

## PRELIMINARY NOTIFICATION

Certified By Craig McCormick

Date: August 27, 1981

## PRELIMINARY NOTIFICATION OF EVENT OR UNUSUAL OCCURRENCE--PNO-III-81-75

This preliminary notification constitutes EARLY notice of events of POSSIBLE safety or public interest significance. The information presented is as initially received without verification or evaluation and is basically all that is known by IE staff as of this date.

Facility: Northern Indiana Public Service Co.  
Bailly Nuclear Power Station (Docket No. 50-367)  
Portage, Indiana

Subject: UTILITY ANNOUNCES CANCELLATION OF BAILLY NUCLEAR STATION

Edmund A. Schroer, Chairman of Northern Indiana Public Service Co., announced at a news conference August 26 in Hammond, IN, that the utility was cancelling its Bailly Nuclear Power Station. The Bailly plant, issued a construction permit in 1974, was less than 1 per cent complete.

The utility attributed the cancellation to increasing costs and delays caused by intervenor organizations and by regulatory requirements. Schroer reported the utility had spent \$205 million on the project.

Work was stopped at the plant site in 1977 when the NRC staff found pile driving techniques there to be unsatisfactory. A utility request to use shorter foundation piling was granted in March 1981, but the Commission on August 20 issued an order prohibiting pile driving activities pending a hearing on the short pilings procedure. The hearing had been required by a July 1, 1981, U.S. Court of Appeals decision.

Region III (Chicago) learned of the utility decision from news media inquiries.

There has been considerable local news media interest.

The state of Indiana has been notified.

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