

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

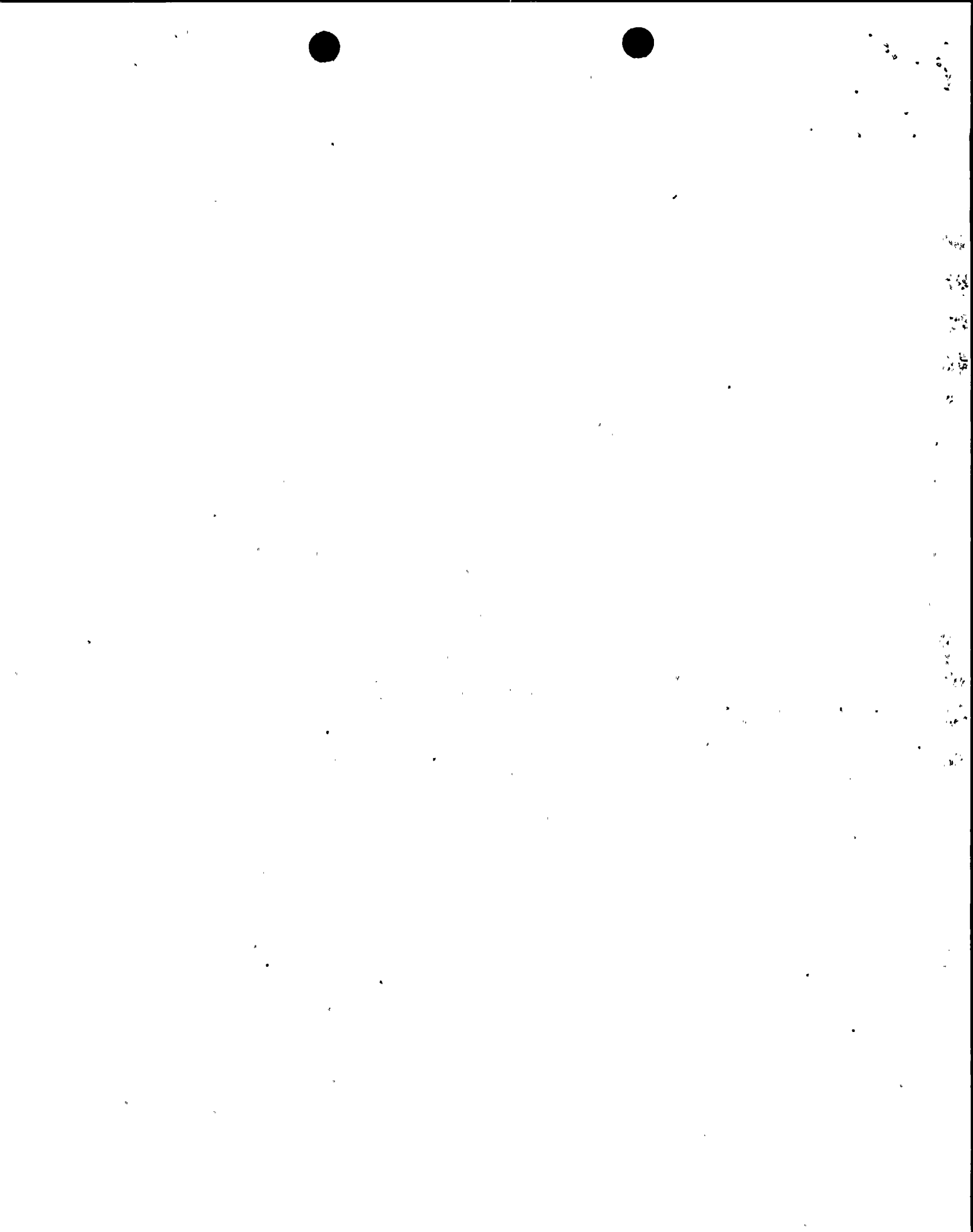
In the Matter of)
)
CENTRAL HUDSON GAS & ELECTRIC) Docket No. 50-410
CORPORATION)
)
(Nine Mile Point Nuclear Station,)
Unit No. 2))

ORDER EXTENDING APPROVAL REGARDING RESTRUCTURING OF
CENTRAL HUDSON GAS & ELECTRIC CORPORATION BY ESTABLISHMENT
OF A HOLDING COMPANY AFFECTING LICENSE NO. NPF-69, NINE MILE
POINT NUCLEAR STATION, UNIT NO. 2

I.

By Order dated July 19, 1998, the Nuclear Regulatory Commission (the Commission or NRC) approved the proposed indirect transfer of Facility Operating License No. NPF-69, to the extent it is held by Central Hudson Gas & Electric Corporation (Applicant), to an unnamed holding company to be created with the Applicant, a wholly owned subsidiary, in accordance with electric industry restructuring goals established by the New York State Public Service Commission (NYSPSC). The approval was given in response to Applicant's application dated April 8, 1998, as resubmitted June 8, 1998, and supplemented by letters dated April 22 and July 9, 1998, for consent under Section 50.80 of Title 10 of the Code of Federal Regulations (10 CFR 50.80). By its terms, the Order of July 19, 1998, becomes null and void if Applicant's proposed holding company restructuring is not completed by July 19, 1999, unless on application and for good cause shown, this date is extended by the Commission.

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Applicant is licensed by the Commission to own and possess a 9-percent interest in Nine Mile Point Nuclear Station, Unit 2 (NMP2), under Facility Operating License No. NPF-69, issued by the Commission on July 2, 1987. In addition to Applicant, the other owners who may possess, but not operate, NMP2 are New York State Electric & Gas Corporation with an 18-percent interest, Long Island Lighting Company with an 18-percent interest, and Rochester Gas and Electric Corporation with a 14-percent interest. Niagara Mohawk Power Corporation (NMPC) owns a 41-percent interest in NMP2, is authorized to act as agent for the other owners, and has exclusive responsibility and control over the operation and maintenance of NMP2. NMP2 is located in the town of Scriba, Oswego County, New York.

II.

Under cover of a letter dated June 7, 1999, Applicant submitted an application requesting that the expiration date set forth in the Order of July 19, 1998, be extended to June 30, 2000. According to this submittal, under the terms of paragraph VIB6 of the Amended and Restated Settlement Agreement (referenced in Part II of the NRC's Order dated July 19, 1998), the NYSPSC permitted Applicant to invest \$100 million in its unregulated subsidiaries, but only before the date the holding company restructuring is effected. Thus far, Applicant has so invested \$25.5 million. However, Applicant needs additional time to invest the remaining \$74.5 million in suitable investments. Applicant further states that there have been no material changes from the facts set forth in its previous application, as resubmitted and supplemented, leading to the Order of July 19, 1998.

The NRC staff has considered the foregoing request of June 7, 1999, and has determined that Applicant has demonstrated good cause to extend the expiration date set forth in the Order of July 19, 1998, approving the proposed restructuring.



III.

Accordingly, pursuant to Sections 161b and 161i of the Atomic Energy Act of 1954, as amended, 42 USC §§ 2201(b) and 2201(i), IT IS HEREBY ORDERED that the effectiveness of the Order of July 19, 1998, approving the application regarding the proposed restructuring of Applicant by the establishment of a holding company, is extended such that if the restructuring is not completed by June 30, 2000, the Order of July 19, 1998, as hereby extended, shall become null and void.

This Order is effective upon issuance.

For further details with respect to this Order, see letter and request dated June 7, 1999, from Applicant 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.

FOR THE NUCLEAR REGULATORY COMMISSION


Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland,
this 13th day of July 1999.

