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NSP

NORTHERN STATES POWER COMPANY

EAU CLAIRE, WISCONSIN 54701

ARTHUR V. DIENHART
VICE PRESIDENT
TYRONE ENERGY PARK PROJECT

July 26, 1979

NLNRC - 88

Mr H R Denton, Director
Office of Nuclear Reactor Regulation
U S Nuclear Regulatory Commission
Washington, D C 20555

Subject: TYRONE ENERGY PARK E-7470
Docket No. STN 50-484



Dear Mr Denton

On July 24, 1979, Northern States Power Company announced a decision by the co-owners of Tyrone Energy Park to cancel the project. The co-owners concluded that the consequences flowing from the denial of the project on March 6, 1979 by the Wisconsin Public Service Commission would prevent the project from being placed in service on a schedule required by projected needs for power. A copy of a news release explaining the cancellation is attached.

In light of the decision to cancel the Tyrone Energy Park project, it is requested that the Office of Nuclear Reactor Regulation terminate further action in this docket.

Yours very truly

Arthur V. Dienhart

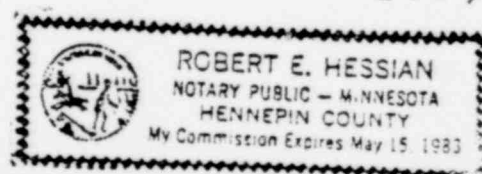
AVD/BAJ

cc J E Arthur	G Charnoff	J P Madgett	J G Keppler
K S Austin	G L Koester	D T McPhee	
J K Bryan	T V Lennick	N A Petrick	

On this 26th day of July, 1979, before me a notary public in and for said County, personally appeared Arthur V Dienhart, Vice President, and being first duly sworn acknowledged that he is authorized to execute this document on behalf of Northern States Power Company, a Wisconsin corporation, that he knows the contents thereof, and that to the best of his knowledge, information, and belief, the statements made in it are true and that it is not interposed for delay.

Robert E Hessian
Robert E Hessian
Notary Public, Hennepin County, Minnesota

My Commission Expires May 15, 1983



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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
Before the Commission



In the Matter of

Northern States Power Company

Docket No. STN 50-484

Tyrone Energy Park

Certificate of Service

I hereby certify that copies of the documents listed below in the above-captioned matter were served upon the following by deposit postpaid in the United States mail this 26th day of July, 1979.

Ivan W Smith, Esquire
Atomic Safety and Licensing
Board Panel
U S Nuclear Regulatory Commission
Washington, D C 20555

Mr Lester Kornblith, Jr
Atomic Safety and Licensing
Board Panel
U S Nuclear Regulatory Commission
Washington, D C 20555

Dr George C Anderson
Department of Oceanography
University of Washington
Seattle, Washington 98195

Michael C Farrar, Esquire
Atomic Safety and Licensing
Appeal Board
U S Nuclear Regulatory Commission
Washington, D C 20555

Richard S Salzman, Esquire
Chairman
Atomic Safety and Licensing
Appeal Board
U S Nuclear Regulatory Commission
Washington, D C 20555

Dr W Reed Johnson
Atomic Safety and Licensing
Appeal Board
U S Nuclear Regulatory Commission
Washington, D C 20555

Documents

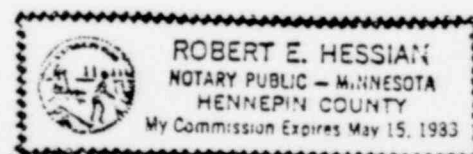
- 1) A letter, NLNRC - 88 and attachments thereto, dated July 26, 1979, from Arthur V Dienhart to H R Denton of the Nuclear Regulatory Commission.

Arthur V Dienhart
Vice President
Tyrone Energy Park Project

Subscribed and sworn to before me
this 26th day of July, 1979.

Robert E Hessian
Notary Public, Hennepin County, Minnesota

My Commission Expires May 15, 1983



UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
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In the Matter of

Northern States Power Company

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Tyrone Energy Park

Certificate of Service

I hereby certify that copies of the documents listed below in the above-captioned matter were served upon the following by deposit postpaid in the United States mail this 26th day of July, 1979.

Michael J Cain, Esquire
Bureau of Legal Services
Department of Natural Resources
Box 7921
Madison, Wisconsin 53707

Jocelyn Furtwangler Olson, Esquire
Special Assistant Attorney General
Minnesota Pollution Control Agency
1935 W County Road 82
Roseville, Minnesota 55113

Steven M Schur, Esquire
Chief Counsel
Public Service Commission of Wisconsin
Hill Farms State Office Building
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Madison, Wisconsin 53702

Mr Thomas A Galazen
Route 2, Box 64
Turtle Lake, Wisconsin 54889

Mr Stanley Cider
c/o Durand Postmaster
Tyrone, Wisconsin 54736

Peter A Peshek, Esquire
State Public Intervenor
114 East, State Capitol
Madison, Wisconsin 53702

Mr Richard Ihrig
400 Exchange Building
Fourth and Center
Winona, Minnesota 55987

Stephen H Lewis, Esquire
Office of the Executive Legal Director
U S Nuclear Regulatory Commission
Washington, D C 20555

Docketing and Service Section
Office of the Secretary
U S Nuclear Regulatory Commission
Washington, D C 20555

Documents

- 1) A letter, MLNRC - 88 and attachments thereto, dated July 26, 1979, from Arthur V Dienhart to H R Denton of the Nuclear Regulatory Commission.

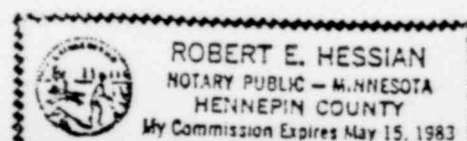
Copies of this letter are maintained in the local public document room at the Pierce Library, University of Wisconsin - Stout, Menomonie, Wisconsin, pursuant to 10 CFR 50.30 (3) (2).

Subscribed and sworn to before me
this 26th day of July, 1979.

Robert E Hessian
Robert E Hessian
Notary Public, Hennepin County, Minnesota

My Commission Expires May 15, 1983

Arthur V. Dienhart
Arthur V Dienhart
Vice President
Tyrone Energy Park Project



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NEWS FROM NSP



NORTHERN STATES POWER COMPANY
414 NICOLLET MALL, MINNEAPOLIS, MINN. 55401

FOR ADDITIONAL INFORMATION CONTACT:

Beth Allen
Communications Representative
612/330-7679

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7-24-79

FOR IMMEDIATE RELEASE

TYRONE ENERGY PARK CANCELLED

Co-owners of the proposed Tyrone Energy Park today cancelled the 1,100-megawatt nuclear power plant planned for western Wisconsin.

"We believe that it will not be possible to license and build the project in time to meet the needs of our customers," said Don McCarthy, Northern States Power Co.-Minnesota board chairman and president.

McCarthy made his comments at a news conference today, after the project's co-owners voted to cancel the unit. Co-owners of the project and their participation are: NSP-Wisconsin Co. of Eau Claire, Wisc., 67.6 percent; Cooperative Power Association of Edina, Minn., 17.4 percent; Dairyland Power Cooperative of La Crosse, Wisc., 13 percent; and Lake Superior District Power Co. of Ashland, Wisc., two percent.

"The co-owners believe that Tyrone cannot be licensed in the 1980s and that other options must be pursued to insure an adequate supply of electricity," McCarthy said. He added that NSP-Wisconsin has proposed a 650-megawatt coal-fired plant to be lo-

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cated in western Wisconsin. It is scheduled to be in service in 1987. Dairyland Power Cooperative also is planning a 650-megawatt coal-fired unit in Wisconsin. Both projects are subject to regulatory approvals.

The main reason for the Tyrone cancellation is the March 6 denial of the project by the Public Service Commission of Wisconsin. A month later, the co-owners filed an appeal of that order in Eau Claire County Circuit Court. "However, even with a successful court appeal, the co-owners believe a 1986 in-service date could not be met," McCarthy said.

The March accident at the Three Mile Island nuclear plant in Pennsylvania was considered by the co-owners in making the decision. "Generally, the accident has increased the uncertainties about the future of nuclear power," McCarthy said. "These uncertainties make it less likely that the Tyrone project could be licensed in a timely fashion."

McCarthy emphasized that the company is still committed to nuclear power and that "Tyrone represents the most economical and best method of meeting the needs of our customers. There is no question in our minds that nuclear power plants are safe, dependable and economical. However, if nuclear plants cannot be licensed in a timely fashion, another option must be pursued," he added.

The project's co-owners share a total financial commitment estimated at \$105 million for the project. NSP's estimated \$80 million portion includes about \$40 million spent to date on the project and an additional \$40 million commitment for contracted equipment.

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As the Tyrone cancellation occurred in 1979, McCarthy said it is appropriate that a write-off of the loss begin in 1979. A five-year amortization plan is anticipated. McCarthy said the company will include Tyrone costs in future rate filings.

"However, we do not contemplate any increases in the rates paid by our Minnesota or Wisconsin customers in 1979, despite the Tyrone write-off," McCarthy said. He explained that rate cases are not determined by one item of expense but upon the accumulation of all costs. That accumulation currently is not sufficient to warrant a rate increase. NSP's last Minnesota electric rate increase went into effect in June 1977.

"NSP is a highly regulated company in which the financial benefits of successful operation are passed on to customers in their electric rates. Consequently, it is appropriate to pass on Tyrone losses since they were incurred in good faith through prudent activities," McCarthy said.

"Overall, the write-off would amount to about \$3.80 annually for the typical Minnesota residential customer over the five-year period. Of course, the ultimate effect on customer bills will be determined by the appropriate regulatory authorities.

"In any event, we still don't expect NSP's electric rates to increase, on average, any more than the general inflation rate over the next five years," McCarthy said.

The Tyrone project began in 1973 when NSP announced plans to construct a nuclear power plant at the Durand, Wisc., site. The federal Nuclear Regulatory Commission issued a construction permit for the project in December 1977. However, the state permit for the project was denied last March.

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