

Powder River Energy Corporation

Dear Administrator Wendtland and members of the Environmental Quality Council:

Powder River Energy Corporation is northeastern Wyoming's electric service provider, serving more than 12,000 members throughout the region with reliable, efficient, and affordable electric service. A large portion of our electricity is generated from Wyoming electric generation facilities fueled with Wyoming coal. We respectfully comment on the Financial Assurance regulations being considered by the Environmental Quality Council.

We are concerned that even coal mines with excellent financial qualifications will only qualify for partial self-bonding. This would require them to have to purchase outside reclamation performance bonding instruments under the proposed rules.

While we appreciate the Agency's desire to update the financial assurance regulations, we believe the current proposal needs to be revised to allow those mining operations whose parent entities have high credit ratings (BBB and above) to self-bond at higher percentages than proposed assuming the parent entities have properly guaranteed the liability. For firms with credit ratings above BBB , there is very little risk of forfeiture, so we believe they should be able to self-bond at levels approaching 85% to even 90% if supported by appropriate financial metrics and balance sheet. Any increase in mining costs for reclamation liability instruments would ultimately increase the cost of electricity for our members. We don't want our customers, many of whom are rural Wyoming residents, to be unduly financially impacted by this proposal.

Thank you for this opportunity to comment on these draft proposed rules. We look forward to working with you to come up with fair and balanced regulations.

Sincerely,

Mike Easley, CEO

Powder River Energy Corporation