



Public Service Commission

State of North Dakota

COMMISSIONERS

Brian P. Kalk
Kevin Cramer
Bonny M. Fetch

Executive Secretary
Darrell Nitschke

600 East Boulevard, Dept. 408
Bismarck, North Dakota 58505-0480
Web: www.psc.nd.gov
E-mail: ndpsc@nd.gov
Phone: 701-328-2400
ND Toll Free: 1-877-245-6685
Fax: 701-328-2410
TDD: 800-366-6888 or 711

August 31, 2012

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 2012 Administration and Enforcement Grant, GR103383 (S11AP20031-0001-G310). The report covers the entire grant period that began July 1, 2011 and ended June 30, 2012. 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 \$28,777.97 of the federal funds awarded in this grant was not spent following April 4, 2012 de-obligation of \$75,000 that reduced the original grant from \$821,512 to \$746,512. Reasons for under spending the original grant award include: a lengthy delay in filling a vacancy that occurred at the beginning of the grant period, July 1, 2011 salary increases and indirect costs rates that were less than budgeted, and some of the operating expenses were less than anticipated.

The North Dakota Public Service Commission now considers Administration and Enforcement Grant GR103383 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,

Jim Deutsch
Director
Reclamation Division

Enclosures

cc: Carolyn Garrett (e-mail)

minedata\osm\grants& budget\2012 grant\Closeout\closeout_rpt_itr_8-31-12.docx

Activity Narrative for North Dakota's 2012 A&E Grant Report
(July 1, 2011 to June 30, 2012)

Permitting - During the grant period that began July 1, 2011 and ended June 30, 2012, the Reclamation Division did receive one new permit application. It was filed by BNI Coal, Ltd. at the Center Mine for a new mine area containing 8,902 acres. At the end of the grant period this application had not yet been deemed complete. The Reclamation Division also conducted follow-up technical reviews of new permit applications for the proposed Otter Creek Mine, 5,490 acres, and South Heart Mine, 4,581 acres, following responses to the initial technical deficiency letters on these applications. The Commission also approved a significant revision for the Falkirk Mine to add 16,924 acres to the permit for its Riverdale Mine Area. A total of 29 permit revision applications were approved during the grant period, including three that were considered significant revisions. Four permit renewal applications were also approved during the period. The Reclamation Division also carried out four midterm permit reviews. At the end of the reporting period there were 24 OSM inspectable units totaling 118,428 acres, with 18 having active mining operations.

Inspection - Reclamation Division staff carried out 625 inspections on 25 inspectable units covering active and inactive mines to ensure compliance with the regulatory program and approved mining and reclamation plans. Complete inspections totaled 99 and 526 partial inspections were conducted.

Complaints – During the previous grant the Reclamation Division completed its investigation and responded to the written complaint that OSM forwarded to the PSC via the ten-day notice process near the end of the 2010 grant period. This complaint alleged that a sedimentation pond was contributing to a ground water seep on a nearby farm field. The Reclamation Division directed that the pond be removed, and the sedimentation pond was removed by the mine operator during the 2012 grant period.

Enforcement - No notices of violation were issued during the grant period. Also, no off-site impacts were reported during the grant period.

Bond Release - The Commission approved three final bond release applications that totaled 2,744 acres during the grant period. Staff also worked on three other final bond release applications.

Permit Fees – The Commission received \$91,323.70 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.

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted Office of Surface Mining		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) S11AP20031-0001-G310 (North Dakota 2012 A& E Grant)			Page 1	of 1 pages	
3. Recipient Organization (Name and complete address including Zip code) Reclamation Division, Public Service Commission, 600 East Boulevard Ave., Dept. 408, Bismarck, ND 58505-0480							
4a. DUNS Number 802-744-946	4b. EIN 45-0309764	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment) GR103383		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 type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual		
8. Project/Grant Period From: (Month, Day, Year) 7/01/2011				9. Reporting Period End Date (Month, Day, Year) 6/30/2012			
10. Transactions					Cumulative		
(Use lines a-c for single or multiple grant reporting)							
Federal Cash (To report multiple grants, also use FFR Attachment):							
a. Cash Receipts							
b. Cash Disbursements							
c. Cash on Hand (line a minus b)							
(Use lines d-o for single grant reporting)							
Federal Expenditures and Unobligated Balance:							
d. Total Federal funds authorized							
e. Federal share of expenditures							
f. Federal share of unliquidated obligations							
g. Total Federal share (sum of lines e and f)							
h. Unobligated balance of Federal funds (line d minus g)							
Recipient Share:							
i. Total recipient share required							
j. Recipient share of expenditures							
k. Remaining recipient share to be provided (line i minus j)							
Program Income:							
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	33.85%	7/1/2011	6/30/2012	\$773,302.94	\$261,763.06	\$167,528.56
g. Totals:					\$773,302.94	\$261,763.06	\$167,528.56
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 James R. Deutsch, Director - Reclamation Division					c. Telephone (Area code, number and extension) (701) 328-2251 d. Email address jdeutsch@nd.gov		
b. Signature of Authorized Certifying Official 					e. Date Report Submitted (Month, Day, Year) August 31, 2012		
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)	
ADMINISTRATION and ENFORCEMENT GRANT	<input checked="" type="checkbox"/> State and Federal
Grant Recipient	Type of Report
Public Service Commission 600 E. Boulevard Ave, Dept 408 Bismarck, ND 58505-0480	A & E FINAL REPORT
3. Project Title/Program GR103383	
ADMINISTRATION & ENFORCEMENT RECLAMATION PROGRAM	
4. Performing Organization	
SAME AS ABOVE	
5. Program Narrative	
SEE ATTACHED NARRATIVE	

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.