

March 20, 2007

[First Name] [Last Name]
[Business Name]
[Address]
[City] [State] [Zip]

RE: **Docket TC05-047 – Commission action on S&S bond and other proceeds Claims**

Dear [First Name] [Last Name]

We have reached the point here at the South Dakota Public Utilities Commission (“Commission”) where the Commission’s Staff (“Staff”) is ready to proceed to have the Commission make decisions on the claims that have been submitted by former customers of S&S Communications (“S&S”) to recover at least some of their losses from the proceeds we have received from bonds and other security issued for the benefit of S&S’s customers.

We empathize with any frustration you may have about the length of this process. This has involved us in two bankruptcies stretching over the previous two years and lengthy negotiations with bonding companies and others. That process of attempting to secure the maximum amount of proceeds for claimants is not yet over. We still have to resolve at least one more potential source of funds – the conversion of the stock in Aberdeen Finance Corporation (“AFC”) into cash. Despite that, we have decided it’s time to make the decisions on claims and get the money we have received disbursed out to claimants.

As you will see in the enclosed Order for and Notice of Hearing, we have scheduled this matter for hearing at **1:30 P.M. Central Time on May 8, 2007, in Rm. 412 of the State Capitol Building in Pierre, S.D.** This notice is to make you aware of the hearing so that you can be present if you wish and to advise you of what the Staff intends to recommend with respect to your claim and the claims disposition process in general. **We urge you to call the Commission Staff if you have questions concerning this Notice or the hearing.**

Also enclosed with this letter is **Staff’s Recommended Disposition of Claim** for your claim (your Claim Number is the same as the line number on the spreadsheets attached as Exhibits to the Motion). We made every effort to treat all claims the same. Staff’s position is that amounts approved for all claims should be based solely upon the amount of service contracted for that was not received due to S&S’s business failure and that things such as front-end connection delays, lost business, inconvenience, the cost of obtaining alternative service and the like should not be considered. We do not believe the bonds were intended to cover anything except prepayments in the event of S&S’s business failure. We also took the position for all claims that the amounts approved should only be for payments actually made by claimants and that amounts claimants financed or insured and have not paid and will not have to pay should be deducted from the approved claim amount. **If your prepayment loss was covered by insurance or a forgiven loan that is not included in the amount shown on the line labeled “Amount Financed and Forgiven or Insured,” you must advise the Commission Staff of that fact to avoid a payment to you**

that is not justified. We treated all claims equally on these issues, and believe the approach we have taken is fair to everyone.

We urge you to carefully review the recommendation for your claim to make sure it accurately reflects the information you submitted and your particular situation. We received hundreds of claims with varying levels of detail and have done our best to analyze them against the information we received from S&S, AFC and other financing companies. We realize, however, we may have made errors. **If you think the information regarding your claim is not correct or accurate, it is important that you contact us as soon as possible so we can make corrections.**

It is also important you understand two more things regarding the document titled Staff's Recommended Disposition of Claim for your claim. First, the calculated Claim Fractions shown at the bottom (either Straight Line or Weighted) will change if there are changes in the Total of All Claim Amounts approved by the Commission. This is likely to happen, because as we have stated our information and analysis may not have been perfect for all claims. However, we think the change in any Claim Fraction due to such revisions is highly likely to be very, very small. Second, we want to stress the Estimated Approximate Current Distribution Amount (either Straight Line or Weighted) is not an exact number and will be subject to change due to both changes in the Total of All Claim Amounts and due to the addition of earnings and other proceeds we may receive prior to distribution. We included this as an estimate to give claimants a pretty good idea of what the current pay-out is likely to be for their claims.


As you see from these numbers, the Commission has not received nearly enough proceeds to pay claims in full. The Commission has received more than \$1,200,000 in total claims against the S&S proceeds. We have thus far received \$180,000 in bond proceeds plus the earnings on these proceeds. This means that claimants are likely to receive no more than approximately 15 cents on the dollar for their claims to the extent they are allowed.

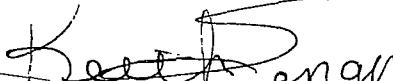
You are not required to attend the hearing to have your claim considered and approved. At the hearing, Staff will recommend to the Commission that your claim and all other claims be handled in accordance with Staff's Recommended Disposition of Claims and the Motion. Although Staff cannot guarantee what the Commission will decide, we will strongly urge the Commission to decide all claims in accordance with our recommendations, except where a clear error has been demonstrated.

You have a right to be present at the hearing, both to ensure your rights are protected and to disagree with what Staff is proposing in its recommendations and Motion. **If you wish to appear at the hearing and dispute Staff's recommendation regarding your Claim or another Claim or Staff's general recommendations as stated in the Motion, please fill out, sign and return the Notice of Dispute and Request for Hearing form so we can schedule you onto the hearing agenda.**

We urge you to contact the Staff here at the Commission if you believe there is an error in what we are recommending for your Claim or if you simply have questions or concerns about any of this. Staff's contact information is: South Dakota Public Utilities Commission, State Capitol Building, 500 E. Capitol Ave., Pierre, SD 57501; ph: (800) 332-1782 or (605) 773-3201; fax: (866) 757-6031; Internet: www.puc.sd.gov; or email: puc@state.sd.us.

Sincerely,


John J. Smith, Staff Counsel


Keith Senger, Utility Analyst

Enclosures