FORM 8-K

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FILER

WPS RESOURCES CORP

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report: July 2, 1998
(Date of earliest event reported)

<TABLE>
<CAPTION>

Commission file number	Registrant; State of Incorporation Address; and Telephone Number	IRS Employer Identification No.
<S>	<C>	<C>
1-11337	WPS RESOURCES CORPORATION (A Wisconsin Corporation) 700 North Adams Street P. O. Box 19001 Green Bay, WI 54307-9001 920-433-1466	39-1775292
1-3016	WISCONSIN PUBLIC SERVICE CORPORATION (A Wisconsin Corporation) 700 North Adams Street P. O. Box 19001 Green Bay, WI 54307-9001 920-433-1466	39-0715160

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ITEM 5. Other Events.

On July 22, 1998, WPS Resources Corporation ("WPSR") issued a press release announcing financial results of WPSR for the three-month and six-month periods ended June 30, 1998. A copy of this press release is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

On July 2, 1998, the Public Service Commission of Wisconsin ("PSCW") approved an agreement by Wisconsin Public Service Corporation ("WPSC") and Alliant Utilities - Wisconsin Power and Light Company ("WP&L") to replace the steam generators at the Kewaunee Nuclear Power Plant ("KNPP"). The steam generators have been in use since the KNPP began operations in 1974, and tubes contained in the generators have begun to wear out, reducing the electricity that the KNPP can produce. The new steam generators will return the KNPP to its full capacity of approximately 530,000 kilowatts compared to its current 500,000 kilowatt capacity. The license to operate the KNPP expires in 2013. Steam generator replacement is to begin in the spring of 2000 at an estimated aggregate cost of approximately $90 million. WPSC's share of this cost will be approximately $53.5 million.
On July 2, 1998, the PSCW agreed that WPSC and WP&L can recover their investment in the new steam generators and any other unrecovered KNPP capital costs in retail rates utilizing sum-of-the-years digits accelerated depreciation over a period of 8-1/2 years following the completion of the project.

Madison Gas and Electric Company ("MG&E") has appealed the PSCW's order which authorized KNPP steam generator replacement to the circuit court of Dane County, Wisconsin. WPSC and MG&E have entered into a letter of intent to consummate certain transactions which would result in the settlement of MG&E's opposition to the steam generator replacement and the dismissal of MG&E's appeal. WPSC and MG&E anticipate executing a definitive settlement agreement in August 1998. WPSC and WP&L are currently negotiating an amendment to the KNPP joint power supply agreement to govern the operation of the KNPP and related matters following the transfer of MG&E's interest to WPSC.

These proposed agreements contemplate the following:

1) Immediately preceding the commencement of the KNPP steam generator replacement, MG&E will transfer its 17.8% interest in the KNPP to WPSC in exchange for an interest in a WPSC combustion turbine generating facility or other WPSC assets having an aggregate book value at time of transfer approximately equal to the book value of MG&E's interest in the KNPP (estimated at approximately $10 million) with any difference being settled in cash. Following the ownership transfer, MG&E, in satisfaction of its decommissioning responsibilities, will transfer to the WPSC qualified decommissioning trust the net assets in the MG&E qualified decommissioning trust which will be fully funded as of the date of ownership transfer and will transfer funds to the MG&E nonqualified decommissioning trust which, together with amounts then held in such trust and in the qualified decommissioning trust, are deemed to be sufficient, pursuant to a funding plan approved by the PSCW, to fund fully MG&E's estimated share of

the costs of decommissioning the KNPP. MG&E will irrevocably devote the MG&E nonqualified decommissioning trust to satisfy KNPP decommissioning obligations. If the amounts available from these decommissioning trusts shall for any reasons which develop after the transfer exceed or be less than the KNPP decommissioning costs applicable to MG&E's original interest in the KNPP, WPSC expects that such deviations would be reflected in retail rates. WPSC will also grant to MG&E an option exercisable prior to the commencement of steam generator replacement to enter into agreement with WPSC to purchase power, for a two-year term following the ownership transfer, in an amount equal to any excess in capacity of the interest in the KNPP transferred by MG&E to WPSC over the capacity of the interest in any generating facility transferred in exchange by WPSC to MG&E. Under this agreement, capacity would be sold by WPSC at a price reflecting the cost of a new generating facility.

2) Following the transfer of MG&E's ownership interest in the KNPP to WPSC, WPSC will own 59% of the KNPP and WP&L will own 41% of the KNPP. WPSC will continue to operate the KNPP. MG&E will not be liable for any part of the steam generator replacement costs or for liabilities arising out of the operation of the KNPP following the ownership transfer. MG&E will remain liable for its share of any liabilities arising from the operation of the KNPP prior to the transfer of ownership, including MG&E's responsibility for disposal of spent fuel utilized prior to the transfer of ownership.

3) WPSC and WP&L will amend the joint power supply agreement relating to the KNPP. Under the amended agreement, WPSC will be able to control decisions relating to the operation of the KNPP. Both WPSC and WP&L, however, will under certain circumstances have the right, upon 12 months prior notice, to cause the other party to agree to the shutdown and decommissioning of the KNPP or to require the purchase of its interest in the KNPP by the other party. The purchase price of the transferred interest would equal the portion of the book value for regulatory purposes of the KNPP represented by the interest being transferred. The right to require shutdown or purchase could be exercised (i) at such time that the book value of the interest in the KNPP of the party exercising such right, exclusive of any capital investments made subsequent to the steam generator replacement, is $5,000,000 or less, which would not occur until about 2006, (ii) at any time subject to a 30% reduction in the purchase price, unless energy generated from the KNPP is not then subject to retail rate regulation, or

(iii) at any time for "cause" which includes (a) a material failure by WPSC to meet agreed upon operation and maintenance standards which remains uncured 90 days after notice of such failure, (b) the failure of the parties to resolve certain material disagreements respecting the KNPP non-fuel operating and maintenance budget or capital budget, (c) the existence of material deviations of actual costs from such budgets and

(d) the refusal, under certain circumstances, of WPSC to transfer the operations or assets of the KNPP to a nuclear operating or generating company. Either party will also have the right to purchase the other party's interest in the KNPP to enable such party to transfer the operations or assets of the KNPP to a nuclear operating or generating company.

WPSC believes that the right of either party to require the other to agree to KNPP shutdown and decommissioning or to purchase such party's interest is unlikely to be exercised in the near term because in the case of an exercise of such right for cause, the triggering events are unlikely to occur in light of the historic operational experience of the KNPP and because an exercise not for cause would be subject to a 30% reduction in purchase price so long as the KNPP remains subject to retail rate regulation. If exercised in 2006 or thereafter, such exercise would occur at a time when the book value of the owners' investment in the KNPP had been substantially or fully depreciated and recovered in retail rates.

All of the foregoing proposed agreements are subject to the execution of definitive documents and the receipt of required regulatory approvals.

On July 7, 1998, WPSR's wholly-owned subsidiary, WPS Power Development, Inc. ("PDI"), announced that it had entered into an agreement to purchase generating facilities with 92 megawatts of aggregate capacity from Maine Public Service Company and its subsidiary, New Brunswick Electric Power Company, for a purchase price of $37.425 million. The transaction is contingent upon receipt of required regulatory approvals. PDI intends to finance the purchase through non-recourse project financing.

On July 9, 1998, PDI announced that it had entered into a joint venture with an affiliate of EarthCo, a Nevada corporation, to turn residue from coal mining at the Alabama Land & Mineral site in Jasper County, Alabama into usable energy briquettes. At full production, more than 400,000 tons of coal dust or "fines" will be processed annually by mixing the fines with a binding compound to form briquettes. The project began operation in late June 1998 and is eligible to receive federal tax credits because of the briquettes' status as a synthetic fuel. PDI has invested less than $10 million for a two-thirds interest in the project.

ITEM 7. Financial Statements and Exhibits.

(c) Exhibits.

99-1 WPS Resources Corporation (WPSR) press release dated July 22, 1998 announcing financial results of WPSR for the three-month and six-month periods ended June 30, 1998.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WPS RESOURCES CORPORATION

By: /s/ Ralph G. Baeten

Ralph G. Baeten
Treasurer

Date: July 22, 1998

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WISCONSIN PUBLIC SERVICE CORPORATION

By: /s/ Ralph G. Baeten

Ralph G. Baeten
Vice President-Treasurer

Date: July 22, 1998

EXHIBIT 99.1

(WPS RESOURCES CORPORATION LETTERHEAD)

FOR RELEASE: July 22, 1998

For additional information, see attached table or contact:
Ralph G. Baeten, Treasurer, WPS Resources Corporation
(920) 433-1449

WPS RESOURCES CORPORATION

ANNOUNCES SECOND QUARTER FINANCIAL RESULTS

Green Bay, WI -- Second quarter basic and diluted earnings per average share of common stock of WPS Resources Corporation ("WPSR") for the three months ended June 30, 1998, were $0.41 compared with $0.40 for the corresponding period in 1997, an increase of 2.5%. Net income for the three months ended June 30, 1998 and 1997, was $9.9 million and $9.6 million, respectively. Earnings on common stock at Wisconsin Public Service Corporation ("WPSC"), WPSR's principal subsidiary, were $11.4 million for the three months ended June 30, 1998, and $11.2 million for the same period in 1997. "Warmer than normal weather contributed to higher electric sales and increased earnings at WPSR for the second quarter of 1998," stated Dan P. Bittner, Vice President and Chief Financial Officer of WPSR.

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WPSR operating revenues were $219.6 million in the second quarter of 1998 compared with $191.4 million in the second quarter of 1997, an increase of 14.8%. Electric utility revenues at WPSC increased $6.8 million due primarily to increased energy prices paid by wholesale and interruptible buy-through customers during a period of abnormally warm weather in the latter part of the second quarter of 1998. Also included in 1998 second quarter electric revenues are $3.8 million of surcharge revenues related to recovery of the deferred costs of the 1997 steam generator repairs at the Kewaunee Nuclear Power Plant ("Kewaunee") which were offset by a charge to nuclear maintenance expense. WPSC is the operator and 41.2% owner of Kewaunee. Partially offsetting the increase in revenue was a $1.0 million refund as the result of a Federal Energy Regulatory Commission settlement related to open access transmission tariff rates. Gas utility revenues decreased $14.9 million as a result of reduced sales and mild weather in the first half of the second quarter of 1998. Also contributing to the decrease in gas utility revenues was a $7.5 million refund from ANR Pipeline Company which WPSC passed on to its gas customers. This refund was also credited to gas purchases. Nonregulated energy revenues increased $36.4 million due primarily to increased gas sales at WPS Energy Services, Inc. ("ESI"), WPSR's energy marketing subsidiary.

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Explanation of WPSR Earnings Per Share Changes
Between Quarters Ended June 30, 1998 and June 30, 1997

	DOLLAR IMPACT IN MILLIONS	EARNINGS PER SHARE IMPACT

	(Before Tax)	(After Tax)
Increase in Electric Utility Margin	$7.4	$0.19
Decrease in Gas Utility Margin	(1.9)	(0.05)
Net Increase in Nonregulated Margins	0.4	0.01
Increase in Maintenance Expenses	(2.2)	(0.06)
Decrease in Other Income	(4.0)	(0.10)
Change in Other Items	0.8	0.02
Total Earnings Per Share Impact		$0.01

The primary reasons for the increase in WPSR earnings in the second quarter of 1998 were higher electric utility margins due to a 137.1% increase in cooling degree days and higher nonregulated gas and electric margins as a result of increased sales. Partially offsetting these increases in earnings were lower gas utility margins due to less sales, and an increase in nuclear maintenance expenses due to recognition of the 1997 deferred expenses for Kewaunee steam generator repairs. Also offsetting the increases in earnings was a reduction in other income in the second quarter of 1998 compared with the second quarter of 1997 which reflected the gain from sales of nonutility property of $2.7 million.

Year-to-date basic and diluted earnings per average share of common stock of WPSR were $1.13 compared with $1.16 for the corresponding period in 1997. Operating revenues for the six-month period ending June 30, 1998, were $496.4 million and net

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income for the period was $27.0 million. Operating revenues for the six-month period ending June 30, 1997, were $454.4 million and net income for the period was $27.8 million. Year-to-date earnings on common stock at WPSC were $29.3 million for 1998 and $31.2 million for 1997.

The primary reasons for the decrease in earnings at WPSR were a decrease in other income due to the gain from sales of nonutility property which had occurred in the second quarter of 1997 and a decrease in utility gas margins. Partially offsetting these decreases in earnings were increased electric utility margins as a result of increased prices during a period of abnormally warm weather in the latter part of the second quarter of 1998, a decrease in other operating expenses, and an increase in the nonregulated gas margin.

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Explanation of WPSR Earnings Per Share Changes
Between Six Months Ended June 30, 1998 and June 30, 1997

	DOLLAR IMPACT IN MILLIONS (Before Tax)	EARNINGS PER SHARE IMPACT (After Tax)
Increase in Electric Utility Margin	$4.8	$0.12
Decrease in Gas Utility Margin	(2.5)	(0.06)
Net Increase in Nonregulated Margins	1.4	0.03
Increase in Depreciation and Decommissioning Expenses	(2.3)	(0.06)
Increase in Maintenance Expenses	(2.7)	(0.07)
Decrease in Other Operating Expenses	2.6	0.07
Decrease in Other Income	(2.8)	(0.07)
Change in Other Items	0.4	0.01
Total Earnings Per Share Impact		$(0.03)

Basic and diluted earnings per average share of common stock of WPSR for the twelve months ended June 30, 1998, were $2.22 compared with $1.76 for the twelve months ended June 30, 1997, an increase of 26.1%.

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<TABLE>
WPS RESOURCES CORPORATION
EARNINGS ANALYSIS

(THOUSANDS, EXCEPT PER SHARE AMOUNTS)
<CAPTION>

	QUARTER ENDED JUNE 30		% CHANGE	YEAR-TO-DATE JUNE 30		% CHANGE	YEAR ENDED JUNE 30		% CHANGE
	1998	1997		1998	1997		1998	1997	
REVENUES	$219,620	$191,360	14.8%	$496,429	$454,373	9.3%	$920,396	$879,662	4.6%
OPERATING EXPENSES	200,090	175,740	13.9%	445,964	405,483	10.0%	818,732	794,035	3.1%
OPERATING INCOME	19,530	15,620	25.0%	50,465	48,890	3.2%	101,664	85,627	18.7%
OTHER INCOME/(DEDUCTIONS)	1,641	5,782	-71.6%	4,186	7,246	-42.2%	9,377	5,927	58.2%
INCOME BEFORE INTEREST AND TAXES	21,171	21,402	-1.1%	54,651	56,136	-2.6%	111,041	91,554	21.3%
INTEREST EXPENSE	6,106	6,187	-1.3%	12,222	12,705	-3.8%	25,920	25,654	1.0%
INCOME TAXES	4,408	4,866	-9.4%	13,893	14,069	-1.3%	29,094	20,868	39.4%
PREFERRED STOCK DIVIDENDS OF SUBSIDIARY	778	778	0.0%	1,556	1,556	0.0%	3,111	3,111	0.0%
NET INCOME	$ 9,879	$ 9,571	3.2%	$ 26,980	$27,806	-3.0%	$ 52,916	$ 41,921	26.2%
AVERAGE SHARES OF COMMON STOCK	23,858	23,875	-0.1%	23,860	23,878	-0.1%	23,864	23,882	-0.1%
EARNINGS PER SHARE	$0.41	$0.40	2.5%	$1.13	$1.16	-2.6%	$2.22	$1.76	26.1%
HEATING DEGREE DAYS	828	1,249	-33.7%	4,069	5,130	-20.7%	7,038	8,370	-15.9%
COOLING DEGREE DAYS	166	70	137.1%	166	70	137.1%	351	292	20.2%

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