

**PUBLIC SERVICE COMMISSION**  
**Reclamation Division**  
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**Memorandum**

**TO:** Commissioners Fedorchak, Christmann and Kalk  
Darrell Nitschke, Executive Secretary  
Illona Jeffcoat-Sacco and Jack Schuh

**FROM:** *JJ* Jim Deutsch, *DKM* Dean Moos and *BAJ* Bruce Johnson

**DATE:** July 14, 2016

**SUBJECT:** Application for Revision No. 30 to Permit No. KRSB-8603 held by The Dakota Westmoreland Company, Case No. RC-16-146

On March 30, 2016, the Dakota Westmoreland Corporation filed the application for Revision No.30 to Surface Coal Mining Permit KRSB-8603. This revision identifies the next five-year coal removal subarea and addresses items requested by the Reclamation Division during our pre-renewal review of the permit. This revision also updates business entity and right of entry information, other operation plans, reclamation plans and schedules, and the worst-case reclamation cost estimate used to set the bond amount. The Reclamation Division has completed its review of this permit revision application and respectfully recommends its approval.

Mining and reclamation plans and other information needed to be updated for the next permit term that is proposed by Renewal No. 6. Revision No. 30 was considered a significant revision due to the identification of the next coal removal subarea. Mining in this permit is expected to continue for at least five years to supply about 450,000 tons per year to MDU's Heskett Power Station north of Mandan.

As part of the changes to the reclamation schedule proposed with this revision, DWC has requested additional variances from the contemporaneous reclamation requirement that normally requires all reclamation efforts through the initial seeding be completed within three years of completion of mining activities, NDCC 38-14.1-24(14). These variance areas are related to the reclamation of final pits and we determined they are needed in order to properly backfill the final pit areas.

Dakota Westmoreland submitted the affidavits of publication for the newspaper notices. We also notified the appropriate agencies, affected landowners, and the advisory committee members. No objections to this revision application were received. Evidence of adequate liability insurance is currently on file, and the revision updates the worst case reclamation liability. Surety bonds in the amount of \$8,168,895 and \$1,316,376 will cover the current worst-case reclamation condition in this permit. The \$1,316,376 bond will be filed by July 18<sup>th</sup> to provide additional coverage for the new reclamation cost estimate.

Attached for your consideration are the proposed motion for the July 20<sup>th</sup> Commission meeting, the revision approval form, and notice that we must publish in newspapers.

Attachments

Pages: 1

Filed: 7/14/2016

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Public Service Commission Staff  
Jim Deutsch, Dean Moos, Bruce Johnson