



December 15, 2014

North Dakota Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480

Re: Proposed Amendments to Grain Warehouse and Grain Buyer Bonds

Dear Commissioners Kalk, Christmann, and Fedorchak:

On behalf of North Dakota's ethanol industry, the North Dakota Ethanol Council (NDEC) would like to express its neutral position on the proposed amendments to the grain warehouse and grain buyer bonds. We appreciate the work the Public Service Commission (PSC) is doing to ensure a balance between protecting North Dakota agriculture producers and providing affordable bonding for the state's ag processors, which are adding value to North Dakota commodities.

We recognize the need for change given recent insolvencies and do not feel the proposed amendments will put a significant financial burden on the state's ethanol plants. However, we also are not confident this solution provides the level of protection needed for producers given the value of today's commodities and volatility of the markets. At the same time, the cost to ensure 100 percent bonding coverage in every scenario may not be cost-effective for businesses and may be a barrier for processors considering locating in the state. As the Commission explores this important topic, we would be happy to participate in consideration of other possible enhancements to improve the outcome in the case of an insolvency.

Please feel free to contact us for additional information or Deana Wiese, executive director, at 701-355-4458 or clearone@btinet.net.

Sincerely,

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Testimony
North Dakota Ethanol Council