

May 19, 1997

PRELIMINARY NOTIFICATION OF EVENT OR UNUSUAL OCCURRENCE PNO-III-97-048

This preliminary notification constitutes EARLY notice of events of POSSIBLE safety or public interest significance. The information is as initially received without verification or evaluation, and is basically all that is known by Region III staff (Lisle, Illinois) on this date.

Facility
Wisconsin Electric Power Co.
Point Beach 1 2
Two Rivers, Wisconsin
Dockets: 50-266.50-301

Licensee Emergency Classification
Notification of Unusual Event
Alert
Site Area Emergency
General Emergency
X Not Applicable

Subject: PROPOSED MERGER TERMINATED

On May 16, 1997, Wisconsin Energy Company (Wisconsin Electric Power Company) and Northern States Power Company announced they were terminating their plans for a proposed merger of the two companies into a new company, Primergy Corporation. A May 14 decision by the Federal Energy Regulatory Commission (FERC) had remanded the case to an FERC settlement judge for further negotiations, including the possible sale of some generating facilities and other actions.

The utilities attributed their decision to changing regulatory policies on mergers and to further regulatory delays as a result of the FERC decision. The proposed merger had been announced May 1, 1995.

The merger had previously been approved by state agencies in Michigan and North Dakota, but decisions were still pending before the Minnesota and Wisconsin public service commissions. Other federal agency decisions were also pending.

The States of Wisconsin and Minnesota will be informed of the information in this preliminary notification.

The two utilities issued news releases on their decision on May 16, 1997.

This information is current as of 9 a.m. on May 19, 1997.

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