



Kristie Fiegen, Chairperson
Gary Hanson, Vice Chairperson
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South Dakota

PUBLIC UTILITIES COMMISSION

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July 21, 2017

Notice to the customers of H & I Grain of Hetland Inc:

On June 23, 2017, pursuant to SDCL 49-45-16, the South Dakota Public Utilities Commission (Commission) suspended the grain buyer license of H & I Grain of Hetland, Inc. (H & I Grain) located at 205 Main Ave., Hetland, SD 57212. The Commission also ordered an examination of H & I Grain's scale tickets to determine the extent to which grain was received at the H & I Grain facilities located in Hetland, DeSmet and Arlington South Dakota, for which no payment was made. Our examination shows you sold grain to H & I Grain.

On July 21, 2017, the Commission issued an order permanently revoking the grain buyer license of H & I Grain. They also ordered staff to take custody of the \$400,000 surety bond that is required under SDCL 49-45-9 and to develop a plan to distribute the proceeds to those who have a valid claim against the bond. The bond was provided by North American Specialty Insurance Company located at 1450 American Lane, Suite 1100, Schaumburg, IL 60173.

We have completed our examination of the scale tickets and have identified you as a customer of H & I Grain. I have enclosed a summary sheet of our finding with respect to your account. This shows what we believe you are owed for grain that was delivered for which payment was not received. It also shows our determination as to what, if any, portion of the payable is covered by the surety bond. Grain that is subject to the terms of a voluntary credit sale contract, such as a price-later or deferred payment contract, is not covered by the bond. Grain that is determined to be on an open ticket is bond eligible.

We have also included a bond claim form. If you are in agreement with staff findings regarding your bond claim, fill in your name at the top of the claim form, check the box indicating agreement with staff, sign the form in the presence of a notary, and return it to the Commission by January 24, 2018. If you are not in agreement, fill in the rest of the form, provide supporting documentation for your claim, sign the form in the presence of a notary, and return it to the Commission along with the supporting documents by January 24, 2018. Pursuant to South Dakota law 49-45-19, claims must be filed within six months of receiving the notice of revocation. This letter is intended to serve as your notice.

If you have any questions about the claims process or any other items please do not hesitate to contact me.

Sincerely,

Jim Mehlhaff
Director, Grain Warehouse Division