

Crockford, Konrad S.

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**North Dakota
Court System**

Filing Accepted

Envelope Number: 3608004
Case Number: 35-2018-CV-00088
Case Style: Public Service Commission vs.
Hunter Hanson d/b/a NoDak Grain, et al.

The filing below was reviewed and has been accepted by the clerk's office. You may access the file stamped copy of the document filed by clicking on the below link.

Filing Details	
Court	Pierce County - Northeast District
Case Number	35-2018-CV-00088
Case Style	Public Service Commission vs. Hunter Hanson d/b/a NoDak Grain, et al.
Date/Time Submitted	11/1/2019 9:03 AM CST
Date/Time Accepted	11/1/2019 9:55 AM CST
Accepted Comments	
Filing Type	Exhibit
Filing Description	10 - Kent Florhaug
Activity Requested	EFileAndServe
Filed By	Mitchell Armstrong
Filing Attorney	Mitchell Armstrong

Document Details	
Lead Document	Exhibit 10 to Aff of AJS.pdf
Lead Document Page Count	3
File Stamped Copy	View Stamped Document
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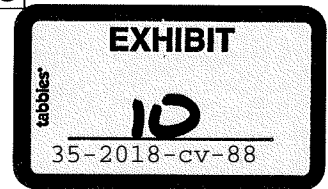
Claimant Name & Address
Kent Florhaug 8285 6th Street SE Kensal, ND 58455 701-320-1297
Legal Counsel - Joseph Larson Office: 701-252-5541

Date Claim Filed	November 26, 2018
Date Payment Demand Made	No written demand

PSC Calculated value total	\$	53,615.10
Less other payments	\$	-

\$ 53,615.10 **Total cash claim**

	Settlement #	Date	date	Date	date
	na	10/1/2018	na	10/1/2018	
ECGM Trade Confirmation #	21268	5/10/2018	21713	8/14/2018	
Seller Contract #	na		na		
Midwest Contract	na		na		
Claim applied to:		Cash		Cash	
Commodity		HRS Wheat		HRS Wheat	
Contracted Price Per Bushel	\$	5.215	\$	5.035	
Contracted Bushels		5,000.00		6,000.00	
Delivered bushels*		5,000.00		5,900.38	
Gross Amount Due*	\$	25,503.90	\$	28,274.70	\$
Less Total Fees & assessments*	\$	75.00	\$	88.50	\$
PSC calculated value*	\$	25,428.90	\$	28,186.20	\$
Estimated Value per midwest	\$	24,044.15	\$	29,825.46	
Claimant calculated claim	\$	24,044.15	\$	29,825.46	



Comments:

1. Differences in calculated claim values explained:
 - a. There are two separate ECGM Trade Confirmations for hard red spring wheat
 - i. ECGM Trade Confirmation #21268
 1. A basis agreement with the original basis of \$0.36 under the SEP2018 Futures price.
 - a. It was rolled at the cost of \$0.24 to the DEC2018 Futures month
 - b. New basis = $\$0.36 + \$0.24 = \$0.60$ under the DEC2018 futures price, once established.
 2. The DEC2018 futures were set at \$5.815 per bushel based on various notes and an email from ECGM confirming the futures price.
 3. Base cash price = DEC2018 futures price \$5.815 less the basis of \$0.60 equals \$5.215 per bushel.
 - ii. ECGM Trade Confirmation #21713
 1. A basis agreement with the original basis of \$0.54 under the SEP2018 Futures price.
 - a. It was rolled at the cost of \$0.24 to the DEC2018 Futures month
 - b. New basis = $\$0.54 + \$0.24 = \$0.78$ under the DEC2018 futures price, once established.
 2. The DEC2018 futures were set at \$5.815 per bushel based on various notes and an email from ECGM confirming the futures price.
 3. Base cash price = DEC2018 futures price \$5.815 less the basis of \$0.78 equals \$5.035 per bushel.
 - iii. PSC calculations reflect not rounding the price per bushel to the hundredths place
 1. Midwest Estimate #215 rounds the price per bushel from \$5.215 DOWN to \$5.20.
 2. Midwest Estimate #216 rounds the price per bushel from \$5.035 UP to \$5.04.
 3. Since there was a lack of consistency by Midwest, PSC staff did not round the price per bushel.
- b. Midwest did not apply and price scale tickets in any discernable and consistent pattern in Estimates #215 and #216. PSC staff applied and priced scale tickets based on the standard industry practice of filling the oldest contract with the earliest delivery period first with the earliest delivered grain.
 - i. ECGM Trade Confirmation #21268 was filled first since it had the earliest beginning delivery period.
 1. #21268 had delivery period starting 8-1-18 versus #21713 that had a delivery period starting 8-14-18.
 - ii. PSC calculations reflect filling ECGM Trade Confirmation #21268 up to the agreed 5,000 bushels and then per industry standard practices applied the overage and the remaining loads to ECGM Trade Confirmation #21713.
 - c. Midwest did not correctly deduct the commodity checkoff fees prior to final settlement per industry standard practice.

Summary table of how scale tickets applied to contracts and value calculations:

Destination Information - inbound				Pricing						Scale ticket Grade Factors					Contracts		
Elevator	Scale Ticket #	Delivery Date	Net Bu	Base Price per Bushel	Prem. & Disc. per bu	Net Price per Bu	Gross Amount Due	Checkoff	NET Amount Due	TW	MST	Protein	Dock	Estimate #	ECGM #	Seller Contract	Midwest Contract
Osnabrock FE - Nekoma	176200	9/14/2018	1,202.75	\$ 5.2150	\$ (0.10)	\$ 5.115	\$ 6,152.07	\$ 18.04	\$ 6,134.03	61.1	13.4	13.7	0.9	na	21268	na	na
Osnabrock FE - Nekoma	176201	9/14/2018	1,183.83	\$ 5.2150	\$ (0.10)	\$ 5.115	\$ 6,055.29	\$ 17.76	\$ 6,037.53	61.1	13.6	13.7	1.1	na	21268	na	na
Osnabrock FE - Nekoma	176215	9/14/2018	1,191.39	\$ 5.2150	\$ (0.10)	\$ 5.115	\$ 6,093.96	\$ 17.87	\$ 6,076.09	61.3	13.1	13.7	0.8	na	21268	na	na
Osnabrock FE - Nekoma	176217	9/14/2018	1,217.22	\$ 5.2150	\$ (0.15)	\$ 5.065	\$ 6,165.22	\$ 18.26	\$ 6,146.96	62.4	12.2	13.5	1.2	na	21268	na	na
Osnabrock FE - Nekoma	176264	9/17/2018	204.81	\$ 5.2150	\$ (0.15)	\$ 5.065	\$ 1,037.36	\$ 3.07	\$ 1,034.29	60.6	13.2	13.4	1.4	na	21268	na	na
Osnabrock FE - Nekoma	176264	9/17/2018	964.91	\$ 5.0350	\$ (0.15)	\$ 4.885	\$ 4,713.59	\$ 14.47	\$ 4,699.12	60.6	13.2	13.4	1.4	na	21713	na	na
Osnabrock FE - Nekoma	176280	9/17/2018	1,141.80	\$ 5.0350	\$ (0.30)	\$ 4.735	\$ 5,406.42	\$ 17.13	\$ 5,389.29	62.0	13.3	12.9	1.2	na	21713	na	na
Osnabrock FE - Nekoma	176300	9/18/2018	1,230.13	\$ 5.0350	\$ (0.30)	\$ 4.735	\$ 5,824.67	\$ 18.45	\$ 5,806.22	62.6	13.4	12.9	1.3	na	21713	na	na
Osnabrock FE - Nekoma	176322	9/18/2018	1,269.58	\$ 5.0350	\$ (0.20)	\$ 4.835	\$ 6,138.42	\$ 19.04	\$ 6,119.38	61.4	13.5	13.2	1.2	na	21713	na	na
Osnabrock FE - Nekoma	176326	9/18/2018	1,293.96	\$ 5.0350	\$ (0.25)	\$ 4.785	\$ 6,191.60	\$ 19.41	\$ 6,172.19	62.4	13.3	13.0	1.5	na	21713	na	na