



Dustin Johnson, Chair
Steve Kolbeck, Vice Chair
Gary Hanson, Commissioner

June 30, 2009

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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Ms. Patricia Van Gerpen
500 E. Capitol Ave
Pierre, SD 57501

Re: GD 09-002

Dear Ms. Van Gerpen:

After a review of relevant statutes and rules, and discussion with Mr. Helsper, the parties agree an ARSD 20:10:12:17 waiver in this docket is necessary. H&I Grain had a Class A (SDCL 49-45-7.1) license during the entirety of last licensure year. H&I Grain requested a renewal of its Class A license in its recent application to the Grain Warehouse Division. Upon review of said application, Jim Mehlhaff noticed H&I Grain failed to obtain the proper financial review. To obtain a class A license a grain buyer must submit:

"a financial statement prepared by a certified or independent public accountant at the review, or audit level, or a detailed financial statement that is prepared by an approved grain commission or management firm in accordance with generally accepted accounting principles." ARSD 20:10:12:14

Commission Staff believes it is in the best interest of producers to grant H&I Grain a Class A grain buyers license with a temporary waiver (ARSD 20:10:12:17) of the financial requirement in ARSD 20:10:12:14 for 30 days. Such a waiver allows the business to maintain all current contractual obligations while it obtains proper financial documents. To deny the waiver may harm producers. Without a Class A grain buyer's license, H&I Grain can not enter into VCS contracts. Without the requested waiver, SDCL 49-45-11 requires H&I Grain pay for grain subject to VCS contracts within ten days of the license expiration date. Producer parties to said contracts may be harmed by the sudden cancellation of the contracts.

In conclusion, Commission Staff recommends the Commission:

- 1) Grant H&I Grain a Class A Grain Buyers License, conditioned on
- 2) receipt of acceptable financial statements according to ARSD 20:10:12:14 within thirty days.

Sincerely,


Kara Semmler

cc. Mr. Rich Helsper