



Gary Hanson, Chairman
Chris Nelson, Vice Chairman
Kristie Fiegen, Commissioner



PUBLIC UTILITIES COMMISSION

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July 30, 2020

Dakota AgSynergy
1050 E. Interstate Ave
Suite 202
Bismark, ND 58503

Dear Mr. Sehn,

This letter is to follow up on our conversations in recent months. As discussed, we are aware of a number of instances in which grain was purchased in South Dakota by Dakota AgSynergy without a grain buyer license, in violation of SDCL Chapter 49-45.

Each purchase is a separate offense and could ultimately subject you to a fine of up to \$20,000. Since you have worked with the Grain Warehouse Program to come into compliance and obtain a license for the 2020 licensing year, we have extended you a settlement offer of a \$3,000 fine. This amount takes into account the violations and the time it has taken to come into compliance, while acknowledging your commitment to work in good faith with the PUC.

If this agreement is satisfactory to you, please sign, scan, and return the attached agreement via email. After the agreement is received, we will file it and take it before the Commission for approval. No payment is due until ordered by the Commission.

Thank you for working with us to resolve this matter. Please contact us if you have any questions.

Sincerely,

Cody Chambliss
Grain Warehouse Program Manager

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

IN THE MATTER OF THE REQUEST)	STIPULATION AND SETTLEMENT
FOR APPROVAL OF SETTLEMENT)	AGREEMENT
STIPULATION REGARDING)	
VIOLATIONS OF SDCL 49-45)	GW20-003

This Stipulation and Settlement Agreement reflects the resolution reached between the Staff of the Public Utilities Commission (Commission) and the grain buyer Dakota AgSynergy, LLC (Dakota AgSynergy) of Bismarck, North Dakota. If adopted by the Commission, this Agreement resolves any and all violations for purchase of grain without a license occurring on and prior to the date this Agreement is filed.

I. BACKGROUND

In August of 2018, Staff became aware that Dakota AgSynergy was purchasing grain in the State of South Dakota. Cody Chambliss contacted the company at that time to inform them of licensing requirements. Mr. Chambliss again contacted Dakota AgSynergy on January 18, 2019, to follow up on the previous communication. No action was taken at that time. After receiving a complaint in June of 2020, alleging that Dakota AgSynergy was buying grain without a license, Mr. Chambliss contacted Dakota AgSynergy, at which time Dakota AgSynergy admitted fault and worked with Staff to obtain a license. Dakota AgSynergy has a valid grain buyer license at this time. Staff believes it could produce evidence that Dakota AgSynergy purchased at least 25 loads of grain in South Dakota prior to obtaining a license.

Both Parties agree that Dakota AgSynergy operated as a grain buyer as defined in SDCL 49-15-1.1(3). The penalty for operating as a grain buyer without a license is described in SDCL 49-45-1, which provides for a fine of \$1,000 for each purchase of grain up to a maximum fine of \$20,000.

II. Requested Resolution

Staff and Dakota AgSynergy agree that the appropriate resolution for this violation is that Dakota AgSynergy be fine in the amount of \$3,000. This amount reflects the fact that Dakota AgSynergy continued to purchase grain for some time after being informed of the license requirement, but also reflects the recent actions of Dakota AgSynergy in coming into compliance and working in good faith with Staff.

WHEREFORE, Staff and Dakota AgSynergy respectfully request the Commission adopt this Agreement and order a fine in the amount of \$3,000 as a complete and final resolution of this matter.

Dated this 31 day of July 2020.

South Dakota Public Utilities Commission Staff

By: [Signature]

Its: Grain warehouse program manager

Dakota AgSynergy, LLC

By: [Signature]

Its: Partner