



Public Service Commission

State of North Dakota

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October 2, 2018

Mr. Jason Frye
Environmental Specialist
Falkirk Mining Company
P.O. Box 1087
Underwood, ND 58576-1087

Dear Mr. Frye:

We have reviewed the worst-case consolidated bond calculations Falkirk submitted on July 25, 2018 in response to our May 29, 2018 technical deficiency letter for Revision No. 38 to Permit NAFK-8405. Falkirk's proposed minimum bond amount of \$84,136,468 is adequate for the consolidated bond area that includes Permits NAFK-8405, NAFK-8705 and NAFK-9503. The current self, collateral, and surety bonds total \$88,700,000, therefore no adjustment to the bond amount is necessary. However, the bond area must be adjusted on all of the bonds because acreage is being added with Revision 38 to Permit NAFK-8405.

Please submit riders to increase the bond area of Self Bond SB-9503-1, Collateral Bond CB-9503-4, and Surety Bond No. 105624532 underwritten by Travelers Casualty and Surety Company. The appropriate rider forms SFN 50169, SFN 50168, and SFN 14500 are available on our website under Coal/Forms. All bond riders must be correctly executed and accepted by the Commission prior to the approval of Revision 38 to Permit NAFK-8405. If you have any questions, please contact this office.

Sincerely,

Dean K. Moos
Director
Reclamation Division

cc: Christopher Friez

Minedata/Falkirk/Permits/NAFK-8405/Revisions/No.38/Rev38_Bond_determ_itr_10-2-18