



Chris Nelson, Chair
Kristie Fiegen, Vice Chair
Gary Hanson, Commissioner

South Dakota

PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
www.puc.sd.gov

Capitol Office
(605) 773-3201
1-866-757-6031 fax

Grain Warehouse
(605) 773-5280
(605) 773-3225 fax

Consumer Hotline
1-800-332-1782

October 9, 2012

Milton Handcock
Midwest Coop CHS Inc.
1919 East Sioux Ave.
PO Box 787
Pierre, SD 57501

Re: **Proof of Claim for Cash Grain**

Dear Mr. Handcock,

The South Dakota Public Utilities Commission regulates grain buyers in this state. As you know, we are working through issues connected to Anderson Seed in Redfield, SD. Specifically, due to Anderson Seed's failure to pay for grain, its bond has been surrendered and now must be distributed. We understand from the information you sent, you believe your company is entitled to some of the bond proceeds.

The Commission's Grain Warehouse Staff has evaluated your claim. Staff has determined your claim to be \$319,684.44 which is \$367,433.15 less than your claim of \$687,117.59. I have enclosed a sheet that explains the reasons for the discrepancy. If you are in agreement with staff you do not need to do anything at this time and Staff will recommend that you participate in the bond distribution according to our findings. If you would like to challenge Staff's findings in front of the Commission, send a written request for a hearing to our office by November 16, 2012. If you have any questions about the process or would like to discuss your claim please call our office at 605-773-5280.

Sincerely,

James Mehlhaff
Grain Warehouse Director

CHS Midwest Coop

Amount Claimed: **\$687,117.59**
Staff Findings: **\$319,684.44**

Claimant submitted a claim for \$687,117.59. This claim included deliveries picked up at their location and delivered to the Redfield plant. They also show loads delivered to Anderson Seed locations out of state. The claim also includes contract losses for 10,000cwt that was not delivered.

Claimant submitted twenty bills of lading with their claim. Sixteen of those loads were for deliveries to Redfield, two for Durbin, ND, one for Mentor, MN. One bill of lading had no destination listed. Staff was able to match all the loads delivered to Redfield with the assembly sheet provided by Anderson Seed. Two loads were included on the assembly sheet that the claimant did not provide bills of lading for. The bills of lading provided by the claimant that were delivered to Redfield totaled \$268,652.52. The scale tickets missing a corresponding bill of lading totaled \$51,031.92 in value, according to the Anderson Seed Assembly sheet and scale tickets. The bills of lading for loads delivered out of state totaled 2298.80cwt with no value listed. Staff calculated value for these loads using best contract price, creating an estimated value of \$72,557.64. The contract losses totaled \$285,000.00.

Staff recommends that bond proceeds not be issued on any undelivered contracted seeds. Staff also recommends that bond proceeds be remitted based on staff findings.