

2806

Brian J. Clark
717 237 4823
brian.clark@bipc.com

One South Market Square
213 Market Street, 3rd Floor
Harrisburg, PA 17101-2121

P O Box 12023
Harrisburg, PA 17101-2023
T 717 237 4800
F 717 233 0852
www.buchananingersoll.com

March 9, 2010

VIA HAND DELIVERY

Independent Regulatory Review Commission
John H. Jewett, Regulatory Analyst
333 Market Street
14th Floor, Harrisstown 2
Harrisburg, PA 17101

RECEIVED
MARCH 10 2010

Dear John:

On behalf of Alpha Natural Resources (“Alpha”), we appreciated the opportunity to meet with you last Thursday, March 4 to discuss DEP’s proposed TDS strategy. As discussed, below are the items that you requested:

- Based on a study conducted by CME Engineering for members of the PCA, it would cost Alpha between \$100 and \$200 million in capital cost to design and construct conventional RO/evaporation treatment facilities at its operations.
- Based on the same study, Alpha’s annual Operation and Maintenance costs would increase by an estimated \$10 to \$15 million.
- The water must be pumped out of the mines to ensure the safety of the miners and comply with PA DEP Deep Mine Safety and MSHA regulations.
- In general, although we have a lower concentration of TDS than other industries, Alpha will have to treat millions of gallons of water.
- Based on design and permitting requirements as well as equipment delivery lead times, site preparation and construction it would between 3 – 5 years before a conventional treatment system could be operational. Additionally, any delay in permits will only push this out further.
- Without scientific data to support this regulation, more time is needed to fully and properly assess whether new regulations are actually needed.

March 9, 2010
Page - 2 -

In closing, the TDS strategy will impact the competitiveness of Pennsylvania. Currently, we are considering an investment in Pennsylvania in excess of one billion dollars to create over one thousand jobs. With market conditions and other pressures on Alpha, any drastic increase in capital cost needed to open new mines will be considered.

Sincerely,

A handwritten signature in black ink that reads "Brian J. Clark" followed by a stylized flourish.

Brian J. Clark

cc: Brian Turk, Alpha
Terry Dayton, Alpha