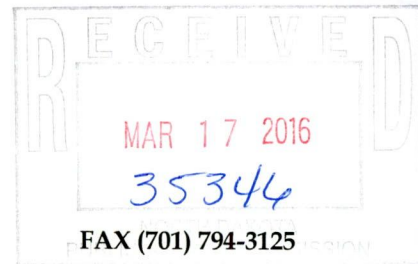


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AN ALLETE COMPANY
2360 35TH AVENUE SW CENTER, ND 58530-9499
MINING LIGNITE AT THE CENTER MINE SINCE 1970

March 17th, 2016

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

RE: Bond Release 8 to Permit BNCR-8106

Dear Mr. Deutsch,

This submittal contains a response to your letter to us dated May 14th, 2015. In this letter you listed technical deficiencies that must be addressed before the bond release application for Permit BNCR-8106 can be approved. The first seven Items listed in your letter were addressed our completeness review response on May 22, 2015. Below is a listing of the remaining deficiencies followed by our response:

General

We received a letter on March 15th, 2016 stating that our submittal did not contain the changes that were addressed in the May 22nd, 2015 response. These changes have been incorporated into this submittal. Also, we have updated the labels on our submitted disks to clarify that this submittal will be referenced as Review 2 rather than Tech 2. The May 14th letter from the PSC was titled "BR8_rvw2_ltr_5-14-15".

After the field review of this tract on June 24th, 2015, changes are being made to BNCR 8106 with Revision 55 related to this bond release. In Revision 55 the post mine land use of this tract is being changed from tame pasture to cropland. This request was made by the landowner. Landuse acreage changes, standard calculations, and other related language changes were made to the permit. All of these changes have been incorporated into this response. Any changes made to the bond release application text have been highlighted in yellow.

Attachment V – Soils Map

1. Follow-up to Item No. 21: Please revise the Soils Map to clearly depict the right-of-way, stockponds and 18.11 acres of undisturbed lands that were not included in development of the

standard so reviewers can determine why the tame pastureland standard is based on 470.4 acres of native grassland rather than the total pre-mine of native grassland, 484.39 acres. (GAW)

We initially responded to this deficiency in our May 22, 2015 letter. However, the soils map has been updated with changes made in Revision 55 to BNCR 8106. The map now indicates that undisturbed soils are being used to develop the standard. The map also clearly depicts and indicates the stock pond areas and right of way that are not included in the development of the standard. Updates have also been made to Table 2 of the Tract History to reflect these changes.

Attachment VI – Tract History

2. Follow-up to Item No. 21: The Law Liability discussion on pages 1 and 3 states that the bond release area is subject to the 1973 and 1977 reclamation laws. However, the 1976 Annual Mine Map shows that 38.24 acres located partially in the SE1/4 of Section 35 were initially affected during the 4th quarter of 1975 and first quarter of 1976 which makes this area subject to the 1975 reclamation law. Please revise the narrative to clarify that a portion of this tract is subject to the 1975 reclamation law. Areas subject to the 1975 and 1977 reclamation laws can be combined if the boundary between these two law periods is unknown. (GAW)

The Law Liability discussion on the first page of the Tract History has been revised to discuss the three law liability periods that are found in this tract. Despite there being these three law liability periods, it is BNI's intention to prove the entire tract under 1977 reclamation laws.

3. Follow-up to Item No. 27: The added language on page 3 states that fertilization of the tract was according to NRCS recommendations. Please elaborate on the actual fertilization practices such as soil testing frequency and typical fertilizer application rates or provide recent examples. NDAC 69-05.2-12-12(8) (RLK/GAW)

The narrative found under the Management During Liability section found on Page 3 of the Tract History has been revised to expand on the fertilization practices on this tract.

4. Follow-up to Item No. 30: Please revise the Postmine Land Use Acres table at the bottom of page 3 of Attachment VI to clarify that the trees in Section 35 are all conservation plantings and are not mitigated woodland or shelterbelt acres. The trees along the north side of the haulroad were planted by BNI through an easement with the landowner that clearly indicates that the trees will be removed when the haulroad is no longer needed. (GAW)

The Postmine landuse table on the top of page 4 has been revised to list this planting as an Easement Planting (Conservation). The easement with the landowner for the trees on the north side of the haul road planted by BNI does not state that the trees will be removed, just that the easement will be terminated, which will leave the landowner the option to keep these trees as a conservational planting. The easement planting (conservation) acres have been accounted for in the postmine cropland acreage calculations of the unadjusted cropland standard for this tract. A statement clarifying that easement planting acres are included in the cropland acreage for the purposes of calculating the standard has been added to the first paragraph on the top of page 4.

5. Follow-up to Item No. 30: Please either remove the cropland unadjusted standard from page 4 of Attachment VI, since there is no cropland in this bond release tract, or correct the values to account for the cropland acreage associated with the conservation tree plantings. In other words,

either all or part of the 16.19 acres of land being attributed to tree planting needs to be included in the calculation of the cropland standard. (GAW)

The values for the unadjusted standard for the cropland have been revised to include 16.19 acres of conservational tree planting and all postmine cropland acres.

6. Follow-up to Item No. 28: New language has been added to page 6 of Attachment VI that states that BNI conducted a study in 2013 that shows hand sampling results in a 5.4% increase in yield verses machine harvest. Thus, a column was added to Table 3 showing this 6% adjustment since NDASS yield data is being used to calculate the standard. Please include a copy of the study BNI conducted to develop the 6% harvesting efficiency factor in this bond release application and mention that NRCS recommends a 70% harvesting efficiency adjustment. (GAW/RLK)

A narrative describing the study has been added to the Tract history section as Figure 2. A reference to this figure has been added to the second paragraph on page 7. A statement has also been added to this paragraph mentioning that NRCS recommends a 70% harvesting efficiency rate adjustment.

7. Please mention in the Evaluation of Data on page 6 of Attachment VI that the yield standard was based on NDASS County alfalfa hayland yield data since the reclaimed tame pastureland is comprised of more than 25% alfalfa. (GAW/RLK)

A statement has been added to the first paragraph under Evaluation of Data on the bottom of page 6.

8. A sentence in the last paragraph on page 6 of Attachment VI states that samples were taken along each transect for a total of 100 point samples and 10 clippings but the next sentence states clipping frames were located throughout the tract. Attachment VIII, Seeding and Sampling Map, does not show clipping samples along the three transects, and 15 sample sites are depicted rather than 10. Data from 15 samples are provided for each year in Attachment VI. Please review and revise as necessary to clarify and show where yield samples were taken for each year being used to demonstrate revegetation success. (GAW)

The paragraph at the top of page 7 of the Tract History has been revised to clarify that there were a total of 100 samples taken along the three transects, and there were 15 clippings taken in locations throughout the tract.

9. A sentence in the last paragraph on page 6 of Attachment VI states that sampling occurred along three transects and Attachment VII is referenced but Attachment VII is Grade Approval correspondence. Please revise to clarify that Attachment VIII is the Seeding and Sampling Map. The Bookmark indicates that Attachment VIII is simply the seeding map but it is labeled as the Seeding and Sampling Map. Please revise to correct these inconsistencies. (GAW)

The reference on the bottom of page 6 has been corrected to reference Attachment VIII the Seeding and Sampling Map. The book mark within the pdf document has also been updated to list this map as the Seeding and Sampling Map rather than just the Seeding Map.

10. Revise the first two paragraphs on page 9 to be consistent. The first sentence in the first paragraph states the pre-mine land use of the bond release tract was tame pasture while the first sentence of the second paragraph states the pre-mine land use was native grassland. (ZAB)

The second paragraph on page 9 has been corrected to state that the pre-mine landuse of the proposed bond release tract was tame pasture. This paragraph has also been changed to state

that this tract has been reclaimed to cropland rather than tame pastureland (Revision 55 to BNCR 8106).

11. Follow-up to Item No. 21: The colored areas depicting the 1973 and 1977 law liability periods on Figure 1 of Attachment VI do not match the law lines. Perhaps the purple colored area located northeast of the "law line" boundary in the NE1/4SE1/4 is subject to the 1975 reclamation law period. In other words, the law line with a single red dot actually appears to be the 1975 law line with the interior area then being subject to the 1973 reclamation law and areas outside of this line being subject to the 1975 and later reclamation laws. Please review and revise as necessary to clarify the purpose of the law lines if not to identify the revegetation responsibility period. (GAW)

Figure 1 of Attachment VI has been revised to clarify that there are three law periods that throughout this tract. The central portion falls under the 1973 law period, a NE portion falls under the 1975 law period and the far NE and SW portions of the tract fall under the 1977 law period.

12. Please consider revising the title for Table 3 to better indicate that the table contains the reclaimed tame pasture production information. (RLK)

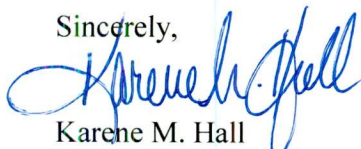
The title of Table 3 has been revised. It now is titled "Table 3. Reclaimed Tame Pasture Production Data for Bond Release #8 Tract".

13. Follow-up to Item No. 29: BNI addresses the issue of Kentucky bluegrass and forbs being counted towards achieving the ground cover standard by changing the sampling data to show that Kentucky bluegrass was not present during in any of the years being used to demonstrate revegetation success. This is unacceptable since accurate and truthful data must be provided in the bond release application. Please revise to include the original ground cover data and address original deficiency item No. 29 appropriately without manipulating the data. If the forb species cannot be identified, then they cannot be counted towards meeting the ground cover standard. (GAW)

All data has been included. At the time of data collection this tract was being used as tame pastureland and being hayed for forage. The Kentucky bluegrass on this tract is not detrimental to this tract. It provided a component of cover as well as a forage component. This tract of tame pastureland meets ground cover and productivity of the permit with ninety percent statistical confidence. The perennial forb species identified during the 2008 and 2009 sampling years was not specifically recorded, only that it was a perennial species and that it was not a weedy or invasive species.

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

Sincerely,



Karene M. Hall
Permit Coordinator