

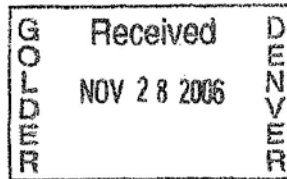


Public Service Commission
State of North Dakota

COMMISSIONERS

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November 21, 2006

Mr. Richard Southwick
Great Northern Power Development L.P.
173 Cottonwood Road
Townsend, MT 59644

Dear Mr. Southwick:

The Reclamation Division has reviewed the planned Pre-Mine Land Use, Vegetation, Fish and Wildlife, and Wetlands Scopes of Work (SOWs) for collecting baseline data for the South Heart Power Project. Comments regarding each of the respective scopes of work are provided below.

Pre-Mine Land Use Study SOW

1. We recommend listing Wetlands as a separate land use in Section 5.3 of the report and discuss how they will be classified and delineated in accordance with NDAC 69-05.2-08-08 (1) (5) and the Standards for Evaluation of Revegetation Success and Recommended Procedures for Pre and Post-Mining Vegetation Assessments. (GAW)
2. Please revise the land use description of Native Grassland, Section 5.3, as defined by our rules rather than stating that "this is land unsuitable for cultivation and better utilized for livestock grazing". We recommend including "public roads" as a land use category rather than including this acreage in "other category". Also, gravel and scoria pits should be listed as a separate (industrial) land use if there are more than a few acres of these features. The woodland description should be edited to clarify that isolated patches of tall shrubs located on upland sites are also considered woodlands. (GAW)
3. On Appendix A, please include a tract or legal description on the form and include a question about what serves as the water source for the tame pastureland, native grassland and other areas that are periodically grazed (including cropland aftermath grazing). (GAW)
4. We noticed that the landowner questionnaire forms list 2006 five times rather the previous five years. Please correct. (GAW)

Fish and Wildlife Baseline Study

1. The SHPP Fish and Wildlife Baseline Study has been mailed to the North Dakota Game and Fish Department and the U.S. Fish and Wildlife Service, North Dakota Field Office as required by NDAC 69-05.2-08-15. We have asked these agencies to review the study plan and provide us with comments by January 12, 2007. Their comments will be forwarded when received. Based on their review, we may provide additional comments after January 12, 2007. (GAW)
2. NDAC 69-05.2-08-15 states that the applicant must include fish and wildlife resource information for the permit and adjacent area. Please expand the study area to include lands adjacent the proposed permit area. Expanding the study area to the nearest quarter line or section line should be sufficient. (GAW)
3. In addition to classifying and mapping the fish and wildlife habitats of the study area, the plan should include a commitment to thoroughly characterize the existing habitat conditions, and to the extent possible, discuss the potential values of fish and wildlife habitats of the study area. (GAW)

Baseline Wetland Inventory

1. We recognize that the Stewart and Kantrud (1971) wetland classification system may not be entirely appropriate to the South Heart Study Area. As indicated in the Wetlands SOW, communications with the PSC will be needed to ensure that an appropriate classification system is used. In addition, the surface water report will need to be reviewed to ensure that representative wetlands are sampled for water quality and vegetative characteristics as required by our guidelines document. (GAW)
2. We recommend that the wetlands surface water sampling data be included in the wetlands report as well as a map showing the sampling locations. The sample results can be discussed in the surface water section, but the data needs to be included in the wetlands section. (MTP)

Vegetation Inventory

1. Page 3 of Section 5.1.2 of the Vegetation Inventory SOW should be updated to clarify that native grassland ecological sites will be used rather than range sites. This is warranted as ecological site descriptions have been completed by the NRCS for Major Land Resource Area (MLRA) 54. Likewise, the 2001 National Range and Pasture Handbook should be used rather than the SCS (1976) version. (GAW)
2. The Wetland discussion, Section 5.1.6, should be updated to reflect what is proposed in the Baseline Wetland Inventory (SOW). As indicated in the Baseline Wetland Inventory (SOW), it may not be appropriate to use the Stewart and Kantrud's (1971) classification system. (GAW)

Mr. Richard Southwick
November 21, 2006
Page 3 of 3

3. Please consider editing the last sentence of Section 5.3.6, Range Condition and Utility Evaluation, to clarify that carrying capacity will be determined by tract, management unit or surface ownership for the study area. This will provide meaningful information that will be consistent with the requirements listed in Item 2 of Section 5.1.2 of the Vegetation Inventory SOW. (GAW)

If you have any questions, please contact this office.

Sincerely,



James R. Deutsch
Director
Reclamation Division

cc: Donna DeFrancesco, Golder Associates Inc.

m/south heart/corr/2006/prelim rvw veg_wet_lu_SOW_ltr_11-21-06



Public Service Commission
State of North Dakota

063-2174 260
Regulator Comments

COMMISSIONERS

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January 16, 2007

Richard A Southwick
Permitting Manager
South Heart Coal LLC
Great Northern Power Development LP
173 Cottonwood Road
Townsend, MT 59644

Dear Mr. Southwick:

The Reclamation Division has reviewed South Heart Coal LLC plans for acquiring fish and wildlife resource information on a planned surface coal mining permit area near South Heart, ND. In accordance with NDAC 69-05.2-08-15, a copy of the plan for acquiring fish and wildlife information was mailed to the ND Game and Fish Department and the US Fish and Wildlife Service on November 14, 2006.

The US Fish and Wildlife Service did not recommend any alterations to the proposed plan. The ND Game and Fish Department recommends revising the plan to include breeding bird surveys of passerine species. Copies of these agencies comments are enclosed.

The PSC recommends conducting breeding bird surveys in both grassland and woodland habitats. In addition, we recommend that the survey area be expanded an additional 1/2 mile beyond the proposed baseline study area. NDAC 69-05.2-08-15 requires the applicant include fish and wildlife resource information for the permit and adjacent area. We also recommend that the wildlife inventory report contain an evaluation of the value of habit types in their present condition compared to their potential value for wildlife species.

If you have any questions, please contact this office.

Sincerely,

James R. Deutsch
Director
Reclamation Division

Enclosures:

cc: Donna DeFrancesco, Golder
Pat Farmer, WESTECH

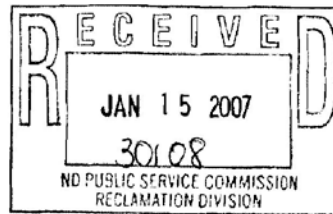
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SCANNED

Date 1-15-07
File NDG#E-1-12-07.rvw (3008)

06-3-2174-260
Regulator
Comments



"VARIETY IN HUNTING AND FISHING"

NORTH DAKOTA GAME AND FISH DEPARTMENT

100 NORTH BISMARCK EXPRESSWAY BISMARCK, NORTH DAKOTA 58501-5095 PHONE 701-328-6300 FAX 701-328-6352

January 12, 2007

Mr. James R. Deutsch
Director
Reclamation Division
ND Public Service Commission
600 E. Boulevard Avenue, Dept. 408
Bismarck, ND 58505-0480

Fr _____ IV.
Dt: 1-15-07
Action: Gay
Info: Dear
In: South Heart project

Dear Mr. Deutsch:

RE: South Heart Coal LLC -- Fish and Wildlife Baseline Study

The North Dakota Game and Fish Department has reviewed this plan for wildlife concerns. While endangered and threatened species, raptors, and game animals are all well represented in the proposed surveys, passerine birds are noticeably lacking. We recommend a breeding bird survey be added to the proposed survey list. A simple line transect survey through the various habitat types should be sufficient to address this shortcoming.

Sincerely,

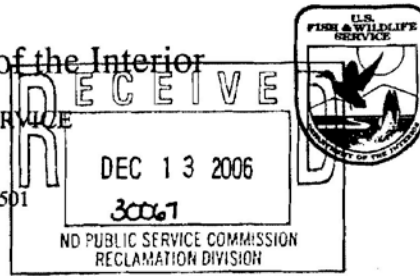
Michael G. McKenna
Chief
Conservation & Communication Division

js



United States Department of the Interior

FISH AND WILDLIFE SERVICE
Ecological Services
3425 Miriam Avenue
Bismarck, North Dakota 58501



DEC 11 2006

FISH AND WILDLIFE SERVICE

Date: 12-13-06

Action: _____

Info. by: Ray

Info: South Heart project

Mr. James R. Deutsch
Director, Reclamation Division
Public Service Division
600 E Boulevard Ave, Dept 408
Bismarck, North Dakota 58505-0480

Dear Mr. ^{Jim} Deutsch:

The U.S. Fish and Wildlife Service, North Dakota Field Office (Service), has reviewed the proposed plan by South Heart LLC for acquiring fish and wildlife resource information on a proposed surface coal mine permit area near South Heart, North Dakota.

The proposed plan looks quite good, and the Service has no recommendations to make regarding the methods or types of information to be collected.

If you have any questions, please contact me at the letterhead address, by phone at (701) 250-4402, or email at jeffrey_towner@fws.gov.

Sincerely,

Jeffrey K. Towner

Jeffrey K. Towner
Field Supervisor
North Dakota Field Office

SCANNED

Date 12-13-06

File USFWS-CW-12-1-06 (30067)