

# SDAC

## South Dakota Association of Cooperatives

*Cooperative Value ~ Unified Voice*

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August 29, 2019

Chairman Hanson  
Public Utilities Commission  
Capitol Building, 1st floor  
500 E. Capitol Ave.  
Pierre, SD 57501-5070

Vice Chairman Nelson  
Public Utilities Commission  
Capitol Building, 1st floor  
500 E. Capitol Ave.  
Pierre, SD 57501-5070

Commissioner Fiegen  
Public Utilities Commission  
Capitol Building, 1st floor  
500 E. Capitol Ave.  
Pierre, SD 57501-5070

Commissioners,

The South Dakota Association of Cooperatives supports PUC staff's proposed action against High Country Mercantile, Inc. following the company's delay in obtaining a license and meeting the bond requirement for grain purchases in South Dakota.

High Country Mercantile was notified the end of January 2019 that they needed to be licensed and bonded in order to do business in South Dakota. Yet, HCM continued to purchase grain, without a license or bond, after they were sanctioned by the Commission in August of 2019.

The industry supported legislation to provide greater oversight of financial security and the review of balance sheets. Unlicensed entities are not subject to this process, potentially putting their customers at risk. South Dakota elevators prefer to do business with companies that are properly licensed and bonded.

We believe that HCM's months of inaction to obtain a license and bond, compounded by their disregard of our laws by the continued purchase of grain, warrants a fine as determined by the PUC Commission.

Thank you for your time and consideration of our comments.

Sincerely,

*Brenda R Forman*

Brenda Forman, Executive Director  
SD Association of Cooperatives  
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