



HALLADOR POWER COMPANY

1183 East Canvasback Drive
Terre Haute, IN 47802

September 9, 2022

Via Email (Jason.Kelly@nrc.gov)

Jason Kelly, MPH
Health Physicist
U.S. Nuclear Regulatory Commission, Region III
2443 Warrenville Rd., Suite 210
Lisle, IL 60532-4352

RE: Application for Consent to Direct Transfer of Control with Respect to NRC
Materials License No. 13-18945-01

Dear Mr. Kelly,

Pursuant to 10 CFR 30.34(b), Hallador Power Company, LLC ("Hallador"), on behalf of itself and Hoosier Energy Rural Electric Cooperative, Inc. ("Hoosier") (together, the "Applicants") submit the enclosed Application for Consent to a Direct Transfer of Control ("Application") with respect to NRC Materials License No. 13-18945-01. This Application is needed for the transaction described in the Application in which Hallador will acquire certain assets associated with the Merom Generating Station, a coal-fired power plant located at 5500 Old Highway 54, Sullivan, Indiana, 47882 ("Merom") from Hoosier.

Hoosier is a non-profit corporation organized under Indiana law. Hoosier owns and operates Merom. Hoosier holds NRC Materials License No. 13-18945-01, to possess and use byproduct material (Cesium-137) in sealed sources at Merom in fixed gauging devices to perform density or level measurements.

Hallador is a limited liability company organized under Delaware law. Hallador is a wholly owned subsidiary of Hallador Energy Company, a corporation organized under Colorado law and listed on NASDAQ stock exchange. Hallador Energy Company is also a "known entity" as Hallador Energy Company's wholly owned subsidiary Sunrise Coal, LLC is also an NRC licensee and holds License No. 13-35049-01.

Under the terms of the Asset Purchase Agreement ("APA") dated February 14, 2022, Hallador will purchase Merom from Hoosier. This transaction is expected to close as early as

Jason Kelly
Health Physicist
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mid-October, subject to certain regulatory approvals and other commercial matters. At closing, Hallador will wholly own the Merom plant. Hallador has entered into an agreement with Consolidated Asset Management Services Indiana (O&M) LLC ("CAMS"), to operate Merom. CAMS will operate Merom after closing under the supervision and control of Hallador. The majority of Hoosier employees working at Merom are expected to transfer to CAMS at closing.

The enclosed Application follows NRC Guidance provided in NUREG-1556, Volume 15, Rev. 1, Consolidated Guidance About Materials Licenses: Guidance about Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses (June 2016) and Regulatory Issue Summary 2008-19, Lessons Learned from Recent 10 CFR Part 70 License-Transfer Application Reviews (Aug. 28, 2008).

As stated above, the parties expect to close this transaction as early as mid-October. Therefore, the Applicants request that the NRC expedite its review, with prompt posting of this Application for the requisite comment period.

The Applicants would also appreciate the NRC adding the individuals listed below to the service list for correspondence related to this Application.

If you have any questions or comments regarding this transaction, please contact me at 812-299-2800, ext. 217 or by email at jsmcguire@sunrisecoal.com.

Sincerely,

A handwritten signature in blue ink that reads "Scott McGuire, P.E." with a stylized flourish at the end.

Scott McGuire, P.E.
Senior Corporate Engineer,
Hallador Power Company LLC

Enclosure

cc (via email): Kyle Foli (kfoli@HEPN.com)

Jason Kelly
Health Physicist
U.S. Nuclear Regulatory Commission, Region III
September 9, 2022

ADDITIONS TO SERVICE LIST

Ingrid A. Myers, Esq.
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**APPLICATION FOR CONSENT TO DIRECT CHANGE OF CONTROL
WITH RESPECT TO LICENSE NO. 13-18945-01**

Pursuant to 10 CFR 30.34(b), Hallador Power Company, LLC (“Hallador”), on behalf of itself and Hoosier Energy Rural Electric Cooperative, Inc. (“Hoosier”) (together, the “Applicants”) submit the enclosed Application for Consent to a Direct Transfer of Control (“Application”) with respect to NRC Materials License No. 13-18945-01. This Application is needed for the transaction described below in which Hallador will acquire certain assets associated with Merom Generating Station, a coal-fired power plant located at 5500 Old Highway 54, Sullivan, Indiana, 47882 (“Merom”) from Hoosier through an Asset Purchase Agreement (“APA”).

This Application follows NRC Guidance provided in NUREG-1556, Volume 15, Rev. 1¹ and Regulatory Issue Summary 2008-19,² and provides the following information regarding the transaction to allow the NRC to review the proposed direct transfer of control.

**1.0 INFORMATION SUPPORTING REQUEST FOR DEPARTMENT CONSENT TO
DIRECT CHANGE OF CONTROL**

1.1 DESCRIPTION OF TRANSACTION

Describe any planned changes in the organization, including, but not limited to, transfer of stocks or assets and mergers, change in members on Board of Directors, etc. Provide the new licensee name, mailing address, and contact information, including phone numbers. Clearly identify when the amendment requested is due to a name change only.

1.1.1 Description of Transaction

Hoosier is a non-profit corporation organized under Indiana law. Hoosier owns and operates Merom. Hoosier also holds NRC Materials License No. 13-18945-01, to possess and use byproduct material (Cesium-137) in sealed sources at Merom in fixed gauging devices to perform density or level measurements.

Hallador is a limited liability company organized under Delaware law. Hallador is a wholly owned subsidiary of Hallador Energy Company, a corporation organized under Colorado law and listed on NASDAQ stock exchange. Hallador Energy Company is also a “known entity”

¹ NUREG-1556, Volume 15, Rev. 1, Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses (June 2016).

² RIS 2008-19, U.S. Nuclear Regulatory Commission Regulatory Issue Summary 2008-19: Lessons-Learned from Recent 10 CFR Part 70 License-Transfer Application Reviews (Aug. 2008).

as Hallador Energy Company's wholly owned subsidiary Sunrise Coal, LLC holds NRC License No. 13-35049-01.

Under the terms of the APA, Hallador will purchase Merom and certain associated assets from Hoosier. This transaction is expected to close as early as mid-October, subject to certain regulatory approvals and other commercial matters. Hallador has entered into an agreement with Consolidated Asset Management Services Indiana (O&M) LLC ("CAMS"), to operate Merom after closing. CAMS will operate Merom under the supervision and control of Hallador. The majority of Hoosier employees working at Merom are expected to transfer to CAMS at closing.

An organization chart showing the ownership of Merom after the transaction is attached as Exhibit A.

1.1.2 Contact Information

The information for Hallador after it becomes the licensee is as follows:

New Facility Name:	Hallador Power Company, LLC – Merom Generating Station
New Licensee Name:	Hallador Power Company, LLC
New Licensee Mailing Address:	5500 Old Highway 54 Sullivan, Indiana, 47882
New Licensee Contact Information:	Kyle Foli (Same RSO) Telephone: (812)-935-4715 Email: kfoli@HEPN.com,

Applicants will inform the NRC if any other changes become anticipated as part of this transaction.

1.1.3 Changes to Management

There are no planned changes to personnel who have control over licensed activities or personnel that have responsibility for radiation safety. Kyle Foli, the current RSO at Merom for Hoosier, will continue in this role after closing and will be transferred to and become an employee of CAMS. Kyle Foli will be supervised by existing plant management that will transfer to CAMS when the transaction closes.

Applicants will inform the NRC if any other changes become anticipated as part of this transaction.

1.2 CHANGES IN PERSONNEL OR DUTIES

Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel and any changes in the training program.

There are no changes planned in personnel or duties that relate to the licensed program.

Applicants will inform the NRC if any other changes become anticipated as part of this transaction.

1.3 CHANGES IN LOCATION, FACILITIES, OR EQUIPMENT

Describe any changes in the location, facilities, equipment, radiation safety program, use, possession, waste management, or other procedures that relate to the licensed program.

There are no changes planned to the location, facilities, equipment, or radiation safety program, nor changes anticipated in the use, ownership, location or storage of the licensed material at Merom as a result of the direct transfer of control.

Applicants will inform the NRC if changes become anticipated as part of this transaction.

1.4 CHANGES IN STATUS OF FACILITIES, EQUIPMENT, AND RADIATION SAFETY PROGRAM

Describe the status of the licensee's facilities, equipment, and radiation safety program, including any known contamination and whether decontamination will occur prior to transfer. Include the status of calibrations, leak tests, area surveys, wipe tests, training, quality control, and related records.

Hallador hereby notifies the NRC that the direct transfer of control will have no anticipated effect on the licensed facility, equipment, and the radiation safety program. All licensed activities will continue on an ongoing basis without interruption. All surveillance items and records will continue to be maintained in their existing state and in accordance with applicable requirements. All calibrations, leak tests, area surveys, and wipe tests are current under the applicable Hoosier radiation safety program and will be maintained as such under Hallador ownership. There is no known contamination at the Merom facility requiring decontamination prior to transfer of control. There are currently no changes anticipated to the training or quality control programs as they relate to the licensed activities, and all related records will remain at Merom and transfer to Hallador upon NRC review and approval of this application and closing of the transaction.

Applicants will inform the NRC if changes become anticipated as part of this transaction.

1.5 DECOMMISSIONING FUNDING

If current decommissioning funding plans (“DFP”) will be changed as a result of the transfer, the revised DFP should be submitted. If other financial assurance documents will be changed as the result of the transfer, confirm that all financial assurance instruments associated with the license will be held in the transferee’s name before the license is transferred, and as required by regulation, the licensee must, within 30 days, submit financial instruments reflecting such changes.

There are no applicable decommissioning financial assurance requirements. Hallador will have full responsibility for all obligations relating to the license after the NRC consents to the direct transfer of control.

1.6 DECOMMISSIONING FUNDING RECORDS

Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to SC DHEC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and or removable contamination, including methods and sensitivity.

There are no applicable decommissioning financial assurance requirements, and therefore no applicable decommissioning funding records. Hallador will have full responsibility for all obligations relating to the license after the NRC consents to the direct transfer of control

1.7 TRANSFEREE’S COMMITMENT TO ABIDE BY ALL CONSTRAINTS, CONDITIONS, REQUIREMENTS, AND COMMITMENTS

Confirm that both the transferor and transferee agree to transferring control of the license material and activity, and the conditions of transfer, and that the transferee has been made aware of any open inspection items and its responsibility for possible resulting enforcement actions.

Hoosier, through submission of this Application, agrees to transferring control of the license material and activity to Hallador. Hallador, as the new licensee, will abide by all commitments made prior to the direct transfer of control. The enclosed Exhibit B is a letter from Hallador to the NRC (the “Commitment Letter”). In it, Hallador confirms that it agrees to the direct transfer of control and that Hallador has been made aware of any NRC inspection findings. Under the terms of the transaction, Hallador will be responsible for any possible resulting enforcement actions after it becomes the licensee.

AFFIRMATION

I, Matthew L. Mabrey, do hereby declare under penalty of perjury that the foregoing is true and correct: (1) I am the Vice President of Operations of Hoosier Energy Rural Electric Cooperative, Inc., (2) I am duly authorized to execute and file this certification on behalf of Hoosier Energy Rural Electric Cooperative, Inc., and (3) the statements set forth in the attached Application for Consent to Direct Transfer of Control are true and correct to the best of my information, knowledge and belief.

Hoosier Energy Rural Electric
Cooperative, Inc.

By: **Matt
Mabrey**  Digitally signed by Matt
Mabrey
Date: 2022.09.09
12:33:43 -04'00'

Matthew L. Mabrey

Date: 09/09/2022

AFFIRMATION

I, Heath Lovell, do hereby declare under penalty of perjury that the foregoing is true and correct:

(1) I am the President of Hallador Power Company, LLC, (2) I am duly authorized to execute and file this certification on behalf of Hallador Power Company, LLC and (3) the statements set forth in the attached Application for Consent to Direct Transfer of Control are true and correct to the best of my information, knowledge and belief.

Hallador Power Company, LLC

By:

Heath Lovell

Date:

Heath Lovell

EXHIBIT A

SIMPLIFIED ORGANIZATIONAL CHART FOR HALLADOR POWER COMPANY, LLC
AFTER THE TRANSACTION

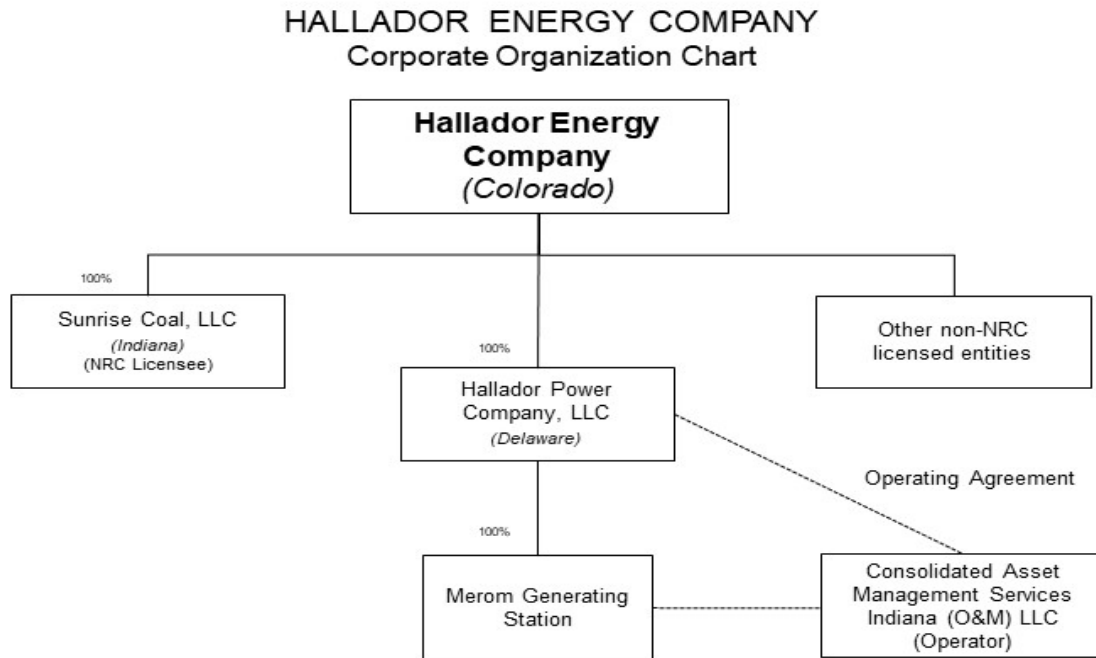


EXHIBIT B

LETTER FROM HALLADOR
CONFIRMING THAT HALLADOR WILL ABIDE BY COMMITMENTS

Jason Kelly, MPH
Health Physicist
U.S. Nuclear Regulatory Commission, Region III
2443 Warrenville Rd., Suite 210
Lisle, IL 60532-4352

Subject: Application for Consent to Direct Transfer of Control with Respect to NRC Materials
License No. 13-18945-01

Dear Mr. Kelly:

This letter is in furtherance of and a part of the Application for Consent to Direct Transfer of Control with respect to NRC Materials License No. 13-18945-01 (the "Application") filed with the U.S. Nuclear Regulatory Commission ("NRC"). The need for the requested NRC consent arises from the sale of the Merom Generating Station, a coal-fired power plant located at 5500 Old Highway 54, Sullivan, Indiana, 47882 ("Merom"), from Hoosier Energy Rural Electric Cooperative, Inc. ("Hoosier") to Hallador Power Company, LLC ("Hallador"). Included in the transaction, as more fully described in the Application, is a transfer whereby control of License No. 13-18945-01 is transferred to Hallador.

In support of Hallador's request for the NRC's consent to the direct transfer of control of License No. 13-18945-01, Hallador hereby makes the following statements and representations:

1. I am Heath Lovell, the President of Hallador Power Company, LLC and am authorized to file this letter with the NRC on behalf of Hallador.
2. After the NRC's consent to the direct transfer discussed in the Application and the closing of the transaction, Hallador will become the direct owner of Merom.
3. Hallador does not currently plan to make changes to personnel or management having direct operational responsibility for, and control of, licensed activities. There are currently no planned changes in personnel responsible for radiation safety. To the extent that changes are made in the future, Hallador will comply with NRC requirements and submit a license amendment or notification as needed.
4. Hallador does not currently plan to make changes to the operational organization, location, facilities, equipment or procedures related to the license. There are currently no planned changes in the use, possession, location or storage of the licensed material as a result of the direct transfer of control under the transaction.

To the extent that changes are made in the future, Hallador will comply with NRC license requirements and submit a license amendment or notification as needed.

5. Hallador understands that it will continue to abide by all constraints, license conditions, requirements, representations, and commitments identified in and attributed to Hoosier in its existing license.
6. Hallador concurs in Hoosier's request that the NRC provide its consent to the direct transfer of control of License No. 13-18945-01 to Hallador.

Hallador would be pleased to respond to any further questions that the NRC may have with regard to this letter.

I declare under penalty of perjury that the foregoing is true and correct.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Heath Lovell", is written over a horizontal line.

Heath Lovell

Pavon, Martha

From: Kelly, Jason
Sent: Friday, September 9, 2022 2:16 PM
To: Tomczak, Tammy
Cc: Pavon, Sandy; Pavon, Martha
Subject: FW: License Transfer Application; NRC Materials License No. 13-18945-01
Attachments: 065319_132703560v2_License Transfer Application - Hallador Energy Company.PDF; Form 665 IRequest for Consent to Direct Transfer of Control) - 9-9-2022.pdf

Tammy,

Attached is an incoming Request for Consent to a Direct Transfer of Control of Materials License 13-18945-01 (Hoosier Energy Rural Electric Cooperative, Inc.), Docket No. 030-17387, which will need to be assigned to a License Reviewer for evaluation.

The request identifies that the licensee is seeking to close the transaction in mid-October. Therefore, I have already reviewed the request and have determined that it can be made publicly available and immediately released. Attached is a Form 665.

Please also forward this to NRC HQ so that it can be posted for public comment.

Jason M Kelly, MPH
Health Physicist
U.S. NRC Region III – DNMS MLB
Phone: (630) 829-9737
E-mail: Jason.Kelly@nrc.gov

From: Clausen, Scott <scott.clausen@morganlewis.com>
Sent: Friday, September 9, 2022 1:33 PM
To: Kelly, Jason <Jason.Kelly@nrc.gov>
Cc: Bessette, Paul M. <paul.bessette@morganlewis.com>; Gardner, Will <WGardner@taftlaw.com>; Ingrid Myers <imyers@kslaw.com>; Scott McGuire <jsmcguire@sunrisecoal.com>; kfoli@HEPN.com
Subject: [External_Sender] License Transfer Application; NRC Materials License No. 13-18945-01

Dear Mr. Kelly,

Thank you for taking my call this morning. As discussed, I am submitting to you, on behalf of Hallador Power Company, LLC and Hoosier Energy Rural Electric Cooperative, Inc., the attached license transfer application. The application seeks the NRC's consent to the direct transfer of control with respect to NRC Materials License No. 13-18945-01. Please confirm your receipt of this application.

If you have any questions about the application, you can contact Paul Bessette (copied) or me. Any questions about the transaction can be directed to Scott McGuire at Hallador Power Company, LLC. His contact information is provided in the attached application.

Thank you,
Scott Clausen

Scott Clausen

Morgan, Lewis & Bockius LLP

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