SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report
January 2, 1998
(Date of earliest event reported)

PETER KIEWIT SONS', INC.

(Exact name of registrant as specified in its charter)

Delaware (State of incorporation)	Identification No.)	47-0210602 (I.R.S. Employer
0-15658 (Commission File Number)		
1000 Kiewit Plaza Omaha, Nebraska (Address of principal executive offices)		68131 (Zip code)

Registrant's telephone number, including area code
(402) 342-2052

Item 2. Acquisition or Disposition of Assets

On January 2, 1998, Kiewit Diversified Group Inc. ("KDG"), a Peter Kiewit Sons', Inc. ("the Company") subsidiary, completed the previously announced sale (the "CalEnergy Transaction") to CalEnergy Company, Inc. ("CalEnergy") of (i) its stock and option interests in CalEnergy, (ii) its interests in certain joint ventures with CalEnergy (the "Joint Venture Energy Projects") which own power plants in the Philippines and Indonesia, and (iii) its 30% equity interest in Northern Electric plc, one of twelve regional electricity companies created by the privatization of the electric utility industry in the United Kingdom in 1990. The CalEnergy Transaction was accomplished through the sale by KDG to CalEnergy of all of the stock of Kiewit Energy Company ("Kiewit Energy") and the sale by Kiewit Energy to CalEnergy of the stock of certain Kiewit Energy subsidiaries.

The net proceeds of the CalEnergy Transaction to KDG were approximately $1.16 billion. The CalEnergy Transaction resulted in a one-time after tax gain in 1998 to the Company and KDG of approximately $300 million, and elimination of KDG net income attributable to CalEnergy, the Joint Venture Energy Projects and Northern Electric plc, which was $8 million in 1996 and is expected to be approximately $37 million, prior to the effect of one-time events, in 1997. The CalEnergy Transaction has substantially increased (by approximately $960 million) the cash, cash equivalents and other short-term investments held by KDG. KDG expects to use substantially all of these funds in connection with its previously announced plans to expand its information services business.

Item 7. Financial Statements and Exhibits

(b) Pro forma financial information.

The following pro forma financial information of the Company has been prepared to give effect to the CalEnergy Transaction.

The pro forma financial information includes pro forma consolidated condensed statements of earnings for the year ended December 28, 1996 and the nine month period ended September 30, 1997, and a pro forma consolidated condensed balance sheet as of September 30, 1997. The pro forma financial information should be read in conjunction with the historical consolidated financial statements and the notes thereto of the Company, appearing in the Company's Annual Report on Form 10-K for the year ended December 28, 1996 and on Form 10-Q for the nine month period ended September 30, 1997, and the notes to the pro forma consolidated condensed financial statements of the Company that

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follow.

The pro forma financial information is not intended to reflect results of operations or financial position of the Company which would have actually resulted had the sale been completed on the dates indicated. Moreover, the pro forma financial information is not intended to be indicative of the future results of operations or financial position of the Company.

(1) Basis of Reporting

The accompanying pro forma consolidated condensed financial statements of the Company are presented based upon the historical consolidated financial statements and the notes thereto of the Company, as adjusted to remove the earnings statement and the balance sheet accounts of Kiewit Energy and to give effect to certain other elements of the CalEnergy Transaction. Such pro forma financial statements should be read in conjunction with the separate historical consolidated financial statements and the notes thereto of the Company appearing in the Company's Annual Report on Form 10-K for the year ended December 28, 1996 and on Form 10-Q for the nine month period ended September 30, 1997. Such pro forma financial statements are not necessarily indicative of the future results of operations or financial position.

Completion of the sale has been assumed to be as of September 30, 1997 in the pro forma consolidated condensed balance sheet and as of January 1, 1996, in the pro forma consolidated condensed statements of earnings for the year ended December 28, 1996 and December 29, 1996, for the nine months ended September 30, 1997.

KDG expects to invest substantially all of the proceeds from the CalEnergy Transaction in its information services business. Therefore, the pro forma consolidated condensed statements of earnings contain no adjustments that recognize investment income for the fiscal year ended December 28, 1996 and for the nine month period ended September 30, 1997 relative to the proceeds received from the sale.

The significant accounting policies followed by the Company, described in the notes to its historical consolidated financial statements included in the Company's Annual Report on Form 10-K, have been used in preparing the accompanying pro forma consolidated condensed financial statements.

(2) Statements of Earnings Pro Forma Adjustments

As described in Note 1, the 1996 historical consolidated condensed statements of earnings for the Company have been adjusted to remove the income and expenses of Kiewit Energy. The 1997 historical consolidated statement of earnings reflects the income and expenses of Kiewit Energy as discontinued operations.

Material nonrecurring charges or credits and related tax effects which result directly from the sale, such as the estimated gain from the sale, were not considered in the pro forma consolidated condensed statements of earnings.

(3) Balance Sheet Pro Forma Adjustments

As described in Note 1, the historical consolidated condensed balance sheet of the Company has been adjusted to remove the balance sheet accounts of Kiewit Energy and to give effect to certain other elements of the sale. The other adjustment made in preparation of the Company's Pro Forma Consolidated Condensed Balance Sheet is as follows: an adjustment to record the cash proceeds on the sale of Kiewit Energy along with the estimated tax liability resulting from the estimated taxable gain on the sale and the resulting after tax proceeds to be received by the Company.

In order to fund the CalEnergy Transaction, CalEnergy sold, in October 1997, approximately 19.1 million shares of its common stock. It is the Company's policy to recognize gains on the sale of stock by its investees. The Company expects to recognize an after-tax gain of approximately $50 million in the fourth quarter of 1997 from the sale by CalEnergy of its common stock. The income from this sale and the additional equity earnings attributable to these assets recognized by the Company in the fourth quarter of 1997 will reduce the net gain reflected in the Pro Forma Consolidated Condensed Balance Sheet.

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PETER KIEWIT SONS', INC. AND SUBSIDIARIES
Pro Forma Consolidated Condensed Balance Sheet
September 30, 1997
(Unaudited)

(dollars in millions)	Historical	Kiewit Energy	Other Adjustments	Pro Forma
Assets				
Current Assets:				
Cash and cash equivalents	$ 522	$ -	$ 1,159 (a)	$ 1,681
Marketable securities	373	-	-	373
Restricted securities	22	-	-	22
Receivables, less allowance of $15	463	-	-	463
Costs and earnings in excess of billings on uncompleted contracts	118	-	-	118
Investment in construction joint ventures	148	-	-	148
Deferred income taxes	46	-	-	46
Other	51	-	-	51
Total Current assets	1,743	-	1,159	2,902
Property, Plant and Equipment, less accumulated depreciation and amortization of $665	391	-	-	391
Investments	531	-	-	531
Investments in Discontinued Operations	597	-	(597) (a)	-
Intangible Assets	55	-	-	55
Other Assets	43	-	-	43
	$ 3,360	$ -	$ 562	$ 3,922
Liabilities and Stockholders' Equity				
Current Liabilities:				
Accounts payable	$ 268	$ -	$ -	$ 268
Current portion of long-term debt	11	-	-	11
Accrued costs and billings in excess of revenue on completed contracts	302	-	-	302
Accrued insurance costs	86	-	-	86
Other	83	-	197 (a)	280
Total Current Liabilities	750	-	197	947
Long-Term Debt, less current portion	151	-	-	151
Deferred Income taxes	158	-	-	158
Retirement Benefits	40	-	-	40
Accrued Reclamation Costs	100	-	-	100
Other Liabilities	182	-	-	182
Minority Interest	11	-	-	11
Stockholders' Equity:				
Preferred stock, no par value, authorized shares: no shares outstanding in 1997	-	-	-	-

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The accompanying notes are an integral part of these pro forma financial statements.

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PETER KIEWIT SONS', INC. AND SUBSIDIARIES
Pro Forma Consolidated Condensed Statements of Earnings
Year Ended December 28, 1996
and Nine Months Ended September 30, 1997
(Unaudited)

(dollars in millions, except per share data)	Year Ended December 28, 1996				Nine Months Ended September 30, 1997			
	Historical (Audited)	Kiewit Energy	Other Adjustments	Pro Forma	Historical	Kiewit Energy	Other Adjustments	Pro Forma
Revenue	$ 2,904	$ -	$ -	$ 2,904	$ 2,180	$ -	$ -	$ 2,180
Cost of Revenue	(2,412)	-	-	(2,412)	(1,877)	-	-	(1,877)
	492	-	-	492	303	-	-	303
General and Administrative Expenses	(260)	1	-	(259)	(147)	-	-	(147)
Operating Earnings	232	1	-	233	156	-	-	156
Other Income (Expense):								
Equity Earnings, net	12	(14)	-	(2)	(17)	-	-	(17)
Investment Income, net	72	(2)	-	70	34	-	-	34
Interest Expense, net	(37)	-	-	(37)	(13)	-	-	(13)
Other, net	26	(2)	-	24	29	-	-	29
	73	(18)	-	55	33	-	-	33
Income from Continuing Operations Before Income Taxes and Minority Interest	305	(17)	-	288	189	-	-	189
Provision for Income Taxes	(84)	9	-	(75)	(73)	-	-	(73)
Minority Interest in Net Losses of Subsidiaries	-	-	-	-	2	-	-	2
Income from Continuing Operations	$ 221	$ (8)	$ -	$ 213	$ 118	$ -	$ -	$ 118
Earnings Attributable to:								
Class C Stock	$ 108			$ 108	$ 84			$ 84
Class D Stock	$ 113			$ 105	$ 34			$ 34
Earnings Per Share:								
Class C Stock								
Primary	$ 10.13			$ 10.13	$ 8.76			$ 8.76
Fully Diluted	$ 9.82			$ 9.82	$ 1.40			$ 1.40
Class D Stock								
Primary	$ 4.85			$ 4.49	$ 8.42			$ 8.42
Fully Diluted	$ 4.85			$ 4.48	$ 1.40			$ 1.40
Weighted Average Shares Outstanding:								
Class C Stock								
Primary	10,655,886			10,655,886	9,570,079			9,570,079
Fully Diluted	11,026,045			11,026,045	24,513,018			24,513,018
Class D Stock								
Primary	23,263,688			23,263,688	10,006,912			10,006,912
Fully Diluted	23,273,775			23,273,775	24,513,018			24,513,018

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The accompanying notes are an integral part of these pro forma financial statements.

(c) Exhibits.

Exhibit Number	Description
2	Stock Purchase Agreement by and between CalEnergy Company, Inc. and Kiewit Diversified Group Inc. dated September 10, 1997. (Exhibit 2 to the Form 8-K Current Report of CalEnergy dated September 10, 1997)

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.

Dated: January 15, 1998.

PETER KIEWIT SONS', INC.

BY: /s/ Matthew J. Johnson
Matthew J. Johnson
Vice President

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