

UNITED STATES NUCLEAR REGULATORY COMMISSION

ROCHESTER GAS AND ELECTRIC CORPORATION

NIAGARA MOHAWK POWER COMPANY

DOCKET NOS. 50-244 AND 50-410

R. E. GINNA NUCLEAR POWER PLANT

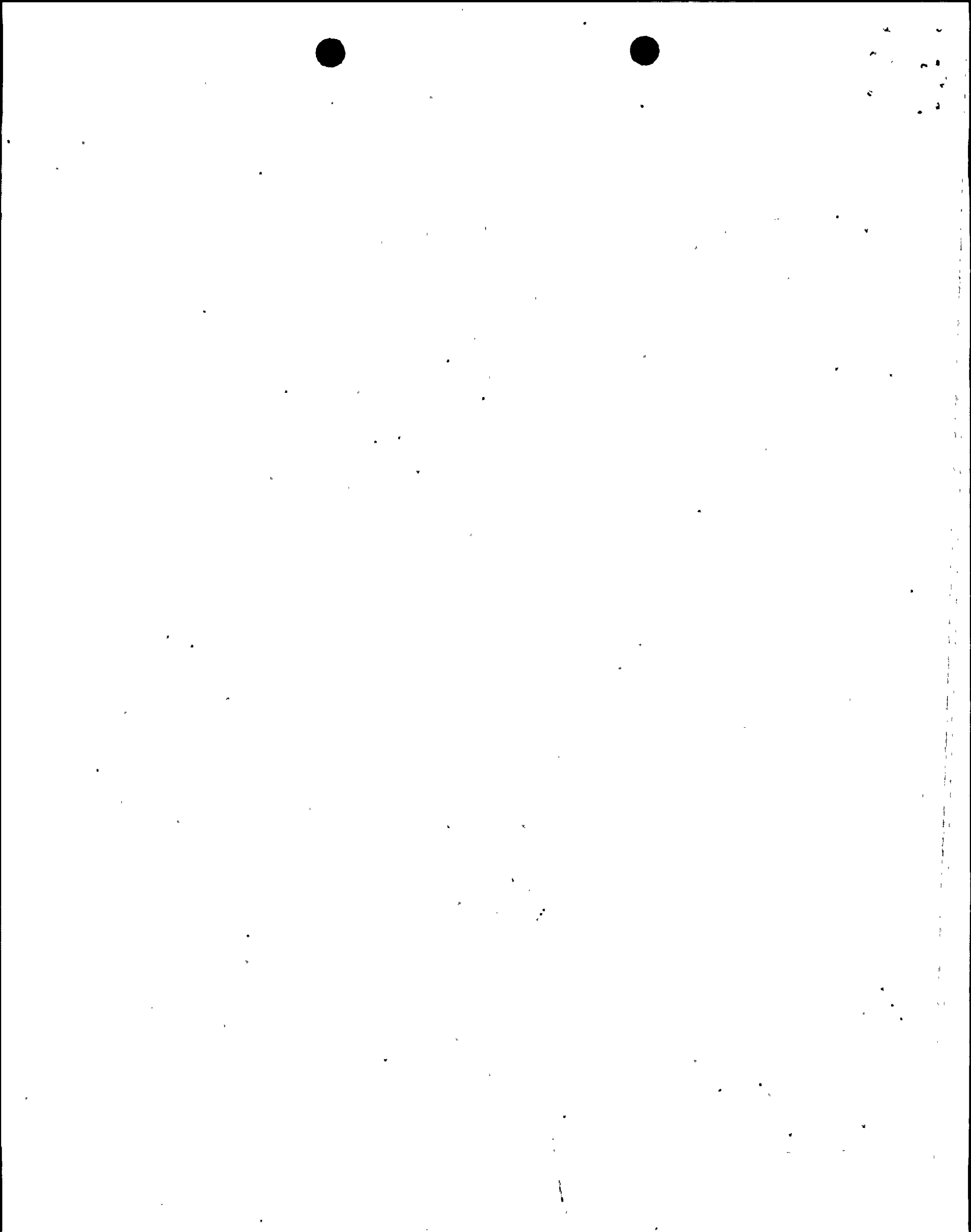
NINE MILE POINT NUCLEAR STATION, UNIT NO. 2

Notice is hereby given that the United States Nuclear Regulatory Commission (the Commission) is considering the issuance of an Order approving under 10 CFR 50.80 an application regarding an indirect transfer of the operating license for Nine Mile Point Nuclear Station, Unit No. 2 (NMP2), to the extent held by Rochester Gas and Electric Corporation (RG&E), and the operating license for the R. E. Ginna Nuclear Power Plant (Ginna). The indirect transfer would be to a holding company, not yet named, over RG&E in accordance with the "Amended and Restated Settlement Agreement" before the Public Service Commission of the State of New York dated October 23, 1997. RG&E is licensed by the Commission to own and possess a 14% interest in NMP2 and to wholly own and operate Ginna.

By application dated July 30, 1998, as supplemented August 18, 1998, and September 14, 1998, Paul C. Wilkens, Senior Vice President - Generation, of RG&E, informed the Commission that, subject to shareholder and regulatory approvals, RG&E is planning to implement corporate restructuring whereby RG&E would become a wholly owned subsidiary of a newly formed holding company. The common stock of RG&E would be exchanged on a share-for-share basis for common stock of the holding company such that the holding company would own all the outstanding common stock of RG&E. The holding company, and not RG&E, would be the owner of any non-utility subsidiaries engaged in unregulated business activities. RG&E

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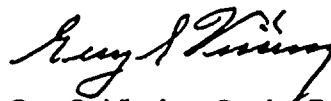


would remain as an owner and licensee for possession of NMP2 and as the owner and operating licensee of Ginna. The transaction would not involve any change in either the management organization or technical personnel of Niagara Mohawk Power Corporation, which is responsible for operating and maintaining NMP2, or involve any change in RG&E's nuclear management or technical qualifications. Under this restructuring, RG&E would continue to be an "electric utility" as defined in 10 CFR 50.2 engaged in the transmission, distribution and the generation of electricity. No direct transfer of the operating licenses or ownership interests in NMP2 and Ginna will result from the proposed restructuring. The transaction would have no effect upon the financing of the RG&E nuclear facilities.

Pursuant to 10 CFR 50.80, the Commission may approve the transfer of the control of a license, after notice to interested persons. Such approval is contingent upon the Commission's determination that the holder of the license following the transfer is qualified to hold the license and that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders of the Commission.

For further details with respect to this proposed action, see the RG&E application dated July 30, 1998, as supplemented August 18, 1998 and September 14, 1998. These documents are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, N.W., Washington, DC, and the local public document rooms located at the Penfield Library, State University of New York, Oswego, New York 13126 and at the Rochester Public Library, 115 South Avenue, Rochester, New York 14610.

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



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

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