




PUBLIC SERVICE COMMISSION

Reclamation Division

Memorandum

TO: Commissioners Fedorchak, Christmann, and Kroshus
Steve Kahl, Executive Director
John Schuh, General Counsel

FROM:  Dean Moos,  Zanna Brinkman, and  Bruce Beechie

DATE: April 1, 2021

SUBJECT: Approval of Revision No. 31 to Permit No. NAFK-9503 held by Falkirk Mining Company, Case No. RC-20-208

On May 11, 2020, Falkirk Mining Company filed the application for Revision No. 31 to Permit No. NAFK-9503. This revision updates the post-mining topography for a large portion of the permit; adds detailed plans for mining the S½ of Section 2 and SE¼ of Section 3, T144N, R84W; updates the worst case reclamation cost estimate for the consolidated bond area at the Falkirk Mine; and extends the timeline for several previously approved reclamation delay variance areas. The Reclamation Division has completed its review of this revision application and respectfully recommends it be conditionally approved.

Figure 1 is the newspaper publication reference map showing the portions of the permit area affected by the revision. The darker, shaded area of the map depicts that portion of the permit area where the post-mining topography has been revised to bring the permit area into mass balance with available fill material for reclamation based on the current mining plans. The revised post-mining topography will bring the permit area into a mass balance and account for the most current mine plans reflective of mining conditions and needs at this time.

The permit revision also includes updated plans for mining the S½ of Section 2 and SE¼ of Section 3, T144N, R84W, McLean County. Mining of this area was initially scheduled to take place between 2028 and 2030. Revision No. 31 now provides the specific plans and details for Falkirk to mine these tracts beginning in 2021 and ending in 2029. Revision 31 updates the water management plans for this mine area and also provides the required approvals from McLean County for the temporary relocation of 1.5 miles of County Road 17. Surface and coal of the S½ of Section 2 and SE¼ of Section 3 are under private ownership and the surface and coal of both tracts are owned by the same owner. The revision also extends the reclamation variance/delays of several previously existing variance areas within the permit area.

This revision also updates the worst-case reclamation cost estimate for the consolidated bond area at Falkirk Mine using the latest revised variable costs and updates the stand-alone Consolidated Bonding document that includes Permit NAFK-9503 as well as Permits NAFK-8405 and NAFK-8705 at the Falkirk Mine. An updated worst-case reclamation cost estimate of \$99,407,482.00 for the Falkirk Mine consolidated bond area was submitted with the Revision

No. 31 application. Surety, self, and collateral bonds that total \$99,450,000 cover this and other permit areas at the Falkirk Mine and are deemed adequate at this time.

Falkirk has submitted the affidavits of publication of the newspaper notice for this significant permit revision. We notified the appropriate agencies, affected landowners and the advisory committee members. We received no comments or objections to this revision application. A special condition is attached to this revision approval stating that mining disturbances cannot begin in the proposed new coal removal area (Sections 2 and 3) until/unless Falkirk Mining Company secures a valid coal supply contract beyond the year 2022, which is when Great River Energy's Coal Creek Station is planned for closure unless a buyer is found for the facility.

Attached for your consideration at the April 1, 2021 Commission meeting are the proposed motion, revision approval form, special condition, and newspaper notice that we must publish following revision approval.

Figure 1.
Newspaper Publication Reference Map

The darker, gray shading represents the affected area for Revision No. 31

