PUBLIC SERVICE COMMISSION
Reclamation Division
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Memorandum

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

FROM: Jim Deutsch, Dean Moos and Bruce Johnson

DATE: July 20, 2016

SUBJECT: Application for Renewal No. 6 to Permit No. KRSB-8603 held by The Dakota Westmoreland Company, Case No. RC-16-147

On March 30, 2016, the Dakota Westmoreland Corporation filed the application for Renewal No. 6 to Surface Coal Mining Permit KRSB-8603 to continue mining operations within the existing permit area through August 7, 2021. Permit No. KRSB-8603 covers portions of Sections 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23 all in T143N, R88W, Mercer County, totaling 3,558.3 acres. The Reclamation Division has completed its review of this five-year permit renewal application and respectfully recommends its approval.

While the Beulah mine no longer supplies coal to the Coyote Station, Dakota Westmoreland applied for this five-year renewal because mining is expected to continue to supply coal to the Heskett Station and to continue reclamation operations. Mining and reclamation plans and other information were updated for the next permit term as part of Revision No. 30.

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 renewal application were received. Evidence of adequate liability insurance is currently on file. An existing surety bond in the amount of $8,168,895 currently covers this permit and a second surety bond in the amount of $1,316,376 will be filed by July 18th. The combined amount of these two bonds of $9,485,271 is sufficient based on the new worst-case reclamation cost estimate for the permit.

Attached for your consideration are the proposed motion for the July 20th Commission meeting and the renewal approval form.

Attachments

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Public Service Commission Staff

Jim Deutsch, Dean Moos, Bruce Johnson