



# Public Service Commission

## State of North Dakota

### COMMISSIONERS

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September 26, 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 2011 Administration and Enforcement Grant, GR003383 (S10AP20006-0001-G310). The report covers the entire grant period that began July 1, 2010 and ended June 30, 2011. 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 provided in the narrative attached to the OSM-51 form.

Please note that \$521.25 of the federal funds awarded in this grant was not spent following the two de-obligations (\$45,000 in March 2011 and \$33,000 in August 2011) that reduced the original grant from \$798,743 to \$720,743. Reasons for under spending the original grant award include: a lengthy delay in filling the new position that was authorized at the beginning of the grant period, smaller July 1, 2010 salary increases than budgeted, and some operating expenses that were less than anticipated.

The North Dakota Public Service Commission now considers Administration and Enforcement Grant GR003383 to be complete and that all payments 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.

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

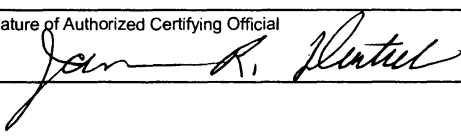
Enclosures

cc: Carolyn Garrett (e-mail)

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# FEDERAL FINANCIAL REPORT

(Follow form instructions)

<b>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</b> (To report multiple grants, use FFR Attachment)  S10AP20006-0001-G310 (North Dakota 2011 A& E Grant)			Page <b>1</b>	of <b>1</b>  pages	
<b>3. Recipient Organization (Name and complete address including Zip code)</b> AML Division, Public Service Commission, 600 East Boulevard Ave., 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</b> (To report multiple grants, use FFR Attachment)  GR003383		<b>6. Report Type</b> <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Final	<b>7. Basis of Accounting</b>  <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual		
<b>8. Project/Grant Period</b> From: (Month, Day, Year) 7/01/2010				To: (Month, Day, Year) 6/30/2011		<b>9. Reporting Period End Date</b> (Month, Day, Year) 6/30/2011	
<b>10. Transactions</b>						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						\$720,743.00	
e. Federal share of expenditures						\$720,221.75	
f. Federal share of unliquidated obligations						\$0.00	
g. Total Federal share (sum of lines e and f)						\$720,221.75	
h. Unobligated balance of Federal funds (line d minus g)						\$521.25	
<b>Recipient Share:</b>							
i. Total recipient share required						\$405,124.73	
j. Recipient share of expenditures						\$405,124.73	
k. Remaining recipient share to be provided (line i minus j)						\$0.00	
<b>Program Income:</b>							
l. Total Federal program income earned						\$0.00	
m. Program income expended in accordance with the deduction alternative						\$0.00	
n. Program income expended in accordance with the addition alternative						\$0.00	
o. Unexpended program income (line l minus line m or line n)						\$0.00	
<b>11. Indirect Expense</b>	<b>a. Type</b>	<b>b. Rate</b>	<b>c. Period From</b>	<b>Period To</b>	<b>d. Base</b>	<b>e. Amount Charged</b>	<b>f. Federal Share</b>
	Final	35.75%	7/1/10	6/30/11	\$747,865.74	\$267,212.45	\$171,015.97
<b>g. Totals:</b>					\$747,865.74	\$267,212.45	\$171,015.97
<b>12. Remarks:</b> Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:							
<b>13. Certification:</b> 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)							
<b>a. Typed or Printed Name and Title of Authorized Certifying Official</b>  James R. Deutsch, Director Reclamation Division					<b>c. Telephone (Area code, number and extension)</b> (701) 328-2251		
<b>b. Signature of Authorized Certifying Official</b> 					<b>d. Email address</b> jdeutsch@nd.gov		
<b>e. Date Report Submitted (Month, Day, Year)</b> September 26, 2011					<b>14. Agency use only:</b>		

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 <b>Public Service Commission 600 E. Boulevard Ave, Dept 408 Bismarck, ND 58505-0480</b>	Type of Report <b>A &amp; E FINAL REPORT</b>
3. Project Title/Program <b>GR003383</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 North Dakota's 2011 A&E Grant Report**  
(July 1, 2010 to June 30, 2011)

**Permitting** - During the grant period that began July 1, 2010 and ended June 30, 2011, the Reclamation Division did not receive any new permit applications. However, the Reclamation Division completed technical reviews of new permit applications for the proposed Otter Creek Mine, 5,490 acres, and proposed South Heart Mine, 4,581 acres. The Commission also approved a revision that added 676 acres to the Center Mine and staff had nearly finished its review of a significant revision for the Falkirk Mine to add 16,924 acres to a permit. A total of 28 permit revision applications were approved during the grant period, including ten that were considered significant revisions. Seven permit renewal applications were 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 25 OSM inspectable units totaling 104,246 acres, with 20 having active mining operations.

**Inspection** - Reclamation Division staff carried out 678 inspections on 26 inspectable units covering active and inactive mines to ensure compliance with the regulatory program and approved mining and reclamation plans. Complete inspections totaled 160 and 518 partial inspections were conducted.

**Complaints** – The Reclamation Division completed its investigation and responded to the written complaint that OSM forwarded to the PSC via the ten-day notice process during the previous grant period.

**Enforcement** - Two 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 three final bond release applications that totaled 1,407 acres during the grant period. Staff also worked on three other final bond release applications.

**Permit Fees** – The Commission received \$169,741 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.