



GLACIAL LAKES ENERGY, LLC
GLACIAL LAKES CORN PROCESSORS

301 20TH AVENUE SE • P.O. BOX 933 • WATERTOWN, SD • 57201
PHONE: 605-882-8480 • FAX: 605-882-8982



June 3, 2009

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JUN 03 2009

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
Capitol Building 1st Floor
500 East Capitol Avenue
Pierre, SD 57501-5070

Dear Ms Van Gerpen and Public Utility Commission:

On February 25, 2009, Glacial Lakes Corn Processors ("GLCP") received correspondence that the South Dakota Public Utilities Commission ("PUC") reviewed our company's audited financial statements for the year ending August 31, 2008. The review indicated a negative working capital position. According to ARSD 20:10:12:15, at a minimum, the balance sheet must reflect current assets equal to or greater than current liabilities. As such, GLCP was informed that a Grain Buyers License for the upcoming year beginning July 1, 2009 would not be recommended. We submitted a response dated March 24, 2009 (a copy of which is attached). In our response, we stated that, due to debt covenant violations following the year end, our presentation of all debt as a current liability was made.

Pursuant to ARSD 20:10:12:17, GLCP would like to request a waiver to the aforementioned section and that a license be granted without restriction. The absence of a waiver will create a detrimental impact upon GLCP's business as well as local corn producers who deliver and depend upon the GLCP market in the Watertown and Mina trade areas. We strongly believe the loss of GLCP's market for corn would create a significant widening of the local corn basis which, in turn, would lower the area's corn prices and cause an undue financial hardship to producers.

GLCP is a SD producer-owned cooperative. Our members showed their loyalty and reiterated their support for our existence by injecting \$11.2 million of capital (cash) last fall to ensure our viability. In addition to taking away another market, the lack of a Grain Buyer License would significantly impact shareholder value as we would have no other alternative than to procure corn through an elevator which causes our costs to be significantly higher. Finally, GLCP employs a significant number of employees whose future livelihood are tied to our operations which could create additional hardships should our ability to buy corn directly be revoked.

In exchange for granting a waiver, GLCP offers several alternatives that could offer protection for consumers and help the PUC fulfill its mission.

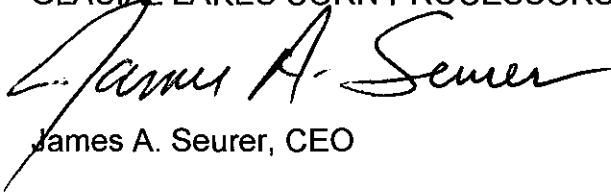


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- We will consider a more frequent settlement schedule of our corn purchases such as twice per week. We currently settle weekly.
- We will seek to obtain additional bond coverage that exceeds the PUC requirement for the license.
- We will offer a higher level of reporting of our corn payable and contracted corn liabilities along with our cash availability as frequently as deemed necessary by the PUC.

Thank you for your consideration and we look forward to your reply. If you need additional information to make your decision, please contact us.

Sincerely,
GLACIAL LAKES CORN PROCESSORS

A handwritten signature in black ink that reads "James A. Seurer". The signature is written in a cursive style with a large, sweeping initial "J".

James A. Seurer, CEO



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March 24, 2009

COPY

Jim Mehlhaff, Director
Warehouse Division
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501-5070

Subject: Response to Letter Dated February 25, 2009
Review of Financial Statements for Fiscal Year Ended August 31, 2008

Dear Mr. Mehlhaff:

This letter is written in response to your letter dated February 25th, 2009 from your review of the audited financial statements of Glacial Lakes Corn Processors ("GLCP") for the fiscal year ended August 31, 2008 ("FY 2008").

The audited financial statements of GLCP for FY 2008 reflect negative working capital as a result of the presentation of all long-term debt with our lender, First National Bank of Omaha ("FNBO"), as current due to debt covenants violations subsequent to year-end. As stated in Note 6 to the Financial Statements on page 16, we were not in compliance with certain financial covenants as of November 30, 2008 and did not expect to be in compliance with those same financial covenants as of February 28, 2009.

In order to present an unqualified opinion, Generally Accepted Accounting Principles (GAAP) required our auditors to include a fourth paragraph in the opinion letter regarding the Cooperative's ability to continue as a going concern. As stated in Note 17 to the Financial Statements on page 34, FNBO has not declared an event of default. GLCP could have presented the principal payments due within twelve months as current, which would have alleviated your concerns regarding working capital however this would have resulted in a qualified opinion. After discussions among management and FNBO, it was determined that an unqualified opinion would be a more appropriate presentation.

On March 12, we had a meeting with FNBO and the other members of the loan syndicate to present undated financial information and discuss the need for an amendment to the current loan agreement. We expect to begin detailed discussions with FNBO within the next week to prepare the next amendment. This amendment will likely include revisions to existing financial covenants, deferrals of covenant measurements and/or waivers of covenant violations for a period of time.

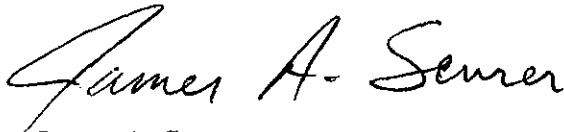


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We would appreciate the opportunity to present more information on our current financial position to you and others within the Commission in person. Please advise us of a time in the near future that will allow for this opportunity.

If you have any questions about this matter, please feel free to call Todd Richter or Michael Nealon in our office.

Sincerely,
GLACIAL LAKES CORN PROCESSORS, INC

A handwritten signature in cursive script that reads "James A. Seurer". The signature is written in black ink and is positioned above the printed name and title.

James A. Seurer
Chief Executive Officer &
Interim Chief Financial Officer