

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE GRAIN
BUYER LICENSE H & I GRAIN OF
HETLAND, INC.**

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**PETITION TO IMMEDIATELY
SUSPEND GRAIN BUYER LICENSE
PURSUANT TO SDCL 49-45- 16**

GW17-001

COMES NOW, the Staff of the South Dakota Public Utilities Commission (“Commission”), pursuant to SDCL 49-45-16, and Petitions the Commission to immediately suspend H & I Grain of Hetland, Inc,’s grain buyer license. In support of its Petition, Staff asserts as follows:

1. H & I Grain of Hetland, Inc. (“H & I”), a South Dakota Corporation in good standing with the South Dakota Secretary of State, is located at 205 Main Avenue, Hetland, South Dakota 57212.
2. The registered agent for H & I listed with the Secretary of State is Duane Steffensen, 205 Main Avenue, Hetland, South Dakota 57212.
3. H & I has locations in Hetland, Arlington, and De Smet, South Dakota. Each location has a separate grain buyer license issued by the South Dakota Public Utilities Commission.
4. On or about June 16, 2017, the Commission’s Grain Warehouse Division (“Staff”) received a draft copy of H & I’s draft FY16 balance sheet and profit and loss statement. Staff had been requesting this information since April when we began the license renewal process. The draft balance sheet shows significant deficiencies in working capital and equity. After reviewing the draft balance sheet and profit and loss statement staff sent two inspectors to conduct a detailed inspection of the facility and books to determine if the risk to producers warranted an immediate suspension.
5. On June 19, 2017, Staff was served with a Notice of Intent to Sue on Bond from three separate claimants. See Attached.
6. Staff has reason to believe that H & I does not have adequate working capital or equity to settle all of their current obligations for grain that has been delivered to their facilities for

sale. This includes cash sales and grain that is subject to the terms of a voluntary sale contract.

7. Staff considers the facts stated in paragraphs 4 through 6 to constitute acts of insolvency for which immediate suspension of H & I's license is justified and necessary under SDCL 49-45-16.

WHEREFORE, the Staff of the South Dakota Public Utilities Commission requests the Commission take immediate action to suspend H & I Grain of Hetland Inc.'s grain buyer license pursuant to SDCL 49-45-16. We are specifically aware of acts of insolvency and stress an immediate suspension of the license at each of the three locations is the only way to prevent further potential damage to South Dakota producers. All three facilities are operated as the same entity, therefore, the financial condition effects the license at each location.

Staff further requests an ad hoc meeting for the Commission to hear this matter. James Mehlhaff, the Public Utilities Commission's Grain Warehouse Division Manager, will be available to testify.

Dated this 19th day of June, 2017.



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