

Mr. John H. Mueller
 Chief Nuclear Officer
 Niagara Mohawk Power Corporation
 Nine Mile Point Nuclear Station
 Operations Building, Second Floor
 P.O. Box 63
 Lycoming, NY 13093

September 24, 1999

SUBJECT: NOTICE OF CONSIDERATION OF APPROVAL OF TRANSFER OF FACILITY OPERATING LICENSES AND CONFORMING AMENDMENTS, AND OPPORTUNITY FOR A HEARING - NINE MILE POINT NUCLEAR STATION, UNIT NOS. 1 AND 2 (TAC NOS. MA6426 AND MA6427)

Dear Mr. Mueller:

Enclosed is a copy of a "Notice of Consideration of Approval of Transfers of Facility Operating Licenses and Conforming Amendments, and Opportunity for a Hearing" related to the application dated September 10, 1999, filed by Niagara Mohawk Power Corporation (NMPC), New York State Electric & Gas Corporation (NYSEG), and AmerGen Energy Company, LLC (AmerGen). In accordance with 10 CFR 50.80, the application seeks the NRC's consent to the proposed transfer of (1) NMPC's exclusive interests and authorities under Facility Operating License No. DPR-63 for Nine Mile Point Nuclear Station, Unit 1 to AmerGen, and (2) NMPC's and NYSEG's interests in, and NMPC's operating authority under Facility Operating License No. NPF-69 for Nine Mile Point Nuclear Station, Unit 2 to AmerGen. In accordance with 10 CFR 50.90, the application also seeks the issuance of a conforming amendment to each unit's license to reflect the transfers.

This notice is being forwarded to the Office of the Federal Register for publication.

Sincerely,

Original signed by: S. Bajwa for

Darl S. Hood, Sr. Project Manager, Section 1
 Project Directorate I
 Division of Licensing Project Management
 Office of Nuclear Reactor Regulation

Docket Nos. 50-220 and 50-410

Enclosures: Notice

cc w/encl: See next page

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*See previous concurrence

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

September 24, 1999

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Chief Nuclear Officer
Niagara Mohawk Power Corporation
Nine Mile Point Nuclear Station
Operations Building, Second Floor
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OPERATING LICENSES AND CONFORMING AMENDMENTS, AND
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Sincerely,

A handwritten signature in cursive script, appearing to read "D. Hood", with a horizontal line underneath.

Darl S. Hood, Sr. Project Manager, Section 1
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-220 and 50-410

Enclosures: Notice

cc w/encl: See next page

Nine Mile Point Nuclear Station
Unit Nos. 1 and 2

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UNITED STATES NUCLEAR REGULATORY COMMISSION
NIAGARA MOHAWK POWER CORPORATION
NEW YORK STATE ELECTRIC & GAS CORPORATION
NINE MILE POINT NUCLEAR STATION, UNITS 1 AND 2
DOCKET NOS. 50-220 AND 50-410
NOTICE OF CONSIDERATION OF APPROVAL OF TRANSFER
OF FACILITY OPERATING LICENSES AND CONFORMING
AMENDMENTS, AND OPPORTUNITY FOR A HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering the issuance of orders under 10 CFR 50.80 approving the transfer of Facility Operating License No. DRP-63 for Nine Mile Point Nuclear Station, Unit 1 (NMP1), and Facility Operating License No. NPF-69 for Nine Mile Point Nuclear Station, Unit 2 (NMP2). Niagara Mohawk Power Corporation (NMPC) is currently the sole owner and operator of NMP1. The transfer of the license for NMP1 would be to AmerGen Energy Company, LLC (AmerGen). NMPC currently holds a 41% undivided ownership interest in NMP2, is its exclusive licensed operator, and acts as agent for its other co-owners. The other current co-owners, who may possess but not operate NMP2, are New York Electric & Gas Corporation (NYSEG) with an 18% interest, Long Island Lighting Company with an 18% interest, Rochester Gas and Electric Corporation with a 14% interest, and the Central Hudson Gas & Electric Company with a 9% interest. Under the proposed transfer for NMP2, NMPC's and NYSEG's interests, and NMPC's operating authority under the license for NMP2, would be transferred to AmerGen. Accordingly, following the proposed transfers, AmerGen would become the licensed operator of both NMP units, the sole

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owner of NMP1, and a 59% co-owner of NMP2. The Commission is also considering amending the licenses for administrative purposes to reflect the proposed transfers. The NMP facility is located in Oswego County, New York.

Under the proposed transfers, AmerGen would be authorized to possess, use, and operate NMP1 and NMP2 under essentially the same conditions and authorizations included in the existing licenses. In addition, no physical changes would be made to either NMP1 or NMP2 as a result of the proposed transfer, and there would be no significant changes in the day-to-day operations of either unit. The proposed amendments to each unit's license would delete all references to "Niagara Mohawk Power Corporation" and "New York State Electric & Gas Corporation" (including variations of these names) and substitute "AmerGen Energy Company, LLC" (or its new position of "licensee" or "applicant"). The proposed amendments would also add to the licenses certain additional conditions arising from the license transfers; these conditions would (1) preserve AmerGen's decision-making authority over safety issues, (2) limit the foreign membership of AmerGen's Management Committee, (3) assign to AmerGen's Chief Executive Officer and Chief Nuclear Officer the responsibility and authority for ensuring that AmerGen's business and activities with respect to the NMP units are conducted consistent with the protection of the public health and safety and common defense and security of the United States, and (4) require AmerGen to report to the Commission the filing of any Schedules 13D or 13G with the U.S. Securities and Exchange Commission that disclose beneficial ownership of a registered class of Philadelphia Electric Energy Company (PECO Energy) stock.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. The Commission will approve an application for the transfer of a license, if the Commission determines that the proposed transferee is qualified to hold the license, and

that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

Before issuance of the proposed conforming license amendments, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations.

As provided in 10 CFR 2.1315, unless otherwise determined by the Commission with regard to a specific application, the Commission has determined that any amendment to the license of a utilization facility which does no more than conform the license to reflect the transfer action involves no significant hazards consideration. No contrary determination has been made with respect to this specific license amendments application. In light of the generic determination reflected in 10 CFR 2.1315, no public comments with respect to significant hazards considerations are being solicited, notwithstanding the general comment procedures contained in 10 CFR 50.91.

The filing of requests for hearing and petitions for leave to intervene, and written comments with regard to the application for transfers of licenses, are discussed below.

By October 20, 1999, any person whose interest may be affected by the Commission's action on the application may request a hearing, and, if not the applicants, may petition for leave to intervene in a hearing proceeding on the Commission's action. Requests for a hearing and petitions for leave to intervene should be filed in accordance with the Commission's rules of practice set forth in Subpart M, "Public Notification, Availability of Documents and Records, Hearing Requests and Procedures for Hearings on License Transfer Applications," of 10 CFR Part 2. In particular, such requests must comply with the requirements set forth in 10 CFR 2.1306, and should address the considerations contained in 10 CFR 2.1308(a). Untimely requests and petitions may be denied, as provided in 10 CFR

2.1308(b), unless good cause for failure to file on time is established. In addition, an untimely request or petition should address the factors that the Commission will also consider, in reviewing untimely requests or petitions, set forth in 10 CFR 2.1308(b)(1)-(2).

Requests for a hearing and petitions for leave to intervene should be served upon (1) Mark J. Wetterhahn, counsel for NMPC, at Winston & Strawn, 1400 L Street, N.W., Washington, D.C. 20005 (tel: 202-371-5703; fax: 202-371-5950; e-mail: mwetterh@winston.com); (2) Samuel Behrends IV, counsel for NYSEG, at LeBoeuf, Lamb, Greene & MacRae, L.L.P., 1875 Connecticut Avenue, N.W., Suite 1200, Washington, DC 20009-5728 (tel: 202-986-8018; fax: 202-986-8102; e-mail: sbehrend@llgm.com); (3) Kevin P. Gallen, counsel for AmerGen, at Morgan, Lewis & Bockius LLP, 1800 M Street, N.W., Washington, DC 20036-5869 (tel: 202-467-7462; fax: 202-467-7176; e-mail: Kpgallen@mlb.com); (4) the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555 (e-mail address for license transfer cases only: ogclt@nrc.gov); and (5) the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, in accordance with 10 CFR 2.1313.

The Commission will issue a notice or order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the Federal Register and served on the parties to the hearing.

As an alternative to requests for hearing and petitions to intervene, by November 1, 1999, persons may submit written comments regarding the application for transfer of licenses, as provided for in 10 CFR 2.1305. The Commission will consider and, if appropriate, respond to these comments, but such comments will not otherwise constitute part of the

decisional record. Comments should be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-001, Attention: Rulemakings and Adjudications Staff, and should cite the publication date and page number of this Federal Register notice.

For further details with respect to this action, see the application dated September 10, 1999, 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.

Dated at Rockville, Maryland, this 24th day of September 1999.

FOR THE NUCLEAR REGULATORY COMMISSION



Elinor G. Adensam, Director
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

DATED: September 24, 1999

NOTICE OF CONSIDERATION OF APPROVAL OF TRANSFER OF FACILITY OPERATING LICENSES AND CONFORMING AMENDMENTS, AND OPPORTUNITY FOR A HEARING - NINE MILE POINT NUCLEAR STATION, UNIT NOS. 1 AND 2 (TAC NOS. MA6426 AND MA6427)

Docket File

PUBLIC

PDI-1 Reading

JZwolinski

S. Bajwa

S. Little

D. Hood

OGC

ACRS

M. Oprendeck, Region I

cc: Plant Service list