

## Hamre, John G.

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**From:** Brinkman, Zanna A.  
**Sent:** Tuesday, March 23, 2021 12:00 PM  
**To:** Hamre, John G.; Moos, Dean K.  
**Cc:** Fischer, Matthew J.; Ripplinger, Preston  
**Subject:** FW: Bonding for Falkirk

**Importance:** High

Falkirk submitted 5 bond riders without a cover letter. Following is a brief summary of the riders.

Falkirk submitted a rider to increase the amount of Self-Bond SB-9503-1 to \$89,505,000. This rider needs to be approved By the Commission. Falkirk submitted a rider to increase Surety Bond No. 105624532 to \$3,923,500. This rider does not require Commission action. Collateral Bond No. CB-9503-4 will remain the same at \$6,021,500. The total bond amount for the consolidated bond area that includes NAFK-9503, NAFK-8405, and NAFK-8705 will be \$99,450,000. The worst case bond estimate was increased with Revision 31 to NAFK-9503 and the increase was due to an increase in the variable costs (Policy Memo 16) updated in 2020.

Falkirk also submitted rides to reduce the acreage of Self-Bond SB-9503-1, Surety Bond No. 105624532, and Collateral Bond No. CB-9503-4 by 96.5 acres. The acreage change was due to Final Bond Release 2 to NAFK-8405 (-87.1 acres) and Revision 32 to NAFK-9503 that deleted 9.4 acres of land not affected by mining.

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**From:** Mosbrucker, Karen A <karen.mosbrucker@nacoal.com>  
**Sent:** Wednesday, March 3, 2021 9:02 AM  
**To:** Brinkman, Zanna A. <zbrinkman@nd.gov>  
**Subject:** RE: Bonding for Falkirk

\*\*\*\*\* **CAUTION:** This email originated from an outside source. Do not click links or open attachments unless you know they are safe. \*\*\*\*\*

Good morning Zanna,

I will call you shortly regarding the attachments and info below. Thanks.

1 RC-21-115 Filed 03/22/2021 Pages: 6  
Stipulation filed to increase the amount of Self-Bond No. SB-9503-1  
Falkirk Mining Company  
Karen Mosbrucker



701.328.3403 • [zbrinkman@nd.gov](mailto:zbrinkman@nd.gov) • [www.psc.nd.gov](http://www.psc.nd.gov)



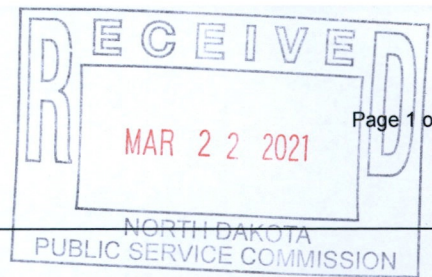
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**SELF-BOND RIDER TO INCREASE BOND AMOUNT  
(THIRD PARTY GUARANTOR)**  
PUBLIC SERVICE COMMISSION  
RECLAMATION DIVISION  
SFN 52364 (03-2000)



Permittee	The Falkirk Mining Company	
Permit Number(s)	NAFK-8405, NAKF-8705, NAKF-9503	Self-Bond Number SB-9503-1

This rider must be attached to and form part of the above listed self-bond number executed on behalf of the above named Permittee. The undersigned Permittee and Third Party Guarantor agree that the bond amount is increased by Nine Million Six Hundred Seventy-Five Thousand dollars (\$ 9,675,000 ) to a new total of Eighty Nine Million Five Hundred Five Thousand dollars (\$ 89,505,000 )

The Permittee and Third Party Guarantor understand and agree that all other terms and conditions of this self-bond, the Self-Bonding Indemnity Agreement, and Third Party Guarantee remain unchanged, and that this increase in self-bond amount is fully authorized by the Self-Bonding Indemnity Agreement and Third Party Guarantee.

The **Permittee** must provide the following:

1. Attach as Appendix I-a a current certified copy of the corporate resolution(s) authorizing the Self-Bond, naming officers authorized to execute all self-bond documents, and stating any limit that may apply to the total self-bond amount.

The **Third Party Guarantor** must provide the following information:

1. Attach as Appendix II-a a current certified copy of the corporate resolution(s) authorizing the guarantee of the Self-Bond, naming officers authorized to execute all self-bond documents, and stating any limit for the total self-bond amount that may be guaranteed.
2. Attach as Appendix II-b audited financial statements using standard accounting practices, in detail, to include:
  - (a) The Guarantor's Balance Sheet for the most recently completed fiscal year;
  - (b) The Guarantor's Income Statement for the most recently completed fiscal year;
  - (c) A report for the most recently completed fiscal year containing a Certified Public Accountant's audit opinion of the balance sheet and income statement with no adverse opinion;
  - (d) Unaudited financial statements for completed quarters in the current fiscal year; and
  - (e) Any additional information that the Commission may request.
3. Attach as Appendix II-c financial information in sufficient detail to show that the Guarantor meets one or more of the following criteria (**mark each that are met**):

- The Guarantor has a current rating for its most recent bond issuance of "A" or higher as issued by either Moody's Investor Service or Standard and Poor's Corporation (identify the rating service together with any further breakdown of specific ratings);
- The Guarantor has a tangible net worth of at least \$10 million, and the guarantor has a ratio of total liabilities to net worth of 2.5 times or less, and a ratio of current assets to current liabilities of 1.2 times or greater.
- The Guarantor's fixed assets in the United States total at least \$20 million, and the guarantor has a ratio of total liabilities to net worth of 2.5 times or less, and a ratio of current assets to current liabilities of 1.2 times or greater.

Permit Number(s) <u>NAFK-8405, NAKF-8705, NAFK-9503</u>	Self-Bond Number <u>SB-9503-1</u>
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4. Tangible net worth of the guarantor in the United States is \$ 360.3 million.
5. List the dollar value of this self-bond increase plus all other outstanding and proposed self-bonds for any mining and reclamation operations in the United States provided by the guarantor \$ 89,505,000.  
(This amount may not exceed 25% of a guarantor's tangible net worth in the United States.)

The undersigned agree that this rider is effective as of April 1, 20 2021.

**PERMITTEE**

We, Jay H. Kost and Carroll L. Dewing officials authorized to represent the Permittee for the foregoing self-bond have read this rider and fully know the contents thereof. All statements contained in the self-bond rider are true and correct to my best knowledge and belief.

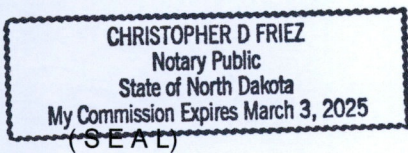
BY: Jay H. Kost  
 TITLE: President  
 DATE: 3-8-2021

BY: Carroll L. Dewing  
 TITLE: Vice President  
 DATE: 3/5/2021

**ACKNOWLEDGEMENT OF PERMITTEE**

State of North Dakota )  
 County of BURLEIGH ) ss.

The foregoing instrument was acknowledged before me this 3/5/2021 and 3/8/2021 (Date)  
 by Jay H. Kost and Carroll L. Dewing known  
 to me to be the President and Vice President of  
The Falkirk Mining Company, a Ohio corporation, on behalf of the corporation.



BY: [Signature]  
 NOTARY PUBLIC  
 MY COMMISSION EXPIRES: March 3, 2025

Permit Number(s) <u>NAFK-8405, NAKF-8705, NAFK-9503</u>	Self-Bond Number <u>SB-9503-1</u>
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**THIRD PARTY GUARANTOR**

We, Michelle Strobel and Eric J. Olsen, officials authorized to represent the Third Party Guarantor the foregoing self-bond have read this rider and fully know the contents thereof. All statements contained in the self-bond rider are true and correct to my best knowledge and belief.

BY: Michelle Strobel

BY: Eric J. Olsen

TITLE: Vice President and CFO

TITLE: Vice President and General Counsel

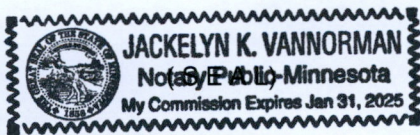
DATE: 3/16/2021

DATE: 3/16/2021

**ACKNOWLEDGEMENT OF THIRD PARTY GUARANTOR**

State of Minnesota )  
County of Hennepin )ss.

The foregoing instrument was acknowledged before me this March 16, 2021 (Date)  
by Michelle Strobel and Eric J. Olsen known  
to me to be the Vice President and CFO and Vice President and General Counsel of  
Great River Energy, a Minnesota cooperative corporation,  
on behalf of the corporation.



BY: Jackelyn K. Vannorman  
NOTARY PUBLIC  
MY COMMISSION EXPIRES: Jan. 31, 2025