

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

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

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**AFFIDAVIT OF
CODY CHAMBLISS**

GW20-002

I hereby swear and affirm as follows:

1. I am the manager of the Grain Warehouse Program of the South Dakota Public Utilities Commission (Commission).
2. On or about June 27, 2019 I met with the Accountant and Banker for Kingsburg Grain and Feed, LP (Kingsburg) financial concerns and licensing requirements were discussed.
3. On July 2, 2019 a full inspection was completed and staff met with Kingsburg, the bank, and the accountant a plan was developed to meet licensing requirements.
4. On July 2, 2019 Kingsburg surrendered their warehouse receipts.
5. On July 3, 2019, Kingsburg entered into an agreement with a producer to extend multiple deferred payment contracts until 2021.
6. As of October 1, 2019, the facility was leased to another company (Lessor). The Lessor also obtained the necessary licensing for Kingsburg's facilities. All grain purchases from October 1, 2019 to present have been purchased under the Lessor's license.
7. On October 30, 2019, Justin Blais performed a special inspection to verify Kingsburg's daily position report to verify all scale tickets were recorded correctly for the lease agreement.
8. On February 19, 2020, Justin Blais performed a normal inspection. That inspection revealed multiple past due delayed price contracts past their pricing date. At this time Kingsburg doesn't meet minimum financial requirements nor have they been candid about their financial condition.
9. On February 20, 2020, I called and talked with the accountant and the bank and learned the bank no longer finances Kingsburg and has not done so since November 2019. Staff was not informed by Kingsburg of this development when it occurred.
10. On February 20, 2020, I learned that the lease agreement with Lessor will expire March 31, 2020. I am unaware of any other income beyond the payments from the lease agreement sufficient to sustain Kingsburg.

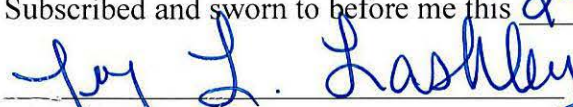
11. Over the past several months, Staff has worked with Kingsburg and all parties to better their financial position. While they have less outstanding payables to date than when we began working with them, it has become clear to me that we have made as much improvement as we are able to make.

12. On February 24, 2020 a full inspection was completed by myself and Justin Blais.

Dated this 24th day of February 2020.


Cody Chambliss

Subscribed and sworn to before me this 24th day of February, 2020

 (Notary Public)

My Commission expires: 08-12-25