



South Dakota Grain & Feed Association

August 29, 2019

Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Pierre, SD 57501

RE: GW19-002 - High Country Mercantile, Inc.

Dear Ms. Van Gerpen:

On behalf of the South Dakota Grain & Feed Association (SDGFA), I am writing to express our concerns regarding the open Docket GW19-002 with High Country Mercantile, Inc. (HCM). This company has been buying grain in South Dakota for many years with total disregard to South Dakota laws that require grain buyers to be licensed.

SDGFA members work closely with the PUC Warehouse Division to be licensed each year as required by law. Part of the license requirement is to be bonded, and companies not licensed or bonded - flying under the radar - miss the financial scrutiny by the SD PUC as well as their bonding company. Many of the recent changes in laws introduced by the SD PUC have been to tighten up the ability to get financials from companies in a timely basis in order to minimize and even avoid catastrophic losses for buyers.

I understand that the SD PUC has recently issued a license to HCM. However, given the length of time HCM operated outside the parameters of the law, even after being notified they were in violation, we support and encourage the SD PUC to impose upon HCM both the civil and criminal penalties that are available by law not only to set an example for any others who decide to skirt the law, but foremost to those who invest the time and expense to make sure they are licensed and bonded appropriately, and who are required to be inspected and audited.

It is in the best interest of the State of South Dakota, and those who operate legally, that the PUC sends a message that unlicensed companies cannot operate in South Dakota without any consequences.

As you know, it takes just one failure to create uncertainty in the grain business which impacts all licensed and bonded grain buyers in South Dakota.

Thank you for the opportunity to submit comments.

Sincerely,

Kathy Zander
Executive Director