

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

IN THE MATTER OF THE GRAIN BUYER BOND OF PIPELINE FOODS, LLC))))))	ORDER GRANTING MOTION FOR DISBURSEMENT OF GRAIN BUYER BOND
		GW21-004

On August 12, 2021, the South Dakota Public Utilities (Commission) Staff opened this docket to seek and disburse bond proceeds from the grain buyer bond of Pipeline Foods, LLC (Pipeline) for the licensing year 2020-2021, after Pipeline filed for bankruptcy.

Notice was published and sent to customers of Pipeline, notifying customers of the bond and their right to file claims against it, as well as providing claim forms to the customers. Staff determined that three producers had a bond-eligible claim, however, one producer chose not to pursue bond coverage. On February 24, 2022, staff filed a Motion for Disbursement of Grain Buyer Bond.

Notice was sent to customers of Pipeline notifying them of the bond and their right to file claims against it, as well as providing claim forms to each scale ticket holder. On August 19, 2021, the Commission electronically transmitted notice of the filing to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. On August 27 and September 3, 2021, notice of the availability of the grain buyer bond was published in the Sioux Falls Argus Leader, Rapid City Journal, and Aberdeen News. The same notice was published in the Tri State Neighbor on August 27 and September 10, 2021.

On January 3, 2022, Atlantic Specialty Insurance Company released the \$50,000 bond to Staff. Based on its review of the claim forms, Staff determined that three producers had a bond-eligible claim, however, one producer chose not to pursue bond coverage. On February 24, 2022, staff filed a Motion for Disbursement of Grain Buyer Bond (Motion). On March 2, 2022, Staff filed a letter correcting a mathematical error in Staff's Motion.

In its Motion, Staff noted an issue with the classification of a sale of soybeans and a sale of corn by one producer. Staff recommended that due to the facts of the sale, the sale of soybeans, as grain, be subject to bond coverage, but the sale of corn, as seed, rather than a grain, not be subject to bond coverage. Staff's Motion detailed three options for disbursement of bond proceeds, labeled Options A, B, and C. Staff recommended the Commission adopt Option A:

Producer	Claim	Portion of Total Claims	Bond Payment
GF	\$142,241.30	99.035%	\$49,517.50
MA	\$0	0	\$0
TT	\$1,386.00	0.965%	\$482.50
Total	\$143,627.30		\$50,000

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-45 and ARSD 20:10:12.

At its regular meeting on March 4, 2022, the Commission considered Staff's Motion for

Disbursement of Grain Buyer Bond. Mr. Tim Trooein, denoted in Staff filings as producer TT, appeared and presented argument that both his soybean and corn sales should be considered grain sales subject to bond coverage.

Finding Mr. Trooein's soybeans were sold as grain, but the corn was sold as seed, the Commission voted unanimously to accept the recommendation of Staff and distribute the bond proceeds as detailed in Staff's Option A. It is therefore

ORDERED, that the Motion for Disbursement of Grain Buyer Bond is hereby granted. It is further

ORDERED, that the bond proceeds shall be distributed as detailed in Staff's Option A above.

Dated at Pierre, South Dakota, this 9th day of March 2022.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.
By: <u>Adam DeHueck</u>
Date: <u>3/9/22</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Chris Nelson

CHRIS NELSON, Commissioner

Kristie Fiegen

KRISTIE FIEGEN, Commissioner

Gary Hanson

GARY HANSON, Commissioner