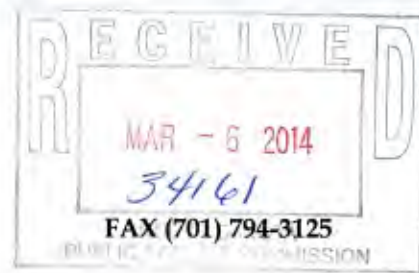


PHONE (701) 794-8734



AN ALLETE COMPANY

2360 35TH AVENUE SW CENTER, ND 58530-9499
MINING LIGNITE AT THE CENTER MINE SINCE 1970

March 6, 2014

Mr. Jim Deutsch, Director
Reclamation Division, NDPSC
Department 408
600 East Boulevard Avenue
Bismarck, ND 58505-0480

RE: Revision 35 to Permit BNCR-8202

Dear Mr. Deutsch,

This submittal contains a response to your letter to us dated February 4, 2014. In this letter you listed technical deficiencies that must be addressed before the Renewal 6 and Revision 35 applications for BNCR-8202 can be deemed complete. Below is a listing of the deficiencies followed by our response:

Book 1

Section 1.5 Public Notice

1. Please update the narrative in Section 1.5 to reflect the current renewal number and date. (ZAB)

Section 1.5 has been updated to contain the same information and layout as what is in BNCR 9702 and BNCR 1101. Section 1.6 was also updated to delete duplicate information which was added to Section 1.7.

Section 1.7 Business Entity Information

2. Please remove the last two sentences of the Business Entity narrative on page 1-1 of Section 1.7 or revise the narrative to read similar to the updated narrative in Permits BNCR-9702 (Rev. 37) and BNCR-1101. (ZAB)

Section 1.7 and all subsections have been updated to include the same information and layout as what is in BNCR-9702 and BNCR-1101.

Section 1.7.2 Controlling Officers of BNI and Allete

3. Please update the listing of the officers of BNI and Allete on pages 1-2 through 1-7 of Section 1.7.2, as required by NDCC 38-14.1-14(1)(e). As recently requested for Revision 37 BNCR-9702, we ask that you please consider adopting a consistent table structure listing controlling officers of BNI Coal, Ltd. and ALLETE for all Center Mine permits as they are updated. We believe that using the format in the application for Permit BNCR-1101 for all permits will allow easier comparison between permits to identify the most recent updates because it provides table field headings on each page. (BEB/ZAB)

Section 1.7-2 has been updated to be consistent with the information that is in BNCR-9702 and BNCR-1101. Please note that the table headings appear differently in "Track Changes" but will appear the same as in BNCR-9702 and BNCR-1101 once the changes have been accepted.

4. If necessary, please update the organizational chart as necessary for BNI on page 1-8 of Section 1.7.2. (BEB)

The BNI Organizational chart from BNCR-9702 and BNCR-1101 was copied into this submittal.

Section 1.7.3 Stockholders

5. Please update the stockholder information in Section 1.7.4. (ZAB)

The Stockholder information has been updated to be consistent with BNCR-9702 and BNCR-1101.

Section 1.9 – Surface and Coal Ownership

6. If any changes have occurred, please update the listing of the surface ownership within and adjacent to the mining permit. Any changes made within this section should also be reflected on Plate 9, Ownership Map (also depicted in the legend as Plate 1-2) as required by NDCC 38-14.1-14(1)(c) and NDAC 69-05.2-06-01(1). (BEB/ZAB)

Eugene and Charlene Weber are now the owners of the SW1/4 of Section 15. The Legal and Financial section has been updated along with Plate 9, Ownership Map to reflect these changes.

Section 1.12 Other Licenses and Permits

7. Please review and update Section 1.12 to reflect any changes since last updated with Revision 34. The following items were identified as needing revision: (ZAB)

- a. Please update the address for the North Dakota Department of Health, Environmental Health Section to reflect the current address of 918 East Divide Ave, Bismarck ND 58501-1947; and,

NDDOH address has been updated in Section 1.12.

- b. Please update the Coal Exploration Permit to the one held by BNI that is currently effective.

The latest Coal Exploration Permit dates have been added to Section 1.12. A renewal is pending review.

Section 1.13 Schedule of Past Violations

8. Please update this section by adding NOV-1301. Also, NOV-1001 can now be deleted from the list as the required 3-year reporting time period has elapsed. (BEB/FSE)

NOV-1001 has been removed and NOV-1301 was added to Section 1.13.

Section 3.9 – Alluvial Valley Floor Determination

9. Please update the AVF narrative on page 3.9-10 by briefly describing the Reclamation Division's July 14, 2011 AVF determination letter for Permit BNCR-1101 which modified the previous AVF determination associated with Permits BNCR-8106 and BNCR-8202. The AVF report and narrative regarding the report in the permit currently describes the valley of Square Butte Creek as being a probable alluvial valley floor. A copy of the determination letter should also be placed in the permit in this section. (BEB)

An explanation of which the reversal of the 1979 determination of SBC as a probable AVF was explained on page 3.9-10 of Section 3.9. Additionally the determination letter from the PSC was added to Appendix Q (AVF) of BNCR-8202.

Section 4.1 Coal Removal

10. Please update the Equipment List in Section 4.1-4. (FSE)

The equipment list was updated. Replaced Pages 4.1-4 through 4.1-15.

Section 4.5 Transportation Plan

11. Please provide an updated copy of the Permit Boundary and Overall Plan map, Plate 4.5-4. The version in our permit copy does not show the permit boundaries as revised with the transfer of acreage from Permit 37 to Permit BNCR-8106. (RLK/FSE/ZAB)

Plate 4.5-4 was updated to reflect 4.5-1 submitted in BNCR 9702.

Section 4.6 Surface Water Management Plan

12. The Schedule for Reclamation of Surface Water Management Structures, page 4.6-2, indicates that Diversion 22-5 was reclaimed in 2012. The Surface Water Management Plan map, Plate 4.6-1 (13) continues to show this diversion as an existing diversion rather than a reclaimed diversion. Please revise as necessary to ensure the information is consistent and up-to-date. (GAW)

Section 4.6 narrative was updated. The reclamation dates for Pond 22-1 and Diversion 22-5 were changed to 2015.

Section 4.7 – Water Monitoring and Drill Hole Reclamation Plans

13. Please review the narrative, tables, appendices and maps associated with this section and make the appropriate updates to provide accurate and current ground water monitoring information in the permit. (BEB)

Section 4.7 was updated along with Table 4.7-1 to show BNCR-1101 wells included within the table.

Section 4.14 – Reclamation Cost Estimate for Bonding Purposes

14. Please update Section 4.14, Worst Case Reclamation Cost Estimate, and Plates 4.14-1, Worst Case Bond Calculations, and 4.14-02, Worst Case Bond Pit Cross Sections, to reflect the changes being made with Revision 37 to Permit BNCR-9702 for the consolidated bond area that includes Permit BNCR-8202. (FSE)

The most recent Section 4.14, Plates 4.14-1 and 4.14-02 have been included in this submittal.

Book II

Plate 9 Ownership Map was updated and is included in this submittal.

15. Please provide a copy of current version of the Extended Mine Plan Area, Plate 2-1. (RLK/FSE)

A copy of the latest Extended Mine Plan Map that has been submitted with BNCR 1101 Technical Review Three has been provided.

16. Please update Plate 8A, Ground Water Monitoring Nests Location Map, to provide accurate and current information in the permit. (BEB)

Plate 8A was updated, a duplicate of Appendix 4.7-2.2 map.

17. If necessary, please update the Pit Layout and Facilities Map (Plate 12). (FSE)

The Pit Layout and Facilities Map has been updated to the map that was submitted with Revision 37 of Permit BNCR 9702.

18. Please update Map 13, Surface Water Control, also identified as Plate 4.6-1. The watershed boundaries extend beyond the pond structure locations and are inconsistent with what is shown in Permit BNCR-9702. (RLK/FSE)

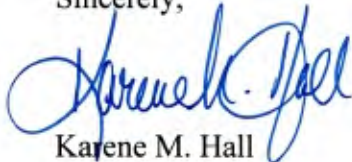
Map 13 was updated. Watershed boundaries were corrected. Ponds and Diversions were updated to date.

Also, please review Permit BNCR-8202 and make any necessary updates to accurately describe the mining-related and reclamation activities planned during the next five-year permit term.

Currently, the only reclamation activities planned during the next five-year permit term would be the reclamation of Sediment Pond 22-1 and Diversion 22-5. These reclamation dates were updated within the Section 4.6 Narrative per deficiency #12.

Thank you for your consideration of this matter. If you have any questions regarding this submittal, please contact me at the Center office.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kayene M. Hall". The signature is fluid and cursive, with a large initial "K" and "H".

Kayene M. Hall
Permit Coordinator