

December 1, 1998

LICENSEES: Northern States Power, Wisconsin Electric, Wisconsin Public Service, and Alliant-IES

FACILITIES: Monticello, Prairie Island, Point Beach, Kewaunee, and Duane Arnold

SUBJECT: MEETING TO DISCUSS POTENTIAL REGULATORY ISSUES REGARDING THE ONGOING COOPERATIVE EFFORTS OF MID-WESTERN NUCLEAR UTILITY COMPANIES

The NRC staff met with representatives from the Northern States Power Company (NSP), the Wisconsin Electric Power Company (WEPCO), the Wisconsin Public Service Corporation (WPSC), and Alliant-IES Corporation, at NRC Headquarters on October 29, 1998, to discuss various aspects of potential regulatory issues associated with their ongoing cooperative efforts. The enclosure lists the meeting participants.

The utility representatives began the meeting with a briefing on the history and the overview of their ongoing cooperative initiative. The proposed alliance involving NSP, WEPCO, WPSC, and Alliant-IES was announced in August 1998. NSP operates both Monticello and Prairie Island Units 1 and 2 nuclear power plants, WEPCO operates Point Beach Units 1 and 2 nuclear power plant, WPSC operates Kewaunee nuclear power plant, and Alliant-IES operates Duane Arnold nuclear power plant. The utility representatives stated that the proposed alliance is in its early formative stage with the focus on the following six areas, so far: 1) fuel management and core analysis, 2) the Year 2000 project, 3) inventory and spare components, 4) information exchange, 5) safety assessment and oversight, and 6) outage management.

The utility representatives stated that they are in the process of assessing all applicable regulatory requirements associated with various options under the proposed alliance. The staff described the provisions of 10 CFR 50.80, "Transfer of Licenses," including management and technical qualifications, financial assurances, and antitrust considerations. In addition, the staff discussed the NRC-proposed criterion on the use of non-owner operating companies, "non-utility" qualification requirements, and "newly-formed entity" requirements. The staff stated that draft standard review plans have been or are being developed for each of these issues to address them in detail.

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Docket Nos. 50-263, 50-266, 50-282, 50-301, 50-305, 50-306, and 50-331

Enclosure: As stated

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