

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

**IN THE MATTER OF
GREGORY FARMERS
ELEVATOR COMPANY**

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* **PETITION TO IMMEDIATELY**
* **SUSPEND GRAIN BUYER’S LICENSE**
* **PURSUANT TO SDCL 49-45-3 AND TO**
* **IMMEDIATELY SUSPEND GRAIN**
* **WAREHOUSE LICENSE PURSUANT**
* **TO SDCL 49-43-5.9**

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* **GW13-001**
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COMES NOW, the Staff of the South Dakota Public Utilities Commission (“Commission”), pursuant to SDCL 49-45-16 and 49-43-5.9, and Petitions the Commission to immediately suspend Gregory Farmers Elevator Company’s grain buyer license and grain warehouse license. In support of its Petition, Staff asserts as follows:


1. Gregory Farmers Elevator Company (“GFEC”), a South Dakota Corporation in good standing with the South Dakota Secretary of State, is located at 121 S. Main Street, Gregory, South Dakota 57533.
2. The registered agent for GFEC listed with the Secretary of State is Dennis Vedral, 121 S. Main Street, Gregory, South Dakota 57533.
3. GFEC has a grain buyer’s license and a grain warehouse license, both issued by the South Dakota Public Utilities Commission.
4. On or about August 2, 2012, the Commission’s Grain Warehouse Division first became aware that GFEC was operating with insufficient working capital. Staff immediately conducted a detailed inspection of the facility and books to determine if the risk to producers warranted an immediate suspension and began monitoring GFEC at that time. Staff worked closely with the board and management of GFEC to ensure that they were not increasing the risk to producers while they worked to correct their working capital deficiencies.
5. On or about March 27, 2013, Staff determined that GFEC would be unable to obtain sufficient working capital to continue as a going concern.
6. Staff has reason to believe that GFEC has outstanding checks for grain purchases to at least two producers that are not likely to be honored if presented for payment.

7. Staff considers the facts stated in paragraphs 5. and 6. to constitute acts of insolvency for which immediate suspension of GFEC's licenses is justified and necessary under SDCL 49-45-16 and SDCL 49-43-5.9.

WHEREFORE, the Staff of the South Dakota Public Utilities Commission requests the Commission take immediate action to suspend Gregory Farmers Elevator Company's grain buyer license and warehouse license pursuant to SDCL 49-45-16 and SDCL 49-43-5.9, respectively. We are specifically aware of acts of insolvency and stress an immediate suspension of each license is the only way to prevent further potential damage to South Dakota producers. Should Gregory Farmers Elevator Company desire a hearing, it may request the same within fifteen days.

Staff further requests an ad hoc meeting for the Commission to hear this matter. James Mehlhaff, the Public Utilities Commission's Grain Warehouse Division Manager, will be available to testify.

Dated this 27th day of March, 2013.



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