

PUBLIC SERVICE COMMISSION
Reclamation Division

Memorandum

TO: Commissioners Christmann, Haugen-Hoffart, and Fedorchak
Steven Kahl, Executive Director

FROM: ^{ZAB}
Zanna Brinkman

DATE: June 28, 2023

SUBJECT: Collateral bond for surface coal mining Permit GRGR-0501 held by Leonardite Products, LLC for the Stony Creek Mine, Case No. RC-23-230

The variable costs used to determine the worst-case reclamation cost estimate for mines increased in 2022 and resulted in an increase to the minimum bond amount required for Permit No. GRGR-0501 at the Stony Creek Mine. Leonardite Products LLC submitted a new collateral bond that requires Commission approval. The new collateral bond will replace the current collateral bond.

Permit No. GRGR-0501 is currently covered by Collateral Bond No. LC-GRGR-0501-05 in the amount of \$230,675.00 that is supported by an irrevocable letter of credit issued by BNC National Bank of Bismarck, ND. Leonardite Products LLC has submitted Collateral Bond No. LC-GRGR-0501-06 in the amount of \$427,029.00 that is supported by an irrevocable letter of credit issued by BNC National Bank of Bismarck, ND. The required financial statement was provided for BNCCORP, INC, the parent company of BNC National Bank, and they are well qualified based on the letter of credit provisions in our rules under NDAC 69-05.2-12-04(2). The bond documents have been reviewed by staff and have been properly executed.

Attached for your consideration at the June 28th Commission meeting is a motion to approve Leonardite Product's new collateral bond.

Also attached is a rider to reduce the amount and area of collateral bond LC-GRGR-0501-05 to zero dollars and zero acres, effectively cancelling the bond. Commission action is not required for this rider; however, the rider must be signed by Commissioner Christmann. Please sign and have Steve attest your signature on the attached the collateral bond rider.

Leonardite Products\Permits\0501\Bonding\2023\BNC_LOC_apprvl_memo_6-28-23