



MEMORANDUM OF ADJUSTMENTS

PUBLIC SERVICE COMMISSION

SFN 17993 (12/2016)

Name of Warehouse Pipeline Foods		Corporation Number 4627	
Location 104 Railway St.	City Lignite	State ND	Date of Inspection 11/21/2017

An inspection of this warehouse and/or the commodities stored there disclosed the following conditions which must be corrected as soon as possible or within the specified time frame. These conditions may also be in violation of state laws or rules. The issuance of this form is a report of the conditions found at this inspection and is not an election by the North Dakota Public Service Commission to be taken.

Inspector's comments are shown in *italics* below each item.

Number of items on this report: 2

Item no: 2005

refer to: Initial Grain Warehouse Examination Comments

Item No. 1050: Refer to NDCC 60-02-11 & ND Admin Code 69-07-03-01 - Scale Ticket Content & Conversion - Grain
A uniform and consecutively numbered scale ticket must be issued for each load of grain received and must be converted into cash, noncredit-sale contracts, credit-sale contracts, or warehouse receipts within 45 days after the grain is delivered to the warehouse. The original scale ticket must be issued in consecutive order and must contain the name of the licensee, receiving location, name of the depositor, type of grain, per centum of dockage, test weight, gross weight, tare weight, and net weight. The scale ticket must be delivered to the person from whom the grain is received and a copy must be retained and remain as a permanent record.

Item No. 1110: Refer to NDCC 60-02-01(2) & 60-02-19.1 - Credit-Sale Contracts - Warehouseman - Credit-Sale Contract means a written contract for the sale of grain pursuant to which the sale price is to be paid or may be paid more than 30 days after the delivery or release of the grain for sale and which contains: (1) the seller's name and address; (2) conditions of delivery; (3) the amount and kind of grain delivered; (4) the price per unit or basis of value; (5) the date payment is to be made; (6) the duration of the credit-sale contract; and (7) notice in a clear and prominent manner that the sale is not protected by the bond. The contract must be signed by both parties and executed in duplication with one copy retained by the warehouseman and one copy delivered to the seller.

Item No. 1170: Refer to NDCC 60-02-09, ND Admin Code 69-07-01-08 & 09, Policy 4-04-00 (0) - Unlicensed Space - Inadequate Bond & Insurance - A warehouseman is required to license and bond all space that will be used to house grain and a licensee may not change its physical capacity without prior Commission approval. The warehouseman will be given three working days from the date the unlicensed space violation is observed to take appropriate corrective action. If corrective action is not taken in a timely manner, staff is directed to file a complaint against the licensee. If the violation involves a significant amount of space, staff is directed to file a complaint even if the licensee took prompt action to correct the mistake.

Item no. 1230: Policy 4-04-00 (0) - Payment Delays - The licensee's failure to pay for grain in a timely manner must be reported and documented on the Memorandum of Adjustment. The division should work with the licensee to determine the reason for the delay and to insure that payments are made promptly. If the dollar amount is deemed significant, a staff complaint must be filed.

Item no: 2000

refer to: See Examiner Comments Below

Meet with Mgr. Shawn Wynecoop, Neil Junke - Gen Mgr. of US operations, and Jason Charles - Markert Director of Pipeline Foods. Went over laws that would pertain to their business. They do not plan to use credit-sale contracts at this time. They deal in organic grains only and all the grain received so far has originated in Canada. They plan to build a new facility in Bowbells next summer.

Name of Warehouse Pipeline Foods		Corporation Number 3723	
Location 104 Railway Street	City Lignite	State ND	Date of Inspection 11/20/2017
Inspector's comments are shown in <i>italics</i> below each item.			<i>continued</i>

Name of PSC Inspector 1 <i>Michael Mc Namee</i>	Date Prepared <i>11-20-17</i>
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I acknowledge receipt of the MOA. I understand that all deficiencies must be corrected and proof of correction must be received by the Compliance Division within 30 days from the date of this inspection. Failure to respond or an incomplete response received after the deadline will be subject to further action. Proof may be submitted by mail, email or fax.

Licensee's Signature <i>[Signature]</i>	By (Please Print) <i>Shawn Wynecoop</i>
Title <i>Facility Manager</i>	Date <i>11-21-2017</i>

Submit to: Public Service Commission
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