

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of

CENTRAL HUDSON GAS &) Docket No. 50-410
ELECTRIC CORPORATION.)
(Nine Mile Point Nuclear)
Station Unit No. 2))

REQUEST FOR EXTENSION OF THE EXPIRATION
OF THE ORDER, DATED JULY 19, 1998,
ISSUED IN THIS DOCKET NO. 50-410

Steven V. Lant
Chief Financial Officer, Treasurer and Secretary
Central Hudson Gas & Electric Corporation
284 South Avenue
Poughkeepsie, New York 12601-4879
Telephone: (914) 486-5254

William P. Reilly, Esq.
Gould & Wilkie
One Chase Manhattan Plaza
New York, New York 10005-1401
Telephone: (212) 344-5680

June 7, 1999

9906090159 990607
PDR ADOCK 05000410
H PDR



THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

PHYSICS 311 - QUANTUM MECHANICS

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I. INTRODUCTION

By Order, dated July 19, 1998 ("NRC Order"), the Nuclear Regulatory Commission ("Commission") approved Central Hudson Gas & Electric Corporation's ("Applicant") Application, dated April 8, 1998, as resubmitted and supplemented ("Application"), regarding Applicant's proposed holding company restructuring ("Holding Company Restructuring"). The NRC Order becomes null and void if such Restructuring is not completed by July 19, 1999, but permits extension of such date "on application and for good cause shown". See Part III of the NRC Order.

II. EXTENSION REQUEST

This is an Application for extension of such expiration date to and including June 30, 2000 ("Extension") for the following reasons:

In Paragraph VIB6 of the Amended and Restated Settlement Agreement ("Settlement Agreement"), referred to in Part II of the NRC Order, the New York Public Service Commission ("PSC") permitted Applicant to invest \$100 million in its unregulated subsidiaries; but only prior to the date the Holding Company Restructuring is effected.

Applicant, as of May 31, 1999, has so invested \$25.5 million in unregulated subsidiaries, which subsidiaries, in turn, have acquired utility related assets. The process of making such investments meet the long-range goals of Applicant depends on market conditions. As a result, Applicant's investment schedule has been extended. If Applicant were now to effect the Holding Company Restructuring, it would no longer be able to invest the remaining \$74.5 million of such funds pursuant to said Paragraph VIB6 ("Remainder").

Applicant expects to have suitable investments made through its unregulated subsidiaries by the end of 1999 to exhaust all or most of the Remainder; however, no assurance can be given.



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III. NO MATERIAL CHANGE FROM APPLICATION

There have been no material changes from the facts set forth in the Application. However, the PSC did issue a further Order (issued and effective June 30, 1998) which explains its earlier Order (issued and effective February 19, 1998) in greater detail. The PSC in its June 30, 1998 Order, stated that it reaffirmed its February 19, 1998 Order. A copy of the PSC's June 30, 1998 Order is attached.

IV. REQUEST FOR EXPEDITED CONSIDERATION

Applicant respectfully requests expedited consideration of this Application, but no later than July 18, 1999.

V. CONCLUSION

Applicant believes that the information contained in this Application represents "good cause shown" for the relief requested and will be sufficient for the NRC to grant its consent to the Extension as promptly as possible.

Respectfully submitted,

CENTRAL HUDSON GAS & ELECTRIC
CORPORATION

By: 

Name: Steven V. Lant
Title: Chief Financial Officer, Treasurer
and Secretary

William P. Reilly, Esq.
Gould & Wilkie LLP
One Chase Manhattan Plaza
New York, New York 10005-1401
Telephone: (212) 344-5680

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