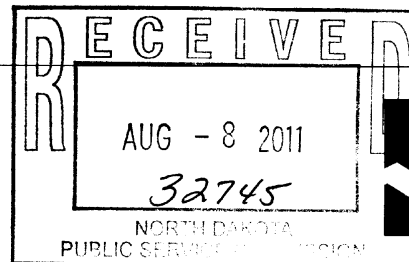


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**BASIN COOPERATIVE SERVICES**

A BASIN ELECTRIC SUBSIDIARY

GLENHAROLD MINE  
1717 EAST INTERSTATE AVENUE  
BISMARCK, NORTH DAKOTA 58501-0564  
PHONE: 701/223-0441  
FAX: 701/224-5322



August 5, 2011

Mr. James R. Deutsch  
Reclamation Director  
Public Service Commission  
600 East Boulevard  
Bismarck, ND 58505-0480

Re: Bond Release No. 8 – Permit BCGH-8204

Dear Mr. Deutsch:

Enclosed are 4 copies of pages that changed as a result of PSC comments dated July 6, 2011. The BCS response is limited to PSC comments 1-10 that pertain to deficiencies related to the Public Notice. Following your review of our response and these changes, we would like to proceed with publication.

If you have questions, please contact me at the following address.

Leland Olds Power Station  
3901 Hwy 200 A  
Stanton, North Dakota 58571-9417

Phone no: 701-745-7242  
Email: [dnilson@bepc.com](mailto:dnilson@bepc.com)

Sincerely,

A handwritten signature in black ink that reads "David J. Nilson".

David J. Nilson  
Reclamation Administrator

Attachment

cc: Permit BCGH-8204  
Mike Murray

**Permit BCGH-8204  
Bond Release 8**

**Response to PSC Comments Pertaining to the Public Notice  
Dated: July 6, 2011**

<b><u>Attachment III - Public Notice Advertisement</u></b>	
<b>PSC 1.</b>	The heading of the public notice should be revised to state NOTICE OF FILING FOR FINAL RELEASE OF RECLAMATION BOND. Please change the wording of the heading. (BEB)
Response:	This change was made. A revised Attachment III, included with this correspondence, includes all changes included in the PSC comments.
<b>PSC 2.</b>	Please reference the accompanying map in the notice narrative. We suggest that it may be most effective to reference the map in the first paragraph of the narrative. (WTG)
Response:	A reference to the map that accompanies the notice is made in the first paragraph.
<b>PSC 3.</b>	Please capitalize the word commission in the third paragraph of the public notice, or replace with the words Public Service Commission. (BEB)
Response:	This change was made.
<b>PSC 4.</b>	The narrative of the public notice somewhat confusing and repetitive. The second paragraph states "Prior to mining activities in 1979 this acreage was included in Permit 50 Amendment 1, which was approved by the North Dakota Public Service Commission on June 26, 1979". In the 4 <sup>th</sup> paragraph it states mining resumed in the 1 <sup>st</sup> Quarter of 1979. It is assumed that the mining disturbance which took place in the 1 <sup>st</sup> quarter of 1979 was included in the approval of Permit 50, on November 10, 1978 and continued into the Amendment 1 area which was approved in the 2 <sup>nd</sup> quarter of 1979. If this is the case, please clarify the public notice. Also the 2 <sup>nd</sup> and 4 <sup>th</sup> paragraphs are repetitive in that they contain much of the same information. It is recommended that the 2 <sup>nd</sup> and 4 <sup>th</sup> paragraphs be combined and restructured into a single paragraph (preferably the 2 <sup>nd</sup> paragraph) and that the mining and reclamation history currently in the 5 <sup>th</sup> paragraph be moved to the 3 <sup>rd</sup> paragraph followed by the postmine land use paragraph (currently the 3 <sup>rd</sup> paragraph). (MDB & DKM)
Response:	The Public Notice (Attachment III) was revised to include these changes.
<b>PSC 5.</b>	Attachment III indicates that the permanent ponds will be retained for the use as livestock watering facilities and wildlife habitat. However, the ponds will actually be used as sedimentation ponds for the ash disposal site as well as keeping water out of it. Please update accordingly. (MDB)
Response:	This change was made.

PSC 6.	Please revise the map to either list only the township, range and county of the property included in the bond release application (T144N, R84W, Mercer County), or label the township and range boundaries accurately similar to the labeling used on Attachment I. (BEB, GAW, MDB, & WTG)
Response:	This change was made to the Public notice (Attachment III)
<b><u>Attachment IV - Surface Owner and Agency Notifications</u></b>	
PSC 7.	Please make the following updates to the list of Local, State Agency, or Governmental Entity Notification: (1) Judith Hintz has replaced Barbara Fleming as Oliver County Auditor (although notice does not need to be sent to Oliver County since the bond release tract is not located in Oliver County); and (2), Todd Sando has replaced Dale Frink as State Engineer. (WTG & MDB)
Response:	These changes were made. Oliver County agencies were removed.
PSC 8.	Please add the Mercer County Commissioners and the Mercer County Planning and Zoning Board to the list of Local, State Agency, or Governmental Entity Notification. (WTG)
Response:	These were added to Attachment IV.
PSC 9.	Please clarify the history of the bond release tract in the narrative of the proposed local and state agencies or governmental entities notification letter similar to what was discussed in item 4 above (newspaper notice). (MDB)
Response:	The notification letters to local and state agencies or governmental entities as well as surface and adjacent landowners were changed to be the same as the Public Notice. Revised copies are included with this correspondence.
PSC 10.	Attachment IV indicates that the permanent ponds will be retained for the use as livestock watering facilities and wildlife habitat. However, the ponds will actually be used as sedimentation ponds for the ash disposal site as well as keeping water out of it. Please update accordingly. (MDB)
Response:	This was changed to reflect their use as support facilities for the new LOS landfill area.
<b><u>Attachment VI - Tract History, Bonding and Vegetation Data</u></b>	
PSC 11.	The first table on page 1 of Attachment VI incorrectly indicates that 100% of this tract has been disturbed and reclaimed; however, Attachment IX indicates only 256.08 acres were disturbed by mining activities with 68.92 acres being undisturbed. The bond amount calculated to be released is \$963,450 based on the entire disturbed area. This amounts to \$2964.46 per acre which is comparable to the bond per acre calculations provided in Bond Release No.7. If both bond releases are approved at the same time, this is a moot point since all remaining acres and bond will be released. However, if one of the bond release applications was not approved at the same time as the other, the bond amount may be inadequate to cover the remaining liabilities. Please recalculate the bond amount which will be released for both Bond Releases

	No. 7 and 8 to reflect the undisturbed acres in the Bond Release No. 8 area. With this adjustment, we have calculated the rate for disturbed acres to be \$3076.89 per acre with a rate of \$200 being applied to undisturbed acres. Please make the necessary updates to the bond release application including the application form and public notice advertisement. (MDB & GAW)
Response:	Changes have been made on both Bond Release No. 7 and Bond Release No. 8. The application was changed to reflect the new bond amount and the BCS Bond Calculation Table included with the application was changed.