



# Public Service Commission

## State of North Dakota

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June 20, 2014

Mr. Edward Pettit  
Environmental Manager  
Knife River Corporation  
1150 West Century Ave.  
Bismarck, ND 58503

Dear Mr. Pettit:

The Reclamation Division has completed a review of Knife River Corporation's May 14, 2014 response to the technical concerns identified in our January 22, 2014 letter regarding the application for Final Bond Release No. 7 to Permit KRGC-8101. The following items must be adequately addressed before the Reclamation Division can recommend Commission action.

### Application Form

1. Please review the list of acreages at the bottom of the application, which lists all disturbed acres as *not included with BR3*. Please change (not included in BR3) to **(included with BR3)** for the 576.5 disturbed acres. (ZAB)
2. Please review the bond amounts and totals listed at the bottom of the application. Please correct the 576.5 acres @ \$200/Ac to **576.5 Ac @ \$589.28/Ac** which equals **\$339,719.92**. Correct the Total Reduction amount to **\$374,117.17** in both places this total is listed within the summary box. (ZAB)
3. Please review and revise the second sentence of the narrative at the bottom of the application which requests third and fourth stage bond release for 276.5 acres previously included in BR3. The correct value is **576.5 acres**. (ZAB)

### Attachment 7 – Supporting Narrative

4. Follow-up to item No. 4: Please review and revise the acreage provided in the narrative for the pond reclamation area in Section 29, tract Rd 33. The narrative indicates the acreage to be 19.6 acres but this may be an error that appeared in our May 14, 2014 letter. Other information in the bond release application describes seeding tract Rd 33 as being 16.9 acres. (RLK)

Mr. Edward Pettit

June 20, 2014

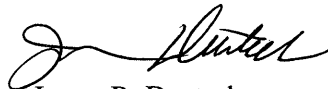
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**Attachment 9 – Calculation of Bond Reduction Amount**

5. Please review and revise the following items on Attachment 9, BR7 Bond Reduction Calculations. (ZAB)
  - a. Please revise the total and Liability values for line BR7 included in BR3 (40%) bond to **\$339,719.92** and **\$342,578.94** respectively.
  - b. Revise the BR7 Reduction value to **\$ 374,117.17**.
  - c. Revise the Reclamation Liability Remaining (Post-BR7) to **\$ 342,578.94**.
  
6. Review the Pre BR7 – Areas information on the legend of Attachment 9.1. Please remove BR6 from the labels or change BR6 to Post BR6 to avoid any confusion that this is acreage was released from bond with BR6. (ZAB)

If you have any questions, please contact this office.

Sincerely,



James R. Deutsch  
Director  
Reclamation Division