

AEC DISTRIBUTION FOR PART 50 DOCKET MATERIAL
(TEMPORARY FORM)

CONTROL NO: 3997

| | | | | | | |
|--|-------------------------|-----------------------|----------------------|------------------------------------|-----|-------|
| FROM: Wisconsin Public Service Corp. Green Bay, Wisconsin 54305 E. W. James | DATE OF DOC: 7-18-72 | DATE REC'D 7-21-72 | LTR X | MEMO | RPT | OTHER |
| TO: Edward Bloch | ORIG 3 signed | CC 82 | OTHER | SENT AEC PDR X SENT LOCAL PDR X | | |
| CLASS: <u>U</u> PROP INFO | INPUT | NO CYS REC'D 85 | DOCKET NO: 50-305 | | | |

DESCRIPTION:

Ltr notarized 7-18-72 trans the following:

NOTE: * Indicates Prospectus.

ACKNOWLEDGED Do Not Remove

PLANT NAMES: Kewaunee Nuclear Plant

ENCLOSURES:

AMDT # 20 to App...consists of Kewaunee operating costs, cost of permanently shutting down the plant and annual cost to maintain plant in a safe condition.....(85 cys rec'd)

Prospectus for Wisc. Public Service Corp., Wisc. Power & Light Co., & Madison Gas & Electric Co.
(4 cys ea prospectus rec'd)

FOR ACTION/INFORMATION

7-21-72

rht

| | | | | |
|------------------------|----------------------------|--------------------------|-----------------------------|-------------------------------|
| BUTLER(L) W/ Copies | *✓ ENIEL(L) W/ 2 Copies | VASSALLO(L) W/ Copies | ZIEMANN(L) W/ Copies | KNIGHTON(ENVIRO) W/ Copies |
| CLARK(L) W/ Copies | SCHWENCER(L) W/ Copies | H. DENTON W/ Copies | CHITWOOD(FM) W/ Copies | |
| GOLLER(L) W/ Copies | STOLZ(L) W/ Copies | SCHEMEL(L) W/ Copies | DICKER(ENVIRO) W/ Copies | |

INTERNAL DISTRIBUTION

| | | | |
|--------------------|------------------|-------------------|----------|
| *✓ REG FILES | VOLLMER-L | KARAS-L L/A PWR | STELLO-L |
| *✓ AEC PDR | DENTON-L | MASON-L L/A BWR | |
| ✓ REG OPER (2) | GRIMES-L | BROWN-L L/A PWR | |
| ✓ OGC-RM P-506 | GAMMILL-L | WILSON-L L/A PWR | |
| ✓ MUNTZING & STAFF | KNIGHTON-ENVIRO | KARI-L L/A BWR | |
| ✓ GIAMBUSSO-L | DICKER-ENVIRO | SMITH-L L/A BWR | |
| BOYD-L-BWR | PROJ LDR ENVIRO: | GEARIN-L L/A BWR | |
| ✓ DEYOUNG-L-PWR | | DIGGS-L L/A | |
| MULLER-L-ENVIRO | SALTZMAN-IND. | TEETS-L L/A | |
| SKOVHOLT-L-OPER | MCDONALD-PLANS | GEARIN L/A ENVIRO | |
| KNUTH-L | NUSSEBAUMER-FM | ✓ BRAITMAN-A/T | |
| MACCARY-L | SMILEY-FM | HARLESS-ENVIRO | |
| SCHROEDER-L | P. COLLINS-L | MOORE-L | |

EXTERNAL DISTRIBUTION

| | | |
|-----------------------------------|---------------------------|--------------------------|
| ✓ 1-LOCAL PDR Kewaunee, Wisconsin | 9-NATIONAL LAB'S | 1-SAN/LA/NY--PDR |
| ✓ 1-DTIE-(LAUGHLIN) | ANL/ORNL/BMWL | 1-CHIEF WATER REACTORS |
| ✓ 1-NSIC-(BUCHANAN) | *✓ 1-R. CARROLL-OC, GT | 1-RD....E. HALL F-309 GT |
| ✓ 1-ASLB-YORE | 1-R. CATLIN, A-170, GT | |
| H. ST. | 1-CONSULTANT'S | |
| 1-C. MILES-C-459, GT | NEWMARK/BLUME/AGBABIAN | |
| 3 CYS ACRS-HOLDING | 1-DR. GERALD S. LELLOUCHE | |
| | BROOKHAVEN NATIONAL LAB | |

Regulatory

File Cy.

WISCONSIN PUBLIC SERVICE CORPORATION

Public Service

P.O. Box 1200, Green Bay, Wisconsin 54305

July 18, 1972

Mr. Edward Bloch, Acting Director
Directorate of Licensing
U. S. Atomic Energy Commission
Washington, D. C. 20545

Dear Mr. Bloch:

Subject: Amendment 20 to the Application for
Construction Permit and Operating
License for the Kewaunee Nuclear
Power Plant

AEC Docket 50-305

We submit herewith, eighty-five (85) copies of Amendment 20 to the Kewaunee Nuclear Power Plant Application for Construction Permit and Operating License.

This submittal consists of eighty-five (85) copies of the annual Kewaunee operating costs, cost of permanently shutting down the plant, and the annual cost to maintain the Kewaunee Plant in a safe condition.

In addition, four (4) copies each of the Prospectus for Madison Gas and Electric Company, Wisconsin Power and Light Company, and Wisconsin Public Service Corporation are submitted with this amendment.

Very truly yours,



E. W. James, Senior Vice-President
Power Generation & Engineering

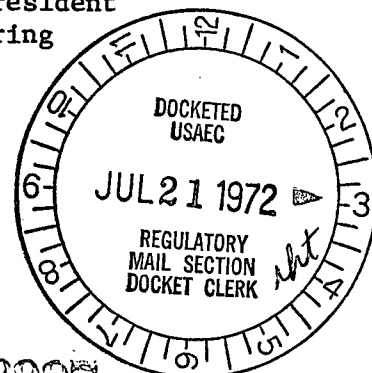
EWJ:mem

Subscribed and Sworn to
Before Me This 18th Day
of July 1972


Notary Public, State of Wisconsin

My Commission Expires

Nov. 16, 1975



3307

OPERATING AND PERMANENT SHUTDOWN COSTS

KEWAUNEE NUCLEAR POWER PLANT

General Financial Qualifications

Copies of the most recent prospectus' for each of the three participating owners - Wisconsin Public Service Corporation, Wisconsin Power and Light Company, and Madison Gas and Electric Company - are submitted as supporting evidence of adequate financial qualification.

Annual Operating Costs

The tabulation indicates annual costs of owning and operating the Kewaunee Nuclear Power Plant over the first five years of operation. The total annual costs include a depreciation amount which reflects a negative salvage value of seven million dollars to cover the estimated cost of permanently shutting down the facility. It should also be noted that the amortized pre-operational expense item of eight hundred three thousand dollars is written off in the first five years and will not reoccur in future years.

ESTIMATED ANNUAL COSTS

KEWAUNEE NUCLEAR POWER PLANT

Wisconsin Public Service Corporation
 Wisconsin Power & Light Company
 Madison Gas & Electric Company

(Thousands of Dollars)
Initial 5-Year Period

| | <u>Year 1</u> | <u>Year 2</u> | <u>Year 3</u> | <u>Year 4</u> | <u>Year 5</u> |
|---|---------------|---------------|---------------|---------------|---------------|
| Operation & Maintenance | 2 231 | 3 231 | 2 471 | 2 711 | 2 471 |
| Nuclear Fuel | 8 402 | 7 315 | 7 006 | 7 330 | 7 690 |
| Insurance | 805 | 805 | 805 | 805 | 805 |
| Administration & General | 586 | 639 | 649 | 712 | 649 |
| Depreciation (30 Yr. St. Line) | 5 566 | 5 566 | 5 566 | 5 566 | 5 566 |
| Return | 15 031 | 14 496 | 13 978 | 13 460 | 12 943 |
| Income Tax | 9 202 | 8 884 | 8 567 | 8 250 | 7 933 |
| Ad Valorem Tax | 5 575 | 5 530 | 5 475 | 5 409 | 5 255 |
| Sub Total | 47 380 | 46 466 | 44 517 | 44 243 | 43 312 |
| Amortized Preoperational Expense - 5 years to operating expense | 803 | 803 | 803 | 803 | 803 |
| TOTAL | 48 183 | 47 269 | 45 320 | 45 046 | 44 115 |
| <u>Shared Cost - Participating Companies</u> | | | | | |
| Wis Public Service - 41.2% | 19 851 | 19 475 | 18 672 | 18 559 | 18 175 |
| Wis Power & Light - 41.0% | 19 755 | 19 380 | 18 581 | 18 469 | 18 087 |
| Madison Gas & Electric-17.8% | 8 577 | 8 414 | 8 067 | 8 018 | 7 853 |

Permanent Shut-Down Costs

The applicant has not at this time formulated detailed plans for permanently shutting down the facility and maintaining it in a safe shut-down condition - if and when this should prove to be necessary. Assuming permanent shut-down measures similar to those authorized by the Atomic Energy Commission for the retirement of the Hallam Nuclear Power Facility, it is estimated that the cost of shut-down (based on 1972 cost levels) for the Kewaunee facility would not be in excess of seven million dollars (\$7,000,000). It is estimated at this time that an annual cost of two hundred thousand dollars (\$200,000) would be incurred for maintaining the facility in a safe shut-down condition. For depreciation purposes the Kewaunee Nuclear Power Plant is conservatively estimated to have a 30-year useful life prior to the need to be put in a safe shut-down condition.

General assumptions made in determining basic permanent shutdown costs and subsequent annual costs for maintaining safe shut-down conditions are as follows:

1. To achieve a satisfactory permanent shut-down condition, it would be expected that all fuel would be removed and reprocessed off-site. Certain components such as accumulator tanks, steam generator upper halves, and miscellaneous lightly contaminated equipment would be shipped off the site to designated burial ground. The containment and auxiliary buildings will be dismantled to approximately grade level. The remaining cavities within the containment and auxiliary building will be utilized for storage of the remaining components. Final sealing will be accomplished by use of a high density concrete in water and air-tight vaults. Finally the plant area

| <u>Underwriter</u> | <u>Address</u> | <u>Number of Shares</u> |
|---|--|-----------------------------|
| The Milwaukee Company | 207 East Michigan Street, Milwaukee, Wisconsin 53202 | 6,500 |
| The Ohio Company | 51 North High Street, Columbus, Ohio 43215 | 6,500 |
| Piper, Jaffray & Hopwood Incorporated | 115 South Seventh Street, Minneapolis, Minnesota 55402 | 6,500 |
| Prescott, Merrill, Turben & Co. | 900 National City Bank Bldg., Cleveland, Ohio 44114 | 6,500 |
| Singer, Deane & Scribner | Union Trust Bldg., Pittsburgh, Pennsylvania 15219 | 6,500 |
| Foley, Warendorf & Co. | 29 Broadway, New York, N. Y. 10006 | 5,000 |
| The Marshall Company, Inc. | 111 E. Wisconsin Avenue, Milwaukee, Wisconsin 53202 | 5,000 |
| Moore, Leonard & Lynch, Incorporated | 1003 Union Trust Bldg., Pittsburgh, Pennsylvania 15219 | 5,000 |
| Newhard, Cook & Co. Incorporated | 400 Olive Street, St. Louis, Missouri 63102 | 5,000 |
| Reinholdt & Gardner | 506 Olive Street, Mississippi Valley Bldg., St. Louis, Missouri 63101 | 5,000 |
| Stern Brothers & Co. | 9 West Tenth Street, Kansas City, Missouri 64199 | 5,000 |
| Braun, Monroe and Co. | 741 North Milwaukee Street, Milwaukee, Wisconsin 53202 | 3,000 |
| Julien Collins & Company | 230 West Monroe Street, Chicago, Illinois 60606 | 3,000 |
| First Midwest Investment Corp. | 1112 N. Jackson Street, Milwaukee, Wisconsin 53202 | 3,000 |
| Frederick & Company, Inc. | Cudahy Tower, 925 E. Wells Street, Milwaukee, Wisconsin 53202 | 3,000 |
| Havenfield Corporation | 120 Broadway, New York, N. Y. 10005 | 3,000 |
| The Illinois Company Incorporated | 135 South LaSalle Street, Chicago, Illinois 60603 | 3,000 |
| Joseph, Mellen & Miller, Inc. | 1400 East Ohio Bldg., Cleveland, Ohio 44114 | 3,000 |
| Manley, Bennett, McDonald & Co. | 1100 Buhl Bldg., Detroit, Michigan 48226 | 3,000 |
| McMaster Hutchinson & Co. | 150 South Wacker Drive, Chicago, Illinois 60606 | 3,000 |
| Romano Brothers and Company | 1580 Sherman Avenue, Evanston, Illinois 60201 | 3,000 |
| Woodard-Elwood & Co. | 1115 First National Bank Bldg., Minneapolis, Minnesota 55402 | 3,000 |
| Total | | <u>700,000</u> |

The nature of the Underwriters' obligation under the Underwriting Agreement is such that they must take and pay for all the additional Common Stock, if any is taken.

The Representatives have advised the Company that the Underwriters propose to offer the additional Common Stock to the public initially at the public offering price set forth on the cover page hereof, and to certain dealers at such price less a concession of 44¢ per share. The Underwriters may allow and such dealers may reallow a discount not in excess of 25¢ per share on sales to certain other dealers. After the initial offering, the public offering price, concession and discount may be changed by the Representatives.

In the Underwriting Agreement the Company agrees to indemnify the Underwriters against certain civil liabilities (including expenses) which they may incur under the Securities Act of 1933 or otherwise insofar as such liabilities are based upon claims that the Registration Statement contains material misstatements or omits certain necessary statements (excluding those based on information furnished by the Underwriters).

No dealer, salesman or any other person has been authorized to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offering made by this Prospectus, and if given or made, such information or representations must not be relied upon. This Prospectus does not constitute an offering of any securities other than those to which it relates, or an offering of those to which it relates to any person in any jurisdiction in which such offering may not lawfully be made. The delivery of this Prospectus at any time does not imply that the information herein is correct as of any time subsequent to its date.

CONTENTS

| | Page |
|---|------|
| Available Information | 2 |
| The Company | 2 |
| Use of Proceeds and Construction Program.. | 2 |
| Common Stock Dividends and Price Range.. | 3 |
| Statements of Income | 4 |
| Rate Proceedings | 5 |
| Capitalization | 6 |
| Business | 7 |
| Operating Statistics | 12 |
| Management | 14 |
| Description of Common Stock | 14 |
| Legal Opinions and Experts | 17 |
| Financial Statements | 18 |
| Report of Independent Public Accountants .. | 25 |
| Underwriting | 26 |

Wisconsin Public Service Corporation

700,000 Shares

COMMON STOCK

(\$8 Par Value)

PROSPECTUS

Merrill Lynch, Pierce, Fenner & Smith
Incorporated

Robert W. Baird & Co.
Incorporated

DATED DECEMBER 7, 1971