

OCT 25 2011

Hill, Carol

From: Dusty Weber [DWeber@signalpeakenergy.com]^{DNMS}
Sent: Thursday, October 20, 2011 4:27 PM
To: Hill, Carol
Subject: FW: Docket 030-38052, License 25-29351-01, SPE notification of ownership change & Determination if "change in control"
Attachments: SPE submit NRC notification of ownership change_10-20-11.pdf; SPE_Appendix F.pdf; Figure #1.pdf

From: Dusty Weber
Sent: Thursday, October 20, 2011 2:29 PM
To: 'RobertoJ.Torres@nrc.gov'
Cc: Robert Ochsner; Dennis Garnett
Subject: Docket 030-38052, License 25-29351-01, SPE notification of ownership change & Determination if "change in control"

Dear Mr. Torres,

Signal Peak Energy LLC(SPE) is submitting the attached pdf correspondence.(no paper copy will follow)
SPE is informing the NRC that a ownership change is going to occur.
SPE is also requesting that the NRC make a determination if the ownership change constitutes a "change in control"

If I am omitting some important information, formality, or paperwork please don't hesitate to let me know.

Sincerely,

Dusty R. Weber
Permitting Manager/Radiation Safety Officer
Signal Peak Energy LLC
100 Portal Drive
Roundup MT 59072
406-323-4



Signal Peak Energy, LLC

100 Portal Drive - Roundup MT 59072
Tel. 406-323-4500

October 20, 2011

US NRC
Region IV - DNMS
Roberto Torres, Sr. License Reviewer
Materials Licensing
612 East Lamar BLVD, Suite 400
Arlington, TX 76011-4125

RE: NRC Notification that SPE is undergoing a possible change of control
& requesting a NRC determination if the change constitutes a "change of control"

DOCKET: 030-38052

LICENSE: 25-29351-01

Dear Mr. Torres:

Signal Peak Energy LLC (SPE) is notifying the NRC that a possible change of control will be occurring. Additionally, SPE is requesting a review of submitted materials to determine if a change of control is necessary.

I am not well versed in NRC permit procedures so please forgive me if protocol isn't stellar in this submittal. As the person responsible for the NRC license, I am not the first to know about corporate mergers and acquisitions. When I received knowledge of a new owner, I felt it best to notify the NRC immediately, even if some of the details are worked out in later correspondence.

My reading of the necessary rules, indicate that this particular ownership change **will not** constitute a "change of control" for the following reasons:

- The ownership change will not change the authority to decide when and how the licensed material and/or activities will be used.--this will still be entirely Signal Peak Energy, LLC
- The change in corporate ownership will do absolutely nothing to the Radiation Protection Program or management structure or personnel at Signal Peak Energy, LLC.

Ownership Change Description

SPE currently has two parent companies (1) Boich Companies and (2) First Energy. A third parent company will be added; (3) Gunvor Group. The three parent companies will all own one-third interest in a new parent company; Global Mining Holding Company, LLC (GMHC). GMHC is going to be the holding company that includes all the controlling party's interests in SPE. The following attachments have been included with this submittal:

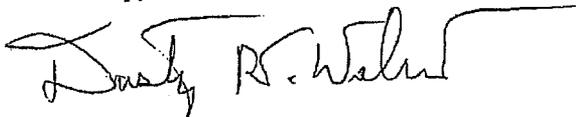
- Appendix F
- Figure #1 (supplemental attachment to Appendix F)

SPE could not fill out Appendix F, Question 6A until a determination is made. If this change in ownership is determined by the NRC to be a "change in control", SPE will submit any additional materials required to amend the license.

Unfortunately, a map diagram or flow chart documenting the new corporate structure is not available at this time. However, I believe sufficient information is included in this submittal for the NRC to make a determination.

Please contact me if you have any questions or concerns.

Sincerely,



Dusty R. Weber
Permitting Manager/Radiation Safety Officer
Signal Peak Energy LLC
Ph: 406-323-4514
Fax: 406-323-4556
E-mail: dweber@signalpeakenergy.com

Attached:

- Appendix F
- Figure #1 (supplemental attachment to Appendix F)

Please provide the following information concerning changes of control (transferor and/or transferee, as appropriate). If any items are not applicable, so state.

1. Provide a complete description of the transaction (ie., transfer of stocks or assets, or merger). Indicate whether the name has changed and include the new name. Include the name and telephone number of a licensee contact who NRC may contact if more information is needed.

A. Description a complete description of the transaction:

(see attached) Figure #1

B. No name change

New name of licensed organization: _____

C. No change in contact

New contact: _____

New telephone number: _____

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

A. No changes in personnel having control over licensed activities.

Changes in personnel having control over licensed activities (e.g. officers of a corporation):

B. No changes in personnel named in the license.

Changes in personnel named in the license (e.g. RSO, AUs) - include training, experience and responsibilities:

3. Describe, in detail, any changes in the organization, location, facilities, equipment or procedures that relate to the licensed program.

Organization: **No Change**

Equipment: **No Change**

Location: **No Change**

Procedures: **No Change**

Facility: **No Change**

Not applicable

4. Describe the status of the surveillance program (e.g., surveys, wipe tests, quality control) at the present time and the expected status at the time that control is to be transferred.

A. Description of the status of all surveillance program:

The surveillance program at the present time is in good standing and in full compliance.

The surveillance program at the time that control is to be transferred is expected to be in good standing and in full compliance.

B. Surveillance items & records: calibrations, leak tests, surveys, inventories, and accountability requirements will be current at the time of transfer.

Yes

No (explain)

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

Records transferred to:

New licensee NRC for license termination Not applicable

6. Confirm that the transferee will abide by all constraints, conditions, requirements and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program. (Complete one of the following three items.)

A. _____ will abide by all constraints, conditions,
(transferee company).

requirements and commitments of _____
(transferor company).

Signature Title
Transferee Official

Signature Title
Transferor Official

Date

Date

OR

B. Description of proposed licensed program from transferee with signature, attached.

OR

C. Not applicable (name change only)

Certifying Officer - Signature

Date

Certifying Officer - Typed name and title

Figure #1

FirstEnergy Corp.
76 South Main Street
Akron, Ohio 44308
www.firstenergycorp.com

For Release: October 18, 2011

News Media Contact:
Mark Durbin – FirstEnergy
(330) 761-4365

Investor Contact:
Ron Seeholzer – FirstEnergy
(330) 384-5415

Mike Dawson – Boich Companies
(614) 204-4897

FirstEnergy and Boich Companies Sell Partial Interest in Signal Peak Coal Mine to Gunvor Group FirstEnergy Will Receive Nearly \$260 Million

Akron, Ohio – The FirstEnergy Corp. (NYSE: FE) and Boich Companies subsidiaries that jointly own the Signal Peak coal mine in Montana announced that Pinesdale LLC, a fully owned subsidiary of the Gunvor Group, Ltd., one of the world's leading commodity traders, has purchased a one-third interest in the venture for \$400 million.

As part of the transaction, FirstEnergy will receive nearly \$260 million of the proceeds. Additionally, the transaction will reduce FirstEnergy debt by approximately \$360 million due to deconsolidation and will result in an estimated gain for FirstEnergy of \$390 million due to the revaluation of the asset.

FirstEnergy and Boich Companies, a privately held Columbus, Ohio-based coal company, originally purchased Signal Peak in 2008 as a joint venture, with FirstEnergy acquiring a 45 percent interest for \$125 million. In 2009 FirstEnergy invested an additional \$8.5 million, increasing its interest to 50 percent.

The current value of the Signal Peak operation is in excess of \$1.5 billion, which includes existing debt. { As part of the definitive purchase agreement, FirstEnergy and Boich Companies will transfer their interests in Signal Peak mine to Global Mining

Holding Company, LLC (Global Holding), a new holding company that will include various Signal Peak entities. FirstEnergy Ventures, a FirstEnergy subsidiary, WMB Marketing, a Boich subsidiary, and Gunvor Group each will own a one-third interest in Global Holding. }

“We evaluated multiple offers for Signal Peak, but the agreement with Gunvor Group enabled us to obtain a substantial return on our initial investment while at the same time creating a joint venture with one of the world’s leading commodity trading organizations,” said FirstEnergy President and Chief Executive Officer Anthony J. Alexander.

“This transaction will continue to maximize both the mine and rail investment we have made in Montana over the last three years and make our operation even stronger,” said Wayne Boich, Jr., President and Chief Executive Officer, Boich Companies. “One of the key advantages that Gunvor Group brings to this venture is the ability to utilize their commodity trading relationships in such markets as Japan, China, Korea and Chile to sell more coal.”

“We’re very excited about entering the coal business with two leaders in the field like FirstEnergy and Boich Companies,” said Timothy Legge, chairman of Gunvor S.A.. “Signal Peak represents our first investment in a coal mine located in the U. S. It presents Gunvor with the opportunity to use the existing rail and port operations to market this high quality, low sulfur bituminous coal to expanding markets around the world, particularly in the Pacific and Asia markets through our arrangements with Westshore Terminals in Vancouver, the prime coal moving terminal on the West Coast. Because Westshore is a deep water port we can utilize large bulk carriers capable of holding up to 200,000 tons of coal.”

As part of the new agreement, FirstEnergy Generation Corp., a subsidiary of FirstEnergy Corp., has revised its original coal purchase agreement with Signal Peak to reduce from 7.5 million short tons* annually to no more than 2 million each year of the

mine's production. In addition, Gunvor also has a substantial coal purchase agreement with Signal Peak. Overall, the production forecast for Signal Peak, including future surface operations, is expected to rise to approximately 15 million clean tons per year from the current nine million tons, which can be sold to Gunvor as well as other domestic and international customers.

Compared to typical eastern coal, Signal Peak produces stable, high-quality bituminous coal with approximately 50 percent lower sulfur and ash content. In addition, it has lower mercury content and significantly higher heat value than sub-bituminous coal found in the nearby Powder River Basin (PRB), meaning higher kilowatt-hour production with significantly lower carbon dioxide emissions per megawatt.

Since 2008, operations at Signal Peak have been expanded, new equipment has been installed and a 35-mile rail spur to an existing Burlington Northern Santa Fe railway line was built.

FirstEnergy is a diversified energy company dedicated to safety, reliability and operational excellence. Its 10 electric distribution companies comprise the nation's largest investor-owned electric system. Its diverse generating fleet features non-emitting nuclear, scrubbed baseload coal, natural gas, and pumped-storage hydro and other renewables, and has a total generating capacity of approximately 23,000 megawatts.

* "Short ton" is a ton used in the U.S. which is 2,000 pounds. This differs from a metric ton which is equivalent to 2,204 pounds.

Forward-Looking Statement: This news release includes forward-looking statements based on information currently available to management. Such statements are subject to certain risks and uncertainties. These statements include declarations regarding management's intents, beliefs and current expectations. These statements typically contain, but are not limited to, the terms "anticipate," "potential," "expect," "believe," "estimate" and similar words. Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Actual results may differ materially due to: the speed and nature of increased competition in the electric utility industry, the impact of the regulatory process on the pending matters in the various states in which we do business including, but not limited to, matters related to rates, the status of the PATH project in light of PJM's direction to suspend work on the project pending review of its planning process, its re-evaluation of the need for the project and the uncertainty of the timing and amounts of any related capital expenditures, business and regulatory impacts from ATSI's realignment into PJM Interconnection, L.L.C., economic or weather conditions affecting future sales and margins, changes in markets for energy services, changing energy and commodity market prices and availability, financial derivative reforms that could increase our liquidity needs and

collateral costs, the continued ability of FirstEnergy's regulated utilities to collect transition and other costs, operation and maintenance costs being higher than anticipated, other legislative and regulatory changes, and revised environmental requirements, including possible GHG emission, water intake and coal combustion residual regulations, the potential impacts of any laws, rules or regulations that ultimately replace CAIR including the Cross-State Air Pollution Rule (CSAPR) and the effects of the EPA's recently released MACT proposal to establish certain mercury and other emission standards for electric generating units, the uncertainty of the timing and amounts of the capital expenditures that may arise in connection with any NSR litigation or potential regulatory initiatives or rulemakings (including that such expenditures could result in our decision to shut down or idle certain generating units), adverse regulatory or legal decisions and outcomes with respect to our nuclear operations (including, but not limited to, the revocation or non-renewal of necessary licenses, approvals or operating permits by the NRC, including as a result of the incident at Japan's Fukushima Daiichi Nuclear Plant), issues that could arise as a result of the current outage at Davis-Besse for the installation of the new reactor vessel head, adverse legal decisions and outcomes related to Met-Ed's and Penelec's ability to recover certain transmission costs through their transmission service charge riders, the continuing availability of generating units and changes in their ability to operate at or near full capacity, replacement power costs being higher than anticipated or inadequately hedged, the ability to comply with applicable state and federal reliability standards and energy efficiency mandates, changes in customers' demand for power, including but not limited to, changes resulting from the implementation of state and federal energy efficiency mandates, the ability to accomplish or realize anticipated benefits from strategic goals, efforts, and our ability, to improve electric commodity margins and the impact of, among other factors, the increased cost of coal and coal transportation on such margins, the ability to experience growth in the distribution business, the changing market conditions that could affect the value of assets held in FirstEnergy's nuclear decommissioning trusts, pension trusts and other trust funds, and cause FirstEnergy to make additional contributions sooner, or in amounts that are larger than currently anticipated, the ability to access the public securities and other capital and credit markets in accordance with FirstEnergy's financing plan, the cost of such capital and overall condition of the capital and credit markets affecting FirstEnergy and its subsidiaries, changes in general economic conditions affecting FirstEnergy and its subsidiaries, interest rates and any actions taken by credit rating agencies that could negatively affect FirstEnergy's and its subsidiaries' access to financing or their costs and increase requirements to post additional collateral to support outstanding commodity positions, LOCs and other financial guarantees, the continuing uncertainty of the national and regional economy and its impact on the major industrial and commercial customers of FirstEnergy's subsidiaries, issues concerning the soundness of financial institutions and counterparties with which FirstEnergy and its subsidiaries do business, issues arising from the recently completed merger of FirstEnergy and Allegheny Energy, Inc. and the ongoing coordination of their combined operations including FirstEnergy's ability to maintain relationships with customers, employees or suppliers, as well as the ability to successfully integrate the businesses and realize cost savings and any other synergies and the risk that the credit ratings of the combined company or its subsidiaries may be different from what the companies expect, the risks and other factors discussed from time to time in FirstEnergy's and its applicable subsidiaries' SEC filings, and other similar factors. The foregoing review of factors should not be construed as exhaustive. New factors emerge from time to time, and it is not possible for management to predict all such factors, nor assess the impact of any such factor on FirstEnergy's business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements. FirstEnergy expressly disclaims any current intention to update any forward-looking statements contained herein as a result of new information, future events or otherwise.

(101811)

10/27/11
DATE

This is to acknowledge the receipt of your letter/application dated 10/20/11, and to inform you that the initial processing, which includes an administrative review, has been performed.

- There were no administrative omissions. Your application will be assigned to a technical reviewer. Please note that the technical review may identify additional omissions or require additional information.
- Please provide to this office within 30 days of your receipt of this card:

The action you requested is normally processed within 90 days.

- A copy of your action has been forwarded to our License Fee & Accounts Receivable Branch, who will contact you separately if there is a fee issue involved.

Your action has been assigned **Mail Control Number** 576262.
When calling to inquire about this action, please refer to this mail control number.
You may call me at 817-860-8103.

Sincerely,

Carl L. Heise
Licensing Assistant

BETWEEN:

Accounts Receivable/Payable
and
Regional Licensing Branches

[FOR ARPB USE]
INFORMATION FROM LTS

Program Code: 03120
Status Code: Pending Amendment
Fee Category: 3P
Exp. Date: 07/31/2019
Fee Comments:
Decom Fin Assur Reqd: N

License Fee Worksheet - License Fee Transmittal

A. REGION

1. APPLICATION ATTACHED

Applicant/Licensee: SIGNAL PEAK ENERGY
Received Date: 10/25/2011
Docket Number: 3038052
Mail Control Number: 576262
License Number: 25-29351-01
Action Type: Amendment

2. FEE ATTACHED

Amount: _____

Check No.: _____

3. COMMENTS

Signed: Colleen Burnahan

Date: 10-26-2011

B. LICENSE FEE MANAGEMENT BRANCH (Check when milestone 03 is entered)

1. Fee Category and Amount: _____

2. Correct Fee Paid. Application may be processed for:

Amendment: _____

Renewal: _____

License: _____

3. OTHER _____

Signed: _____

Date: _____