



# Public Service Commission

## State of North Dakota

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February 10, 2011

Mr. Jeff Fleischman, Director  
Casper Field Office  
Office of Surface Mining  
PO Box 11018  
Casper WY 82602-5004

Dear Mr. Fleischman:

Enclosed is the final report for North Dakota's 2010 Administration and Enforcement Grant, GR903383 (S09AF15311-0001-G310). The report covers the grant period that began July 1, 2009 and ended June 30, 2010. A completed Financial Status Report, SF 425, covering the grant period is enclosed. Also, a summary of the activities that occurred during the grant period is in the narrative attached to the OSM-51 form.

Please note that \$1,369.75 of the federal funds awarded in this grant was not spent following the two reductions of the original grant from \$719,156 to \$656,156. The primary reasons for under spending the original grant award were smaller salary increases than budgeted, the indirect cost rate was less than expected, office remodeling work was delayed, and some other operating expenses were less than anticipated.

The North Dakota Public Service Commission now considers Administration and Enforcement Grant GR903383 to be complete and that payment by OSM to the State for allowable costs have been made. OSM is released from all obligations under or arising from the grant, subject to audit, if applicable.

I apologize for the delay in submitting this report due to the time it has taken to correct the coding for an expense that was mistakenly charged to our internal project code for this grant after the grant period ended. If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Deutsch".

Jim Deutsch  
Director  
Reclamation Division

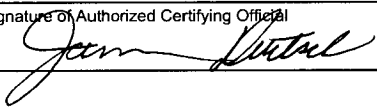
Enclosures

cc: Dan Martinez (e-mail)

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# FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted <b>Office of Surface Mining</b>		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) <b>GR903383/S09AF15311-0001-G310</b>				Page <b>1</b>	of <b>1</b>	pages
3. Recipient Organization (Name and complete address including Zip code) <b>North Dakota Public Service Commission 600 E. Boulevard Avenue, Dept. 408 Bismarck, ND 58505-0480</b>								
4a. DUNS Number <b>802-744-946</b>	4b. EIN <b>45-0309764</b>	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)		6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Final	7. Basis of Accounting <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual			
8. Project/Grant Period From: (Month, Day, Year) <b>July 1, 2009</b>				To: (Month, Day, Year) <b>June 30, 2010</b>		9. Reporting Period End Date (Month, Day, Year) <b>June 30, 2010</b>		
10. Transactions						Cumulative		
<i>(Use lines a-c for single or multiple grant reporting)</i>								
<b>Federal Cash (To report multiple grants, also use FFR Attachment):</b>								
a. Cash Receipts								
b. Cash Disbursements								
c. Cash on Hand (line a minus b)								
<i>(Use lines d-o for single grant reporting)</i>								
<b>Federal Expenditures and Unobligated Balance:</b>								
d. Total Federal funds authorized						656,156.00		
e. Federal share of expenditures						656,156.00		
f. Federal share of unliquidated obligations								
g. Total Federal share (sum of lines e and f)						654,786.25		
h. Unobligated balance of Federal funds (line d minus g)						1,369.75		
<b>Recipient Share:</b>								
i. Total recipient share required						368,673.79		
j. Recipient share of expenditures						368,673.79		
k. Remaining recipient share to be provided (line i minus j)						0		
<b>Program Income:</b>								
l. Total Federal program income earned								
m. Program income expended in accordance with the deduction alternative								
n. Program income expended in accordance with the addition alternative								
o. Unexpended program income (line l minus line m or line n)								
11. Indirect Expense		a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
		Final	35.73%	7-1-09	6-30-10	688,619.94	246,043.90	157,468.10
					g. Totals:	688,619.94	246,043.90	157,468.10
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:								
13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)								
a. Typed or Printed Name and Title of Authorized Certifying Official <b>James Deutsch Director, Reclamation Division</b>					c. Telephone (Area code, number and extension) <b>701-328-2251</b>			
					d. Email address <b>jdeutsch@nd.gov</b>			
b. Signature of Authorized Certifying Official 					e. Date Report Submitted (Month, Day, Year) <b>February 10, 2011</b>			
					14. Agency use only:			

Standard Form 425  
OMB Approval Number: 0348-0061  
Expiration Date: 10/31/2011

**Paperwork Burden Statement**

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0060), Washington, DC 20503.

U.S. DEPARTMENT OF THE INTERIOR  
Office of Surface Mining  
Washington, DC 20240

A & E Grant

Performance Report

Program Narrative

1. Type of Program (Check Appropriate Box)	
<b>ADMINISTRATION and ENFORCEMENT GRANT</b>	<input checked="" type="checkbox"/> State and Federal
Grant Recipient	Type of Report
<b>Public Service Commission 600 E. Boulevard Ave, Dept 408 Bismarck, ND 58505-0480</b>	<b>A &amp; E FINAL REPORT</b>
3. Project Title/Program <b>GR903383</b>	
<b>ADMINISTRATION &amp; ENFORCEMENT RECLAMATION PROGRAM</b>	
4. Performing Organization	
<b>SAME AS ABOVE</b>	
5. Program Narrative	
<b>SEE ATTACHED NARRATIVE</b>	

OSM-51(12/80)

The Paperwork Reduction Act of 1980 (44 U.S.C. 35) requires us to inform you that "This information is being collected to determine how an applicant plans to spend Federal dollars of a grant or cooperative agreement. This information will be used to prepare budget analyses and forecasting. The obligation to respond is required to obtain a benefit.

**Activity Narrative for Semiannual 2010 A&E Grant Report**  
(July 1, 2009 to June 30, 2010)

**Permitting** - During the grant period that began July 1, 2009 and ended June 30, 2010, the Reclamation Division received one new permit application. The new permit application currently under review covers 4,581 acres for the proposed South Heart Mine. The Reclamation Division approved 22 revision applications, including one that added 890 acres to a permit. One permit renewal application was also approved during the period. The Reclamation Division also carried out ten midterm or similar permit reviews. At the end of the reporting period there were 26 OSM inspectable units, with 20 having active mining operations.

**Inspection** - Reclamation Division staff carried out 610 inspections on 30 inspectable units covering active and inactive mines to ensure compliance with the regulatory program and approved mining and reclamation plans. Complete inspections totaled 110 and 500 partial inspections were conducted.

**Complaints** – The investigation of one written complaint received during the previous grant period was completed during the grant period. OSM also forwarded a complaint it received to the PSC via the ten-day notice process and an investigation had been initiated, but not completed, by the end of the grant period.

**Enforcement** - Three notices of violation were issued during the grant period, but one was later vacated by the Commission following a formal hearing.

**Bond Release** - The Commission approved seven final bond release applications that totaled 2,378 acres during the grant period. Staff also worked on several other final bond release applications.

**Permit Fees** - The Commission received \$53,078.80 in permit fees during the grant period. Pursuant to OSM policy, all of these funds were deposited in the State's general fund to help offset the state share of the program costs.