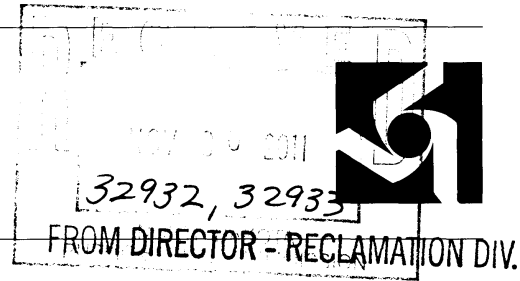


BASIN COOPERATIVE SERVICES

A BASIN ELECTRIC SUBSIDIARY

GLENHAROLD MINE
1717 EAST INTERSTATE AVENUE
BISMARCK, NORTH DAKOTA 58501-0564
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November 29, 2011

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

Date: _____

Action: _____

Info. Only: _____

Info & File: _____

Re: Bond Releases 7 and 8 – Permit BCGH-8204

Dear Mr. Deutsch:

Enclosed are 4 copies of pages and Attachments that changed as a result of the Public Service Commission's review dated July 6, 2011. We responded to deficiencies and made changes relative to the requirements of the public notices on August 3rd. The changes provided in this correspondence were the result of additional comments relating to other parts of the application.

If you have questions, please contact me.

Sincerely,

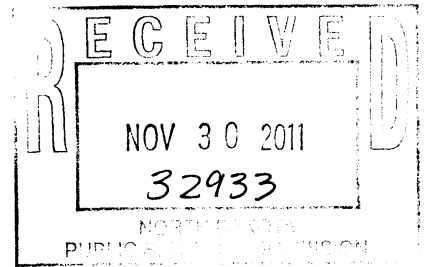
Mike Murray
Mike Murray
Property and Right of Way Supervisor

Attachment

cc: Permit BCGH-8204

**Permit BCGH-8204
Bond Release 8**

**BCS Response to PSC Comments 11 - 22
Dated: November 16, 2011**



<u>Attachment VI - Tract History, Bonding and Vegetation Data</u>	
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. Per the PSC request, these changes were made prior to publication of the public notice. (PSC correspondence dated August 23, 2011).
PSC 12.	Please review the native grassland seed mixture listed in the table on Page 2 of Attachment VI to ensure that all seed mixtures used on the bond release tract are included. The cover data included in the application and past field inspections indicate that other native species, such as switchgrass and big bluestem, were also seeded some years. (GAW)
Response:	In the process of reclaiming native grasslands at the GHM over several decades, it became evident that some of the tall warm season grasses were more adaptable to the reclaimed environment than what we expected. Adding this diversity was considered an important goal and our basic native grass mixtures were revised over time as we gained this reclamation experience. The core species mixture was the same on all reclaimed native grassland areas including those areas seeded on this tract from 1984 through 1996. However, Switchgrass and Big Bluestem were added to the GHM mix in later years at rates equivalent to 2 and 3 lbs per acre. The presence of these species in other areas where they were not included in the mixture would be attributed to stand development over time. Also species not listed in the seed mix may be present because of the use of reclamation hay from warm season hayland areas or from reclaimed native grassland and utilized for mulching purposes.
PSC 13.	Please clarify the status of the water resources and the standards that will apply to Ponds 1 and 2 and Wetlands A and B under the <u>Water Resources and NDPDES Pond Discharge Summary</u> section. Please indicate how these features will be used to support the LOS Ash Pit Expansion area or otherwise clarify their purpose. A sentence in the second paragraph on page 5 states that the wetlands were not disturbed by mining activities but the annual map indicates otherwise and the statement that Ponds 1 and 2 will provide a water source for grazing is inconsistent with the approved industrial land use. Attachment XI indicates Pond G144-84-31-3H will be used as a "sediment pond for storm water control from disturbed areas"

	and Ponds 1 and 2 as well as wetlands A and B "will capture water from undisturbed portions of the permit area." These ponds and wetlands may provide a secondary use as a livestock watering source and wildlife but that is not their primary purpose. The requirements of NDCC 38-14.1-24 (7) must be addressed if these permanent impoundments are not going to be used to support the LOS Ash Pit expansion. (GAW & MDB)
Response:	Language in this section was revised to state that these ponds will be used to support the LOS ash pit expansion operations.
PSC 14.	Since Pond G144-84-31-3H will be retained as a sedimentation pond for future use by Leland Olds Station, please provide documentation from the North Dakota Department of Health stating the pond meets the requirements of its intended purpose and the discharge point can be obtained/transferred per NDCC 38-14.1-24(7)(a) & (c). (MDB)
Response:	This pond has a history of discharge records and functioned as a sediment pond in Mine Area IV during mining and reclamation activities. Prior to approval as a permanent pond, sediment was removed. It is unlikely that this pond would not be satisfactory as a sediment pond for the LOS ash disposal expansion area. Approval as a sediment pond to support LOS ash disposal expansion operations would be concurrent with SHD Permit approval. The development of specific plans within the landfill site is coordinated with the SHD including the location of sediment ponds.
PSC 15.	In the last paragraph on Page 6 of Attachment VI, please clarify that the ground cover standard for reclaimed land that will be used for industrial purposes is 73% basal ground cover. The standards listed in Tables 1 through 8 of Attachment VI were calculated as if the original reclaimed land uses apply and the ground cover standard values listed are higher than required. It is not necessary to remove this information but it should be clear in the tables that the cover standard for industrial land is 73%. (GAW)
Response:	This has been clarified on page 6.
PSC 16.	In the last paragraph on Page 6 of Attachment VI, please clarify why cover data for the 1996 seeded area and Pond 5 diversion disturbance is presented separately in Tables 5 - 8 and why these areas are not combined with the balance of the LOS Expansion Area. We understand that these areas were sampled separately due to seed mixture and species composition differences. (GAW)
Response:	In the development of the final bond release application it was not known if the reclaimed area landuse would be approved as landfill expansion area. Data were collected assuming that all vegetative standards for native grassland may have to be met if the industrial landuse was not approved. Data were collected over a period from 2007 through 2010 by Landowner or seeding dates as these expressed visible vegetative differences. Also, data outside the landfill expansion area within the 1996 seeded area would be presented in Bond Release No. 7. Since the data were collected separately, it was presented separately for comparison with the standard. Since the land use was approved and the landfill expansion was approved by the SHD, only the 73 % ground cover standard was necessary. Combining the data would not change the results. Table 1 was revised to clarify that the 73% ground cover standard was used.
PSC 17.	In the last paragraph on Page 6 of Attachment VI, please explain that an orphan spoils reference was established and show the location of this reference area on Attachment IX and explain that the standard is 73%, provided that the ground cover on the reference area spoils is greater than 73%. (GAW)

Response:	Page 6 was revised to state that the cover standard of 73% for redisturbed spoil was used and met. Cover data from undisturbed spoils were collected concurrently with redisturbed spoil areas. This was done in case the ground cover on the reclaimed-redisturbed spoil did not meet the minimum 73% standard. However, cover data show that all of the reclaimed-redisturbed spoil area exceeded this minimum. The cover data from undisturbed spoil (reference area) is unnecessary but was provided as supplemental information further demonstrating reclamation success. Consequently, changes to Attachment IX showing the location of the undisturbed spoil reference area is unnecessary.
PSC 18.	Table 1 (Cover Summary) of Attachment VI includes a subarea labeled P-1, BCS (32: Spoil), but no cover data for this area was included on the CD. Please explain why this area is being treated separately. Also, please include the cover sampling data and identify the area on Attachment IX. Table 1 indicates that this area is subject to 1979 law but this is not correct if the area was not redisturbed and used in support of present law mining. (GAW)
Response:	Section 32 is not within the Bond Release 8 boundary and should not be included. This data was deleted from Table 1.
<u>Attachment VIII - Post-Mine Topography and Land Use</u>	
PSC 19.	Labeling of the permanent pond names/numbers that are provided on the Post-Mine Topography and Land Use map are illegible. Please enlarge and bold the font set of the permanent pond labels. (BEB)
Response:	Attachment VIII was revised. Please note that all the attachments are in pdf format on the CD included with the application. An expanded view of any part of the bond release area can be easily obtained with this software including pond identification numbers.
<u>Attachment XI - Pond Information, Designs, and Water Quality Information</u>	
PSC 20.	Provided in this attachment are July 2010 water quality analyses for Pond 31-3H, Wetlands 31-A and 31-B, and also 32-Pit West and 32-Pit East. We are unsure of the location of the 32-Pits or their relevance to this application because nowhere in the application have we been able to find mention of these water sources or their location. Please address. (BEB & GAW)
Response:	The old pits in section 32 are part of Bond Release 7. Water quality data are provided on the data CD for that bond release. Information pertaining to section 32 has been deleted from this application.
PSC 21.	Narrative provided under the <i>Water Resources and NDPDES Pond Discharge Summary</i> in Attachment VI states that in addition to the other ponds listed, that Ponds 1 and 2 (144-84-31-5B and 144-84-31-3A, respectively) will provide a long term water source for grazing as well as wetland habitat and a water source for migratory and resident wildlife species. Please incorporate water quality analyses of these ponds into Attachment XI of the application. [NDCC 38-14.1-24(7)(c)] (BEB & GAW)
Response:	The water quality data for these ponds are provided in the table entitled PERMANENT IMPOUNDMENT – Water quality Data Report that was incorporated into Permit Revision 29.
PSC 22.	Water quality data for developed water resources that is provided in the CD differs from the information that is provided in the hard copy application. Water quality data in the CD provides

	analyses of water quality for at least 7 or 8 ponds/developed water resources that are not located within the bond release tract. Please review the water quality information provided on the CD's, and eliminate the information for those ponds that are not included within the proposed bond release area. (BEB)
Response:	A listing of permanent pond ponds is given on that CD and can direct a reviewer to the water quality data for ponds that are included in this bond release. The report from Minnesota Valley Testing included water quality data for both Bond Releases Nos. 7 and 8. Since it was one report and scanned as such, we did not think it was appropriate to alter that report.