



Public Service Commission  
State of North Dakota

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COMMISSIONERS

Kevin Cramer  
Tony Clark  
Brian P. Kalk

Executive Secretary  
Darrell Nitschke

600 E. Boulevard Ave. Dept 408  
Bismarck, North Dakota 58505-0480  
Web: [www.nd.gov/psc](http://www.nd.gov/psc)  
E-mail: [ndpsc@nd.gov](mailto:ndpsc@nd.gov)  
TDD 800-366-6888 or 711  
Fax 701-328-2410  
Phone 701-328-2400

31 March 2009

Derrick Braaten  
Sarah Vogel Law Firm, P.C.  
222 North 4<sup>th</sup> Street  
Bismarck, ND 58501-4004

Brian R. Bjella  
Crowley Fleck  
P.O. Box 2798  
Bismarck, ND 58502-2798

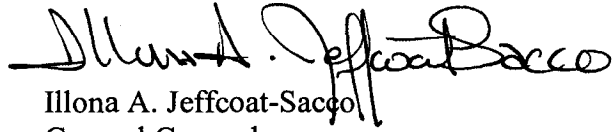
Re: Case No. RC-09-32

Gentlemen:

Enclosed is a copy of a letter filed by Great Northern Power Development L.P. withdrawing the application of South Heart Coal, LLC for a surface coal mining permit. The letter includes a reference to the captioned matter, so it has been docketed in both the permit case (RC-08-828) and the captioned matter, the complaint case (RC-09-32). Since it is docketed in the complaint case, I am forwarding a copy to you.

If you have any questions, please do not hesitate to call or write.

Best regards,

  
Illona A. Jeffcoat-Sacco  
General Counsel

enclosure

11 **RC-08-828** Filed: 3/31/2009 Pages: 2  
Copy of the South Heart Coal Permit Application  
withdrawal Letter sent to the Parties

Public Service Commission  
Illona Jeffcoat-Sacco

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Public Service Commission  
Illona Jeffcoat-Sacco



# Great Northern Project Development LP

173 Cottonwood Road  
Townsend, MT 59644  
(406) 266-4360 \* Fax (406) 266-4577

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PUBLIC SERVICE COMMISSION

FROM DIRECTOR - RECLAMATION DIV.

March 25, 2009

Mr. James Deutsch  
Director - Reclamation Division  
North Dakota Public Service Commission  
600 East Boulevard, Dept.408  
Bismarck, ND 58505-0480

Date: \_\_\_\_\_

Action: \_\_\_\_\_

Info. Only: \_\_\_\_\_

Info & File: \_\_\_\_\_

**Re: Withdrawal of Mine Permit Application No. SHSH-0801 - South Heart Lignite Mine**

Dear Mr. Deutsch:

On behalf of South Heart Coal LLC (SHC), Great Northern Project Development LP (GNPD) is writing to notify the North Dakota Public Service Commission (PSC) of SHC's decision to withdraw Surface Coal Mining Permit Application No. SHSH-0801 for the South Heart (SH) lignite mine.

SHC is aware of a complaint (Case No. RC-09-32) filed with the PSC alleging that the GTLE demonstration plant currently under construction near the site of the planned SH lignite mine is "in connection with" the SH lignite mine. SHC is also aware that the complainants have made additional allegations, including that GTL Energy is in violation of North Dakota statute and regulation for "conducting surface coal mining operations without a permit," all apparently based upon the "in connection with" allegation.

These allegations are incorrect. The SH lignite mine and the GTLE demonstration plant are separate and independent projects. They have different purposes and are owned and controlled by different entities. Contrary to the recent allegations, there is no "connection" between the GTLE demonstration plant and the SH lignite mine such that they should be treated as a single project entity under the PSC regulations. In order to make clear that there is no such "connection" between the planned SH lignite mine and the GTLE demonstration plant, SHC is hereby formally withdrawing its application for a permit to construct and operate the SH lignite mine.

Development work is continuing on GNPD's planned commercial-scale coal gasification facility and associated surface lignite mine to be located near South Heart. Applications for required approvals for those facilities are planned for later this year. GNPD and SHC look forward to continuing their work with the PSC and its staff to obtain those approvals.

Sincerely,

Richard A. Southwick  
Vice President - Environmental

cc: Todd Joyner, President GNPD  
Rich Voss, VP GNPD

10 RC-08-828 Filed 03/25/2009 Pages: 1  
Letter Filed Withdrawing Permit Application SHSH-0801  
Great Northern Project Development  
Richard Southwick

13 RC-09-32 Filed: 3/25/2009 Pages: 1  
Letter Filed Withdrawing Permit Application  
SHSH-0801