

PUBLIC SERVICE COMMISSION

Reclamation Division

Memorandum

TO: Commissioners Christmann, Haugen-Hoffart, and Kringstad
Brian Johnson, Executive Director
Chris Martens, General Counsel

FROM: Jonathan Emmer, ^{JE} Monty Johnson, ^{MT} and Warren Swenson, ^{WS}

DATE: January 22, 2026

SUBJECT: Approval of Revision 3 to Permit NACT-1801 held by The Coteau Properties Company, Case No. RC-25-211

On June 19, 2025, the Reclamation Division received The Coteau Properties Company's application for Revision No. 3 to Surface Coal Mining Permit NACT-1801. This revision was submitted in conjunction with Renewal No. 1 and addresses items that were identified as requiring updating or modification by the Reclamation Division during a pre-renewal review of the permit. The revision updates various sections of the permit for the next 5-year permit term including the legal information, certificate of liability insurance, business entity/compliance information, identification of interests and rights of entry, equipment list, surface water hydrology, and various sections in the permit to account for bond released acres. The Reclamation Division has completed its review of this revision application and respectfully recommends that it be approved.

Coteau applied for Revision No. 3 and corresponding Renewal No. 1 to Permit NACT-1801 since portions of the permit are used to support mining activities occurring in other permit areas at the Freedom Mine. Haulroads, stockpiles, sedimentation ponds, the shop/office complex, blasting storage area, coal handling facilities and other features used to support mining activities in other permit areas at the Freedom Mine are located within the NACT-1801 permit area. The surface and coal ownership information for the permit and adjacent area, and related lease information, were updated accordingly.

Revision No. 3 was considered a significant revision application and was subject to the public notice requirements. Coteau submitted affidavits of publication of the required newspaper notices. We notified the appropriate agencies, affected landowners, and the advisory committee members. No technical deficiency comments from advisory committee members were received. No other comments or objections to this revision application were received.

Adequate performance bond is currently in effect for the mine-wide Consolidated Bonding Plan at the Freedom Mine, which was last updated on May 12, 2025. This and other permits at the Freedom Mine are covered by self and collateral bonds totaling \$215,000,000, which is approximately \$10,300,000 above the current worst-case cost scenario of \$204,622,522. This worst-case cost scenario was determined adequate by the Reclamation Division on June 17, 2025, and the Commission approved Coteau's bond increase to \$215,000,000 on September 10, 2025.

Attached for your consideration at the February 5th Commission meeting are the proposed motion, revision approval form, and the newspaper notice that we must publish following revision approval.

Attachments

Freedom Mine\Permits\NACT - 1801\Revisions & Renewals\Rev3_Ren1\Rev3_Apprvl_memo_1-22-26