

COLLECTED
 UNITED STATES OF AMERICA
 NUCLEAR REGULATORY COMMISSION
 '82 APR -8 P2:41
BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of the Application of)
)
 Public Service Company of Oklahoma,)
 Associated Electric Cooperative,)
 and)
 Western Farmers Electric Cooperative)
)
 (Black Fox Station, Units 1 and 2))

Docket Nos. STN 50-556
 STN 50-557

MOTION FOR TERMINATION
 OF PROCEEDING AND
 WITHDRAWAL OF APPLICATION



Public Service Company of Oklahoma, Associated Electric Cooperative, Inc. and Western Farmers Electric Cooperative ("Applicants") announced their decision, on February 16, 1982, to cancel the Black Fox Station nuclear project. In light of this decision, Applicants hereby move the Atomic Safety and Licensing Board, pursuant to 10 C.F.R. § 2.107, to enter an order terminating the instant proceeding and permitting Applicants to withdraw, without prejudice, their application for construction permits. In support of the Motion, Applicants state:

1. In August 1975, Applicants submitted an application to the United States Nuclear Regulatory Commission (the "Commission") seeking the permits necessary for the construction of the Black Fox Station as a nuclear generating

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facility. The Environmental Report submitted by Applicants, in support of the application, clearly demonstrated the long-run economic prudence of constructing a nuclear facility as opposed to a comparable fossil-fueled generating station. In 1975, Applicants estimated the costs of nuclear Units 1 and 2, with in-service dates of 1983 and 1985, to be approximately \$624 per kilowatt and \$645 per kilowatt, respectively.

2. The Commission's safety hearings in the Black Fox proceeding were completed in February 1979. At the close of these hearings, a complete cost reassessment and scheduling update performed by the Applicants established mid-1985 and mid-1988 as commercial operation dates for Black Fox's two nuclear units. The estimated cost of construction had risen to \$1,038 per kilowatt during the interim three and one-half years since the previous estimate. It was Applicants' belief, however, that these schedule delays and estimated cost increases associated with the Black Fox project were typical in the industry and that the nuclear project was still the most economical way to meet projected capacity needs.

3. Soon after the close of the safety hearings, and before any decision or construction permits were issued with respect to the Black Fox facility, the accident at the Three Mile Island Unit 2 nuclear facility occurred. This totally unexpected event placed the Applicants in a unique

position, having commenced work pursuant to a Limited Work Authorization and having the safety hearing record complete, but facing indefinite time delays and cost increases before the actual issuance of construction permits. No other pending construction permit applicant faced a similar situation.

4. The resulting three-year moratorium on nuclear licensing imposed by the Commission as a result of the Three Mile Island accident drastically and irreversibly escalated the cost of the Black Fox facility. Today, Applicants' cost estimate for the Black Fox project, based on PSO financing costs and in-service dates of 1993 for Unit 1 and 1995 for Unit 2, has jumped to \$4,472 per kilowatt. Further, Applicants now fear that the promise of future backfitting requirements will cause Black Fox costs to continue escalating at an unknown and uncontrollable rate.

5. Applicants announced their decision to cancel the Black Fox Station nuclear project on February 16, 1982. This decision was conveyed to the Atomic Safety and Licensing Board and parties by counsel for the Applicants during a conference telephone call which was held at 4:00 p.m. Eastern Standard Time on February 16, 1982.

6. In order to insure a complete record in this case, Applicants filed the prepared testimony regarding the Black Fox Station project, which was presented during a rate

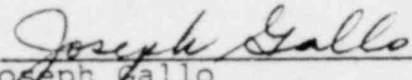
case before the Oklahoma Corporation Commission; a report by Touche-Ross, a consulting firm under contract to the Oklahoma Corporation Commission; and the January 15, 1982, Order issued by the Oklahoma Corporation Commission, portions of which reference the Black Fox Station.

7. Applicants intend to preserve the Black Fox site for construction of future power-generating projects and are presently reviewing the Black Fox site for the purpose of developing an appropriate site restoration plan consistent with the ultimate dedication of the site for future power-generating projects. This plan will be submitted to the NRC Staff for its review and approval.

8. Paragraphs 1 through 7 establish that good cause exists for permitting withdrawal, without prejudice, of the application for construction permits and, further, Applicants assert that no prejudice will accrue as a result of such action. See, In the Matter of Puerto Rico Electric Power Authority (North Coast Nuclear Plant, Unit 1), Docket No. 50-376, ALAB-662, 14 NRC ____ (1981); In the Matter of Philadelphia Electric Company (Fulton Generating Station, Units 1 and 2), Docket No. 50-463-CP, ALAB-657, 14 NRC ____ (1981).

For good cause shown, Applicants' "Motion for Termination of Proceeding and Withdrawal of Application" should be granted.

Respectfully submitted,



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Dated: April 6, 1982

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NUCLEAR REGULATORY COMMISSION

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(Black Fox Station, Units 1 and 2))

CERTIFICATE OF SERVICE

I hereby certify that copies of the MOTION FOR TERMINATION OF PROCEEDING AND WITHDRAWAL OF APPLICATION in the above-captioned proceeding were served upon the persons shown below by deposit in the United States mail, first-class postage prepaid, this 6th day of April, 1982.

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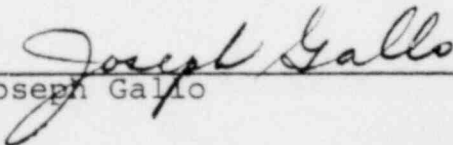
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