 35 | 00 | 10 | 1,580.68- |
| 07501 | E20 | | 90 | 0000000 | 00000 | 07501 | 0000000000 | 35 | 00 | 10 | 726.82 |
| 07501 | G20 | | 90 | 0000000 | 00000 | 07501 | 0000000000 | 35 | 00 | 10 | 306.53 |
| 07501 | G21 | | 90 | 0000000 | 00000 | 07501 | 0000000000 | 35 | 00 | 10 | 16.82 |

REDACTED

Total Inquiry: 227,993,337.25 **RUNNING TOTAL:** 5,370,530.51-
 MORE DATA AVAILABLE

Next transaction KKX Security Status: CONTINUE SC / 3002
 F1=Help F2=Next txn F3=Exit F4=Prompt F5=Hold txn F6=Change sys
 F7=Post Dtl F8= F9= F10=Top F11=Select F12=Main menu

JE NUMBER: 20600 EFFECT DATE: 02/01/00 GROUP NUMBER: GARB20600 GROUP DATE: 02/01/00
 JE DESC: RECORD TRANSFER OF INVESTMENT IN ONEOK TO WESTAR CAPITAL. YEAR: 2000 VERSION: 00

| BUDG AREA | BUDG ITEM | COST | FERC | ACCT | JUR | ACTIVITY | AREA | CD | WORK | ORG | WORK | EQUIP | SPECIAL | USER | PROJECT | CODE | AMOUNT | STATISTIC | VER | QTY | UOM |
|-----------|-----------|------|-------|------|---------|----------|------|----|------|-----|------|-------|---------|------|---------|------|----------------|-----------|-----|------|------|
| 07501 | 000000 | 100 | 12400 | 90 | 1240031 | 07501 | 1 | | | | | | | | | | 523,354,192.00 | 0.00 | 00 | 0.00 | 0.00 |
| 07501 | 000000 | 100 | 12400 | 90 | 1240030 | 07501 | 1 | | | | | | | | | | 47,441,314.92 | 0.00 | 00 | 0.00 | 0.00 |
| 07501 | 000000 | 100 | 12400 | 90 | 1240026 | 07501 | 1 | | | | | | | | | | 8,014,327.64 | 0.00 | 00 | 0.00 | 0.00 |
| 07501 | 000000 | 100 | 12400 | 90 | 1240025 | 07501 | 1 | | | | | | | | | | 9,722,024.81 | 0.00 | 00 | 0.00 | 0.00 |
| 07501 | 000000 | 100 | 12400 | 90 | 1240027 | 07501 | 1 | | | | | | | | | | 489,168.18 | 0.00 | 00 | 0.00 | 0.00 |
| 07501 | 000000 | 200 | 21100 | 90 | 2110000 | 07501 | 1 | | | | | | | | | | 588,042,691.19 | 0.00 | 00 | 0.00 | 0.00 |

TOTAL: 0.00 0.00

TOTAL DEBITS: 588,531,859.37
 TOTAL CREDITS: 588,531,859.37

EXPLANATION:

TO RECORD TRANSFER OF INVESTMENT IN ONEOK FROM WESTERN RESOURCES
 TO WESTAR CAPITAL.

PREPARED BY: Bonnie Thompson SUPERVISOR: _____ ACCOUNTING REVIEW: F. Cantah ACCOUNTING APPROVAL: Mike Ruckel

DATE: 03/06/00
 TIME: 15:44
 APPROVAL: Dee Ann DATE: _____
 APPROVAL: _____ DATE: _____

KKX / WRMBKKU

Ctrl Ent: *AFS BA BI CC Ferc Jur Actv WA Org
 From A A A A A 1240024 A A
 To 99999 999999 999 99999 99 1240027 99999 9
 Redisplay? Y Rec type: P Year: 2000 Ver: 00

Position cursor and press a function key.

| BA | BI | CC | FERC | Jur | Actv | WA | Org | Period | BALANCE | Amount |
|-------|--------|-----|-------|-----|---------|-------|-----|--------|---------|----------------|
| 06920 | 000000 | C20 | 12400 | 10 | 1240026 | 06920 | 1 | 02 | | 20,524.00 |
| 08160 | 000000 | A90 | 12400 | 10 | 1240024 | 08160 | 1 | 02 | | 3,201,226.00 |
| 08160 | 000000 | C20 | 12400 | 11 | 1240026 | 08160 | 1 | 02 | | 20,610.00 |
| 08160 | 000000 | G99 | 12400 | 10 | 1240024 | 08160 | 1 | 02 | | 229,325.00 |
| 08160 | 000000 | 100 | 12400 | 10 | 1240024 | 08160 | 1 | 02 | | 567,364,955.92 |
| 08160 | 000000 | 100 | 12400 | 10 | 1240025 | 08160 | 1 | 02 | | 9,722,024.81 |
| 08160 | 000000 | 100 | 12400 | 10 | 1240026 | 08160 | 1 | 02 | | 7,973,193.64 |
| 08160 | 000000 | 100 | 12400 | 10 | 1240027 | 08160 | 1 | 02 | | 489,168.18- |

Total Inquiry: 588,042,691.19 RUNNING TOTAL: 588,042,691.19

NO MORE DATA AVAIL

Next transaction KKX Security Status: CONTINUE SC / *AFS
 F1=Help F2=Next txn F3=Exit F4=Prompt F5=Hold txn F6=Change sys
 F7=Post Dtl F8= F9= F10=Top F11=Select F12=Main menu

INVESTMENT IN ONEOK

TRANSFER TO WESTAR CAPITAL'S BOOKS

ONEOK INVESTMENT

| Description | Investment Book Value | Investment 1240026 | Goodwill 1240027 | Investment Goodwill | Equity In Earnings | Dividends Received | Equity Div 1240025 | Net Investment |
|----------------------------------|-----------------------|--------------------|------------------|---------------------|--------------------|--------------------|--------------------|----------------|
| WRI Investment: | | | | | | | | |
| 12/99 Balance forward | 574,359,098 | 8,696,321 | (452,932) | 8,243,389 | 14,978,817 | (7,471,745) | 7,507,072 | 590,109,559 |
| 01/00 Current Mo Activity | (3,563,590) | 0 | (18,118) | (18,118) | 1,451,955 | | 1,451,955 | 1,433,837 |
| Sale of Common - 162,721 | | (681,994) | | (681,994) | | | | (4,245,584) |
| Total WRI Investment at 01/31/00 | 570,795,508 | 8,014,327 | (471,050) | 7,543,277 | 16,430,772 | (7,471,745) | 8,959,027 | 587,297,812 |
| 02/00 Current Mo Activity | | 0 | (18,118) | (18,118) | 1,434,542 | (671,545) | 762,997 | 744,879 |
| Total WRI Investment at 2/29/00 | 570,795,508 | 8,014,327 | (489,168) | 7,525,159 | 17,865,314 | (8,143,290) | 9,722,024 | 588,042,691 |

ONEOK INVESTMENT

| Description | Investment Book Value | Investment 1240026 | Goodwill 1240027 | Investment Goodwill | Equity In Earnings | Dividends Received | Net Investment |
|---|-----------------------|--------------------|------------------|---------------------|--------------------|--------------------|----------------|
| Westar Capital Investment: | | | | | | | |
| 12/99 Balance forward | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 01/00 Current Mo Activity | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Westar Cap Investment at 01/31/00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 02/00 Current Mo Activity | | | | 0 | | | 0 |
| Total Westar Cap Investment at 02/29/00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Investment in ONEOK | 570,795,508 | | | 7,525,159 | 17,865,314 | (8,143,290) | 588,042,691 |

Total Investment per Financial Report:

Jan 2000
Feb 2000

JE NUMBER: 26000 EFFECT DATE: 02/01/00 GROUP NUMBER: GABRT26000 GROUP DATE: 02/01/00
 JE DESC: TRANSFER INVESTMENT IN ONEOK TO WESTAR CAPITAL YEAR: 2000 VERSION: 00

| BUFG AREA | BUDGET ITEM | COST CODE | FERC ACCT | JUR | ACTIVITY | WORK AREA | ORG CD | WORK AREA | EQUIP REQUEST NUMBER | SPECIAL PROJECT CODE | USER | AMOUNT | STATISTIC | VER | QTY | UCH |
|-----------|-------------|-----------|-----------|-----|----------|-----------|--------|-----------|----------------------|----------------------|-------|----------------|-----------|-----|------|------|
| 08160 | 000000 | 100 | 12310 | 10 | 1232003 | 08160 | 1 | 08160 | | | ONEOK | 588,042,691.19 | 0.00 | 00 | 0.00 | 0.00 |
| 08160 | 000000 | 100 | 12400 | 10 | 1240027 | 08160 | 1 | 08160 | | | | 489,168.18 | 0.00 | 00 | 0.00 | 0.00 |
| 08160 | 000000 | A90 | 12400 | 10 | 1240024 | 08160 | 1 | 08160 | | | | 3,201,226.00 | 0.00 | 00 | 0.00 | 0.00 |
| 08160 | 000000 | G99 | 12400 | 10 | 1240024 | 08160 | 1 | 08160 | | | | 229,325.00 | 0.00 | 00 | 0.00 | 0.00 |
| 08160 | 000000 | 100 | 12400 | 10 | 1240024 | 08160 | 1 | 08160 | | | | 567,364,955.92 | 0.00 | 00 | 0.00 | 0.00 |
| 08160 | 000000 | 100 | 12400 | 10 | 1240025 | 08160 | 1 | 08160 | | | | 9,722,024.81 | 0.00 | 00 | 0.00 | 0.00 |
| 08160 | 000000 | C20 | 12400 | 10 | 1240026 | 08160 | 1 | 08160 | | | | 20,524.00 | 0.00 | 00 | 0.00 | 0.00 |
| 08160 | 000000 | 100 | 12400 | 10 | 1240026 | 08160 | 1 | 08160 | | | | 20,610.00 | 0.00 | 00 | 0.00 | 0.00 |
| 08160 | 000000 | 100 | 12400 | 10 | 1240026 | 08160 | 1 | 08160 | | | | 7,973,193.64 | 0.00 | 00 | 0.00 | 0.00 |

TOTAL: 0.00 0.00

TOTAL DEBITS: 588,531,859.37 STATS DEBITS: 0.00
 TOTAL CREDITS: 588,531,859.37 STATS CREDITS: 0.00

EXPLANATION:

TO TRANSFER INVESTMENT IN ONEOK TO WESTAR CAPITAL.

PREPARED BY: Bene Thompson SUPERVISOR: _____

ACCOUNTING REVIEW: F. Quail

ACCOUNTING APPROVAL: Mike Rindler

BY: 03/3/00

Approval: [Signature] Date: _____
 Approval: [Signature] Date: _____

Ctl Ent: *AFS BA BI CC Ferc Jur Actv WA Org
 From A A A A A 1240024 A A
 To 99999 999999 999 99999 99 1240027 99999 9
 Redisplay? Y Rec type: P Year: 2000 Ver: 00

Position cursor and press a function key.

| BA | BI | CC | FERC | Jur | Actv | WA | Org | Period | BALANCE | Amount |
|-------|--------|-----|-------|-----|---------|-------|-----|--------|---------|----------------|
| 06920 | 000000 | C20 | 12400 | 10 | 1240026 | 06920 | 1 | 02 | | 20,524.00 |
| 08160 | 000000 | A90 | 12400 | 10 | 1240024 | 08160 | 1 | 02 | | 3,201,225.00 |
| 08160 | 000000 | C20 | 12400 | 11 | 1240026 | 08160 | 1 | 02 | | 20,610.00 |
| 08160 | 000000 | G99 | 12400 | 10 | 1240024 | 08160 | 1 | 02 | | 229,325.00 |
| 08160 | 000000 | 100 | 12400 | 10 | 1240024 | 08160 | 1 | 02 | | 567,364,955.92 |
| 08160 | 000000 | 100 | 12400 | 10 | 1240025 | 08160 | 1 | 02 | | 9,722,024.81 |
| 08160 | 000000 | 100 | 12400 | 10 | 1240026 | 08160 | 1 | 02 | | 7,973,193.64 |
| 08160 | 000000 | 100 | 12400 | 10 | 1240027 | 08160 | 1 | 02 | | 489,168.18- |

Total Inquiry: 588,042,691.19 RUNNING TOTAL: 588,042,691.19
 NO MORE DATA AVAIL
 Next transaction KKX Security Status: CONTINUE SC / *AFS
 F1=Help F2=Next txn F3=Exit F4=Prompt F5=Hold txn F6=Change sys
 F7=Post Dtl F8= F9= F10=Top F11=Select F12=Main menu

INVESTMENT IN ONEOK
 TRANSFER TO WESTAR CAPITAL'S BOOKS

ONEOK INVESTMENT

| Description | Investment Book Value | Investment Goodwill | Investment Goodwill | Equity In Earnings | Dividends Received | Equity - Div | Net Investment |
|----------------------------------|-----------------------|---------------------|---------------------|--------------------|--------------------|--------------|----------------|
| | 1240026 | 1240027 | 1240025 | | | | |
| WRI Investment: | | | | | | | |
| 12/99 Balance forward | 574,359,098 | 8,696,321 | (452,932) | 14,978,817 | (7,471,745) | 7,507,072 | 590,109,559 |
| 01/00 Current Mo Activity | (3,563,590) | 0 | (18,118) | 1,451,955 | | 1,451,955 | 1,433,837 |
| Sale of Common - 162,721 | | (681,994) | | (681,994) | | | (4,245,584) |
| Total WRI Investment at 01/31/00 | 570,795,508 | 8,014,327 | (471,050) | 16,430,772 | (7,471,745) | 8,959,027 | 587,297,812 |
| 02/00 Current Mo Activity | | 0 | (18,118) | 1,434,542 | (671,545) | 1,762,997 | 744,879 |
| Total WRI Investment at 2/29/00 | 570,795,508 | 8,014,327 | (489,168) | 17,865,314 | (8,143,290) | 9,722,024 | 588,042,691 |

ONEOK INVESTMENT

| Description | Investment Book Value | Investment Goodwill | Investment Goodwill | Equity In Earnings | Dividends Received | Equity - Div | Net Investment |
|---|-----------------------|---------------------|---------------------|--------------------|--------------------|--------------|----------------|
| | 1240026 | 1240027 | 1240025 | | | | |
| Westar Capital Investment: | | | | | | | |
| 12/99 Balance forward | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 01/00 Current Mo Activity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Westar Cap Investment at 01/31/00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 02/00 Current Mo Activity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Westar Cap Investment at 02/29/00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Investment In ONEOK | 570,795,508 | 8,014,327 | (489,168) | 17,865,314 | (8,143,290) | 9,722,024 | 588,042,691 |

Total Investment per Financial Report:
 Jan 2000
 Feb 2000

WESTERN RESOURCES INC.
 MANUAL JOURNAL ENTRY

JE NUMBER: 04070
 GRP DESC : RECORD NOTE PAYABLE WITH WESTAR INDUSTRIES
 EFFECT DATE: 10/01/00
 GROUP NUMBER: 04070GARRT
 YEAR: 2000
 GROUP DATE: 10/01/00
 VERSION: 00

| BUDG COST AREA | ACCOUNT LOC | ACTIVITY | PROD AREA | WORK AREA | PROJECT | LEG DATA ENT | IND REQUEST | EQUIP NUMBER | USER CODE | AMOUNT | STATISTIC VER | QUANTITY UOM |
|----------------|-------------|----------|-----------|-----------|------------|--------------|-------------|--------------|-----------|----------------|---------------|--------------|
| 08160 299 | 11 | 00000000 | 00000 | 08160 | 0000000000 | 01 | 00 | | | 9,229,578.75 | 0.00 00 | 0.00 |
| 08160 299 | 11 | 00000000 | 00000 | 08160 | 0000000000 | 01 | 00 | | | 9,229,578.75 | 0.00 00 | 0.00 |
| 08160 299 | 11 | 00000000 | 00000 | 08160 | 0000000000 | 01 | 00 | | | 237,222,916.00 | 0.00 00 | 0.00 |
| 08160 299 | 11 | 00000000 | 00000 | 08160 | 0000000000 | 01 | 00 | | | 237,222,916.00 | 0.00 00 | 0.00 |
| 08160 299 | 11 | 00000000 | 00000 | 08160 | 0000000000 | 01 | 00 | | | 1,725,484.00 | 0.00 00 | 0.00 |
| 08160 299 | 11 | 00000000 | 00000 | 08160 | 0000000000 | 01 | 00 | | INT | 1,725,484.00 | 0.00 00 | 0.00 |
| TOTAL: | | | | | | | | | | 0.00 | 0.00 | 0.00 |

REDACTED

TOTAL DEBITS: 248,177,978.75
 TOTAL CREDITS: 248,177,978.75
 STATS DEBITS: 0.00
 STATS CREDITS: 0.00

EXPLANATION:

- ① TO ADJUST INTERCO RECEIVABLE BALANCE AT 10/31/00.
- ② TO TRANSFER INTERCO RECEIVABLE BALANCE WITH WESTAR INDUSTRIES TO A/C 2231003 NOTE PAYABLE - WESTAR INDUSTRIES
- ③ RECORD INTEREST EXPENSE ON NOTE PAYABLE FOR OCTOBER.

PREPARED BY: SUPERVISOR: ACCOUNTING REVIEW: ACCOUNTING APPROVAL:

Sam Johnson
 JMB 11-9-00

J. Orth

Wei Long

Approval: *Wei Long* Date: 10/19/00
 Approval: *Wei Long* Date: 10-14-00

Seg Value MBA Balance List

KXX / WRMBKRU

Ctl Ent: 3000 BA CC Acct Loc Actv Prod WA Proj LE DI
 From A A 1461003 A A A A A A A A
 To 99999 999 1461003 99999 9999999 99999 99999 9999999999 99 99
 Redisplay? N Rec type: P Year: 2000 Ver: 00

Position cursor and press a function key.

BALANCE Amount

| BA | CC | Acct | Loc | Actv | Prod | WA | Proj | LE | DI | Period | Amount |
|-------|-----|------|-----|---------|-------|-------|------------|----|----|--------|-----------|
| 06503 | C20 | | 11 | 0000000 | 00000 | 06503 | 0000000000 | 01 | 00 | 10 | 910.00 |
| 06612 | C20 | | 11 | 0000000 | 00000 | 06612 | 0000000000 | 01 | 00 | 10 | 39.00 |
| 06701 | C20 | | 11 | 0000000 | 00000 | 06701 | 0000000000 | 01 | 00 | 10 | 45,333.08 |
| 06701 | G20 | | 11 | 0000000 | 00000 | 06701 | 0000000000 | 01 | 00 | 10 | 1,289.29 |
| 06701 | G21 | | 11 | 0000000 | 00000 | 06701 | 0000000000 | 01 | 00 | 10 | 10.85 |

REDACTED

Total Inquiry: 227,993,337.25- RUNNING TOTAL: 47,582.22

MORE DATA AVAILABLE

Next transaction KXX Security Status: CONTINUE SC 3000
 F1=Help F2=Next txn F3=Exit F4=Prompt F5=Hold txn F6=Change sys
 F7=Post Dtl F8= F9= F10=Top F11=Select F12=Main menu

WR INTERCO RA W WCAP

| | |
|------------------------------|---------------------|
| BALANCE IN 1460100 | \$ (227,993,337.25) |
| ADJUSTED BALANCE AT 10/31/00 | (237,222,916.00) |
| ADJUSTMENT TO A/C 1460100 | \$ (9,229,578.75) |

INTEREST ON NOTE PAYABLE

| | |
|-------------------|----------------|
| PRINCIPAL BALANCE | \$ 239,014,000 |
| ANNUAL RATE | 8.5% |
| ANNUAL INTEREST | \$ 20,316,190 |

INTEREST EXP FOR OCT (31/365 OF 20,316,190) - \$ 1,725,484

WESTERN RESOURCES INC.

MANUAL JOURNAL ENTRY

CE: 3000

JE NUMBER: 05001 EFFECT DATE: 02/01/01
 GRP DESC: RECORD THE ISSUANCE OF 14,369,291 SHARES TO WESTAR IND

GROUP NUMBER: 05001CARRT GROUP DATE: 02/01/01
 YEAR: 2001 VERSION: 00

| BUDG AREA | COST ACCOUNT | LOC | ACTIVITY | PROD AREA | WORK AREA | PROJECT | ENT IND | REQ | 166 DATA | EQUIP NUMBER | USER CODE | AMOUNT | STATISTIC VER | QUANTITY UOM |
|----------------|--------------|-----|----------|-----------|-----------|------------|---------|-----|----------|----------------|----------------|-----------------|---------------|--------------|
| 08160 | 299 | 11 | 00000000 | 00000 | 08160 | 0000000000 | 01 | 00 | | | | 350,000,000.00 | 0.00 00 | 0.00 |
| 08160 | 299 | 11 | 00000000 | 00000 | 08160 | 0000000000 | 01 | 00 | | | | 71,846,455.00- | 0.00 00 | 0.00 |
| 08160 | 299 | 11 | 00000000 | 00000 | 08160 | 0000000000 | 01 | 00 | | | | 278,153,545.00- | 0.00 00 | 0.00 |
| TOTAL: | | | | | | | | | | | | 0.00 | 0.00 | |
| TOTAL DEBITS: | | | | | | | | | | 350,000,000.00 | STATS DEBITS: | 0.00 | | |
| TOTAL CREDITS: | | | | | | | | | | 350,000,000.00 | STATS CREDITS: | 0.00 | | |

REDACTED

EXPLANATION:

TO RECORD THE ISSUANCE OF 14,369,291 SHARES OF COMMON STOCK
 TO WESTAR INDUSTRIES

ACCOUNTING APPROVAL:

ACCOUNTING REVIEW:

SUPERVISOR:

Paul Thompson
 APPROVED: *Paul Thompson* DATE: 2/19/01
L. Outh
 APPROVED: *L. Outh* DATE: 2/19/01
Lee Outh
 APPROVED: *Lee Outh* DATE: 2/19/01

WESTERN RESOURCES, INC.

OUTSTANDING SHARE SUMMARY

| DATE ISSUED IN 2001 | PLAN/ USE | DOLLARS PER TRANSACTION | SOURCE OF SHARES | AVERAGE PRICE | SHARES PURCHASED/ ISSUED | TOTAL SHARES OUTSTANDING |
|------------------------|---|----------------------------|---------------------|------------------|--------------------------------|--------------------------------|
| JANUARY 2 | DSPP/OPTIONAL CASH | \$55,067.25 | NEW ISSUE | \$24.9375 | 2,208 | 70,082,314 |
| JANUARY 2 | DSPP/REINVESTED DIVIDENDS | \$4,177,677.26 | NEW ISSUE | \$24.1894 | 172,707 | 70,084,522 |
| JANUARY 2 | ESPP DIVIDENDS | \$20,375.74 | NEW ISSUE | \$24.1894 | 842 | 70,257,229 |
| JANUARY 2 | 401k | \$52,131.06 | NEW ISSUE | \$24.8125 | 2,101 | 70,258,071 |
| JANUARY 12 | STOCK FOR COMP | \$26,708.38 | NEW ISSUE | \$24.9375 | 1,146 | 70,260,172 |
| JANUARY 16 | 401k | \$58,141.38 | NEW ISSUE | \$23.3125 | 2,494 | 70,271,573 |
| JANUARY 16 | DSPP/OPTIONAL CASH | \$180,687.15 | NEW ISSUE | \$23.2812 | 7,761 | 70,262,666 |
| JANUARY 23 | ESPP | \$3,485,256.90 | NEW ISSUE | \$13.9984 | 248,976 | 70,270,427 |
| JANUARY 29 | 401k | \$7,695.00 | NEW ISSUE | \$23.7500 | 324 | 70,520,549 |
| JANUARY 31 | LTIP/DIST. TO ENERGY TRADERS | \$156,418.72 | NEW ISSUE | \$13.9984 | 11,174 | 70,520,873 |
| JANUARY 31 | DEF. COMP. DIST./R/ REDACTED | \$4,830.72 | NEW ISSUE | \$24.2750 | 199 | 70,532,047 |
| FEBRUARY 1 | DSPP/OPTIONAL CASH | \$127,785.02 | NEW ISSUE | \$24.0100 | 5,322 | 70,532,246 |
| FEBRUARY 1 | 401k | \$55,079.20 | NEW ISSUE | \$24.2000 | 2,276 | 70,537,568 |
| FEBRUARY 2 | ESPP | \$1,035.88 | NEW ISSUE | \$13.9984 | 74 | 70,539,844 |
| FEBRUARY 2 | STOCK FOR COMP | \$25,908.44 | NEW ISSUE | \$24.2000 | 1,071 | 70,539,918 |
| FEBRUARY 5 | RSU DIST./ REDACTED | \$796,350.14 | NEW ISSUE | \$24.0100 | 33,167 | 70,540,989 |
| FEBRUARY 5 | BOD STOCK AWARD | \$18,500.00 | NEW ISSUE | \$25.3437 | 2,190 | 70,574,156 |
| FEBRUARY 9 | RSU DIST./RETIREES | \$21,532.95 | NEW ISSUE | \$24.5250 | 878 | 70,576,346 |
| FEBRUARY 9 | 401k | \$7,796.25 | NEW ISSUE | \$24.7500 | 315 | 70,577,224 |
| FEBRUARY 15 | DSPP/OPTIONAL CASH | \$177,685.05 | NEW ISSUE | \$24.1700 | 7,352 | 70,577,539 |
| FEBRUARY 16 | STOCK FOR COMP | \$24,680.73 | NEW ISSUE | \$24.3900 | 1,012 | 70,584,891 |
| FEBRUARY 16 | 401k | \$52,633.62 | NEW ISSUE | \$24.3900 | 2,158 | 70,585,903 |
| FEBRUARY 22 | *STOCK OPTIONS/ REDACTED | \$4,609.92 | NEW ISSUE | \$24.0100 | 192 | 70,588,061 |
| FEBRUARY 26 | 401k | \$7,824.00 | NEW ISSUE | \$24.0000 | 326 | 70,588,253 |
| FEBRUARY 28 | DEF. COMP. DIST./ REDACTED | \$4,900.38 | NEW ISSUE | \$24.6250 | 199 | 70,588,579 |
| FEBRUARY 28 | * WESTAR INDUSTRIES | \$350,000,000.00 | NEW ISSUE | \$24.3575 | 14,369,291 | 70,588,778 |
| NEW ISSUE YTD | | \$359,551,311.14 | | | 14,875,755 | 84,958,069 |
| SHARE REPURCHASE | | | | | | |
| TREASURY ISSUE | | | | | | |

CURRENT SHARES AVAILABLE UNDER PLAN REGISTRATION

| | |
|-------------------------------------|-----------|
| Direct Stock Purchase Plan (DSPP) | 5,825,384 |
| 401(k) Savings Plan (401k) | 1,833,943 |
| Employee Stock Purchase Plan (ESPP) | 1,622,530 |
| Treasury Share Balance | 0 |