

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

**IN THE MATTER OF
KINGSBURG GRAIN AND
FEED, LP**

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**PETITION TO REVOKE GRAIN
BUYER’S LICENSE AND GRAIN
WAREHOUSE LICENSE AND TO
SEEK RECEIVERSHIP**

GW20-002

COMES NOW, the Staff of the South Dakota Public Utilities Commission (Commission), pursuant to SDCL 49-45-16 and 49-43-5.6, and Petitions the Commission to immediately revoke Kingsburg Grain and Feed, LP’s (Kingsburg) grain buyer’s license and grain warehouse license (collectively, licenses). In support of its Petition, Staff asserts as follows:

1. On February 24, 2020, Kingsburg voluntarily surrendered its licenses. See Attachment 1.
2. Pursuant to the agreement to surrender the licenses, Kingsburg waived its right to request a hearing pursuant to SDCL 49-43-5.6 and 49-45-16.
3. Kingsburg, a South Dakota Corporation in good standing with the South Dakota Secretary of State, is located at 30866 413th Ave., Springfield, SD 57062.
4. The registered agent for Kingsburg listed with the Secretary of State is Sheila Shutt, 41631 308th Street, Tyndall, South Dakota 57066.
5. Until Kingsburg surrendered its licenses on February 24, 2020, Kingsburg had a grain buyer’s license and a grain warehouse license, both issued by the Commission.
6. In or around Summer 2019, Staff became aware that Kingsburg was having financial difficulties and began working with Kingsburg to correct the financial situation. To Staff’s knowledge, Kingsburg has not purchased grain since that time. However, Kingsburg continues to have voluntary credit sale (VCS) contracts that were entered into prior to that time. See Affidavit of Cody Chambliss.
7. On or about February 19, 2020, in the course of a regular inspection, Staff became aware of an act of insolvency that was not reported to Staff by Kingsburg. Specifically, Staff became aware than in late 2019, the bank with whom Kingsburg did business declined to work with Kingsburg.

8. Staff inspection determined that Kingsburg has significant negative working capital and has expired VCS contracts.
9. Staff considers the facts stated in paragraphs 6 and 7 to constitute acts of insolvency for which revocation of Kingsburg's licenses is justified and necessary under SDCL 49-45-16 and SDCL 49-43-5.6.
10. Staff believes receivership is necessary to pay producers that are not eligible for bond coverage or beyond the coverage of the bonds. See Affidavit of Cody Chambliss.


WHEREFORE, Staff requests the Commission take immediate action to revoke Kingsburg's grain buyer license and warehouse license pursuant to SDCL 49-45-16 and SDCL 49-43-5.6, respectively.

WHEREFORE, Staff further requests that upon revocation, the Commission make application to the circuit court to appoint a receiver pursuant to SDCL 49-45-16.1.

WHEREFORE, Staff further requests the Commission open a separate docket to pursue collection and distribution of bond proceeds, if any.

Staff further requests an ad hoc meeting for the Commission to hear this matter.

Dated this 24th day of February 2020.



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