

Dr. Robert C. Mecredy
 Vice President, Nuclear Operations
 Rochester Gas and Electric Corporation
 89 East Avenue
 Rochester, NY 14649

October 16, 1998

SUBJECT: ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT IMPACT FOR THE PROPOSED TRANSFER OF CONTROL OF ROCHESTER GAS AND ELECTRIC CORPORATION'S INTEREST IN NINE MILE POINT NUCLEAR STATION, UNIT NO. 2, AND THE R. E. GINNA NUCLEAR POWER PLANT (TAC NOS. MA3267 AND MA3270)

Dear Dr. Mecredy:

Enclosed is a copy of the Environmental Assessment and Finding of No Significant Impact for the proposed transfer of control of Rochester Gas and Electric Corporation's (Applicant's) interest in Nine Mile Point Nuclear Power Station, Unit No. 2, and the R. E. Ginna Nuclear Power Plant. The assessment relates to your application dated July 30, 1998, as supplemented August 18, 1998, and September 14, 1998, for consent under 10 CFR 50.80 regarding the proposed formation of an unnamed holding company over Applicant in accordance with an order and settlement agreement resulting from electric industry restructuring goals established by the New York State Public Service Commission.

The assessment is being forwarded to the Office of the Federal Register for publication.

Sincerely,
 ORIGINAL SIGNED BY:

Guy S. Vissing, Senior Project Manager
 Project Directorate I-1
 Division of Reactor Projects - I/II
 Office of Nuclear Reactor Regulation

50-244/
 Docket No. 50-410

Enclosure: Environmental Assessment

cc w/encl: See next page

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NAME	<i>S. Little</i>					
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DATE	10/1/98		10/2/98	10/1/98 <i>10/6/98</i>	10/16/98	10/6/98
OFFICE	OGC <i>OGC</i>					
NAME	<i>S. Little</i>					
DATE	10/1/98					

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

October 16, 1998

Dr. Robert C. Mecredy
Vice President, Nuclear Operations
Rochester Gas and Electric Corporation
89 East Avenue
Rochester, NY 14649

SUBJECT: ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT IMPACT FOR THE PROPOSED TRANSFER OF CONTROL OF ROCHESTER GAS AND ELECTRIC CORPORATION'S INTEREST IN NINE MILE POINT NUCLEAR STATION, UNIT NO. 2, AND THE R. E. GINNA NUCLEAR POWER PLANT (TAC NOS. MA3267 AND MA3270)

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Sincerely,

A handwritten signature in black ink, appearing to read "Guy S. Vissing".

Guy S. Vissing, Senior Project Manager
Project Directorate I-1
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket No. 50-410

Enclosure: Environmental Assessment

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**Dr. Robert C. Mecredy
Rochester Gas and Electric Company**

R.E. Ginna Nuclear Power Plant

cc:

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**Regional Administrator, Region I
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Public Service
3 Empire State Plaza, 10th Floor
Albany, NY 12223**

UNITED STATES NUCLEAR REGULATORY COMMISSION

ROCHESTER GAS AND ELECTRIC CORPORATION

NIAGARA MOHAWK POWER CORPORATION

NINE MILE POINT NUCLEAR STATION, UNIT 2

R. E. GINNA NUCLEAR POWER PLANT

ENVIRONMENTAL ASSESSMENT AND FINDING OF

NO SIGNIFICANT IMPACT

DOCKET NOS. 50-410 AND 50-244

The U.S. Nuclear Regulatory Commission (the Commission) is considering the issuance of an Order approving, under 10 CFR 50.80, an application regarding a transfer of control of the operating license for R. E. Ginna Nuclear Power Plant (Ginna) and the operating license for the Nine Mile Point Nuclear Station, Unit No. 2 (NMP2) to the extent held by Rochester Gas and Electric Corporation (RG&E or Applicant). The transfer would be to a holding company, not yet named, to be created over Applicant in accordance with the "Amended and Restated Settlement Agreement" before the Public Service Commission of the State of New York dated October 23, 1997 (Case 96-E-0989) (see Exhibit A in the application dated July 30, 1998). Applicant is licensed by the Commission to own and possess a 14-percent interest in NMP2, located in the town of Scriba, Oswego County, New York, and to wholly own, maintain and operate the R. E. Ginna Nuclear Power Plant located in Wayne County, New York.

ENVIRONMENTAL ASSESSMENT

Identification of the Proposed Action:

The proposed action would consent to the transfer of control of the licenses to the extent effected by Applicant becoming a subsidiary of the newly formed holding company in connection

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with a proposed plan of restructuring. Under the restructuring plan, the outstanding shares of Applicant's common stock are to be exchanged on a share-for-share basis for common stock of the holding company, such that the holding company will own all of the outstanding common stock of Applicant. The holding company, and not RG&E, would be the owner of any unregulated non-utility subsidiaries. Applicant will continue to be an "electric utility" as defined in 10 CFR 50.2 engaged in the transmission, distribution, and generation of electricity. Applicant would retain its ownership interest in NMP2 and Ginna, continue to operate Ginna, and continue to be a licensee of NMP2 and Ginna. No direct transfer of the operating licenses or ownership interests in the stations will result from the proposed restructuring. The transaction would not involve any change to either the management organization or technical personnel of Niagara Mohawk Power Corporation (NMPC), which is responsible for operating and maintaining NMP2 and is not involved in the restructuring of Applicant, and would not involve any change in the nuclear management or technical qualification of RG&E. Also, the transaction would have no effect upon the financing of the RG&E nuclear plants. The proposed action is in accordance with Applicant's application dated July 30, 1998, as supplemented August 18, 1998, and September 14, 1998.

The Need for the Proposed Action:

The proposed action is required to enable Applicant to restructure as described above.

Environmental Impacts of the Proposed Action:

The Commission has completed its evaluation of the proposed corporate restructuring and concludes that it is an administrative action having no effect upon the operation of either plant. There will be no physical changes to NMP2 or Ginna. The corporate restructuring will not affect the qualifications or organizational affiliation of the personnel who operate and maintain NMP2 and Ginna, as NMPC will continue to be responsible for the maintenance and operation of NMP2 and is not involved in the restructuring of RG&E, and RG&E will continue to be responsible for the maintenance and operation of Ginna.

The proposed action will not increase the probability or consequences of accidents, no changes are being made in the types of any effluents that may be released offsite, and there is no significant increase in occupational or offsite radiation exposure. Accordingly, the Commission concludes that there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the restructuring would not affect nonradiological plant effluents and would have no other nonradiological environmental impact.

Accordingly, the Commission concludes that there are no significant environmental impacts associated with the proposed action.

Alternatives to the Proposed Action:

Since the Commission has concluded there are no significant environmental impacts that would result from the proposed action, any alternatives with equal or greater environmental impact need not be evaluated.

As an alternative to the proposed action, the staff considered denial of the proposed action. Denial of the application would result in no change in current environmental impacts.

The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources:

This action does not involve the use of any resources not previously considered in the Final Environmental Statements Related to the Operation of Nine Mile Point Nuclear Station, Unit No. 2, (NUREG-1085) dated May 1985, and in the Final Environmental Statements Related to the Operations of the R. E. Ginna Nuclear Power Plant, dated December 1973.

Agencies and Persons Contacted:

In accordance with its stated policy, on August 31, 1998, the staff consulted with the New York State official, Mr. Jack Spath, regarding the environmental impact of the proposed action.

The State official had no comments.

FINDING OF NO SIGNIFICANT IMPACT

Based upon the environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see Applicants's application dated July 30, 1998, as supplemented August 18, 1998, and September 14, 1998, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Reference and Documents Department, Penfield Library, State University of New York, Oswego, New York 13126, and the Rochester Public Library, 115 South Avenue, Rochester, New York 14610.

Dated at Rockville, Maryland, this 16th day of October 1998.

FOR THE NUCLEAR REGULATORY COMMISSION



S. Singh Bajwa, Director
Project Directorate I-1
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation