

Dear Commissioners,

I am Tim Huber, my family and I farm and ranch west of Hoven, SD. Even though we are not invested in GLCP we are strong proponents of ethanol. We would hope that as a result of the information and testimony you receive today you would grant GLCP a S.D. Grain Buyers License.

It is roughly 80 miles from the farm to the Mina S.D. ethanol processing facility, so this places us on the western edge of their trade territory. For years we delivered corn via highway 12 to dairies and feedlots in Wyoming and Montana venturing as far as Great Falls, Montana. The main reason why we were the most competitive bid was that we were the area of the weakest basis (the difference in price between the CBOT futures market and the local cash price) in the nation. That has since changed in the Dakotas as the weakest basis is now correlated to the distance you live from the nearest ethanol plant or if you are fortunate enough to have another large end user competing for your corn production.

As the cost of production for an acre of both corn and wheat hovers near \$300/acre and you consider the yield and price scenarios of each of these crops we believe corn acres will continue to increase. On high production years this puts a strain on the local rail facilities not just at harvest, but throughout the year as witnessed by the long truck lines even now as growers press to deliver contracted bushels prior to wheat harvest. This strain on "the system" results in a weaker basis. The ability of ethanol producers such as GLCP to buy direct during weak basis periods is advantageous for both them and us. They can competitively buy their feedstock during these weak basis periods and at the same time help to alleviate the strain on the system. As someone who has spent 4-6 hrs. of a 10 hr. delivery window day in a truck line I feel it very important for GLCP to be able to directly purchase from the producer.

We also appreciate the PUC monitoring the financial status of those who buy our grain protecting us from financial hardship which can result when insolvency becomes an issue. However, we believe GLCP currently has adequate cash flows and balance sheet strength to be granted a temporary waiver.

Thank you for the time and effort you have put forth in consideration of this matter.

Sincerely,

Tim Huber