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South Dakota

PUBLIC UTILITIES COMMISSION

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July 28, 2017

Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
500 East Capitol Ave.
Pierre, SD 57501

RE: GW17-001

Ms. Van Gerpen:

I am writing this letter to update the docket as to PUC Staff's calculations regarding H & I Grain's customer losses. As Staff previously indicated, additional information and activity may continue to affect the figures. Some accounts have been paid down since we completed our initial examination of H & I Grain's accounts. Staff's calculations now show customers of H & I Grain are owed in excess of \$7 million. Nearly \$6.5 million of this total is voluntary credit sale grain and more than \$790,000 is open payable grain. As you are aware, the latter figure is the figure to which the bond will apply.

Regarding the accounts that have been paid, PUC Staff is not involved in determining which accounts are paid and when, but receives and tracks updated information from H & I Grain.

To reach the \$6.5 million amount, we applied the local bid prices at the time of license suspension to all bushels that had not been priced. We understand there are other variables that could be applied and may cause the dollar amount to be higher or lower. In no way do we claim our calculations to be the most accurate or correct method for determining the value of the unpriced bushels.

If we discover more information that significantly impacts these numbers, we will update the docket accordingly.

Sincerely,

James Mehlhaff