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Kristie Fiegen, Vice Chair
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South Dakota

PUBLIC UTILITIES COMMISSION

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June 5, 2012

Patricia Van Gerpen

SD PUC Executive Director

500 E. Capitol Ave

Pierre, SD 57501

Re: GW12-002

Dear Ms. Van Gerpen,

On April 5, 2012 the Public Utilities Commission Staff (Staff) requested the Spink County Court appoint the Public Utilities Commission (Commission) receiver of the Anderson Seed Co, Inc. (Anderson Seed) grain buyer bond. The request was made pursuant to the April 4, 2012 Commission Order in docket GW12-001. The Court granted the request. On May 17, 2012 the bond proceeds were paid to the Commission. Staff proposes the Commission proceed in a manner consistent with SDCL 49-45-19 to now distribute the funds. Staff requests Commission approval or modification of the following procedure to process all potential claims in this matter.

Staff recommends as follows:

- 1) Claim Forms: Staff recommends all known Anderson Seed patrons receive a claim form. The proposed claim form is attached hereto as Exhibit A. Staff recommends a sixty day reply period.
- 2) Publish Notice: In addition to individual notice sent to all patrons, Staff recommends the Commission publish notice of the claims process once each week for two consecutive weeks in the Redfield Press and the Green Sheet. The published notice shall also specify the sixty-day reply period.
- 3) Hearing: Upon the expiration of the sixty day period and collection of claim forms, Staff will schedule a hearing. All claimants shall receive notice of said hearing. The Commission then will adjudicate the proper bond allocation to the proper parties. All parties will have an opportunity to be heard and to make his case to the Commission regarding whether he is entitled to bond proceeds and in what amount.
- 4) Findings: Upon conclusion of the hearing and Commission deliberation the Commission shall issue findings of fact and conclusions of law. The Commission findings shall then be filed with the Spink County Court for approval prior to distribution of bond proceeds.

As the Commission is aware, Anderson Seed is in the process of corporate dissolution in Minnesota. In the course of liquidation it is possible South Dakota creditors will receive some monetary distribution. The liquidation and dissolution process may take many months. Staff recommends, rather than wait for resolution of the Minnesota liquidation, the Commission proceeds with the South Dakota bond distribution process. Staff recommends the Commission then notify the proper Minnesota venue of the Commission's findings. Bond payments to South Dakota patrons will be considered in the Minnesota liquidation process. The bond payments can uniformly and equitably off-set Minnesota liquidation payments.

Staff will schedule this matter for Commission consideration and looks forward to receipt of guidance and Commissioner input.

Sincerely,

Kara Semmler

James Mehlhaff

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James Mehlhaff

Staff Attorney

Grain Warehouse Director