Chris Nelson, Chairman
Kristie Fiegen, Vice Chairperson
Gary Hanson, Commissioner

PUBLIC UTILITIES COMMISSION
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January 29, 2026

Will Pearce
Senior Surety Claims Counsel
Harco National Insurance Company and International Fidelity Insurance Company
4200 Six Forks Rd. STE 1400
Raleigh, NC 27609

RE: Formal Request for Grain Buyer Bond Hansen-Mueller Bond # 0382256 for FY 2025 and #0382256 for FY 2026.

Dear Will,

On January 15, 2026, Staff sent you notice that the South Dakota Public Utilities Commission intends to seek the proceeds of the 2026 bond number 0382256 and may seek the proceeds of 2025 bond number 0382256. Attached is a spreadsheet containing Hansen-Mueller customer list information compiled by the SD PUC using records provided by Hansen-Mueller.

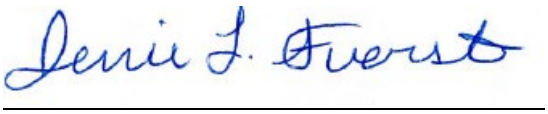
On or about November 17, 2025, Commission Staff became aware that Hansen-Mueller filed for Chapter 11 Bankruptcy. The bankruptcy has been docketed in U.S. Bankruptcy Court for the District of Nebraska as Case Number 25-81226.

Pursuant to SDCL 49-45-17, Commission Staff intends to institute proceedings before the Commission to distribute the bond to valid claimants, subject to verification of the claims. It is clear to Commission Staff that the proceeds on the bond will not likely cover the total value of the claims that we have identified through our examination. In such a proceeding, Commission Staff would recommend to the Commission that the bond be distributed according to the requirements of SDCL 5-21-7, which would relieve the surety of any liability beyond the face value of the bond.

Please consider this letter, along with the claim information provided to you, as the South Dakota Public Utilities Commission's formal request that the full amount of the proceeds of the above bonds for fiscal year 2025 (effective date 06/30/2024-06/30/2025) and fiscal year 2026 (effective date 06/30/2025-06/30/2026) be released to the South Dakota Public Utilities Commission. Please satisfy this demand for payment of the bonds on or before **August 24th, 2026,** or the Commission will commence legal proceedings to collect the bond proceeds. If there is any specific information you require in consideration of this formal claim, please let me know.

If you have any questions, please contact me.

Thank you,



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