

Public Utilities Commission  
Notice of Public Hearing to Adopt Rules

A public hearing will be held in Room 464, 4<sup>th</sup> Floor, State Capitol, Pierre, South Dakota, on July 14, 2008, at 10:00 a.m., to consider the adoption and amendment of proposed rules numbered:

20:10:11:03, 20:10:11:04, 20:10:11:04.01, 20:10:11:06, 20:10:11:07,  
20:10:11:08, 20:10:11:09, 20:10:11:09.01, 20:10:11:11, 20:10:11:12,  
20:10:11:13, 20:10:11:18, 20:10:12:05, 20:10:12:08, 20:10:12:09,  
20:10:12:10, 20:10:12:11, 20:10:12:12, 20:10:12:13, 20:10:12:14,  
20:10:12:16, 20:10:12:17, 20:10:31:04 and 20:10:31:05

The Commission is proposing to repeal 20:10:11:03 which sets forth the bond requirements for a public storage warehouse licensee. The reason for the repeal is because the law has been changed to no longer require public storage warehouses to be licensed so no bond is required.

ARSD 20:10:11:04 lists the bond form requirements for warehouses. The revisions delete the requirement for a South Dakota resident agent to sign the grain warehouse bond and change the reference from "dealer's to "buyer's." The reason for the deletion of the resident agent signature and change to "buyer's" is to be consistent with the current law.

The change to 20:10:11:04.01 deletes the requirement for a resident agent signature on a rider or additional bond. The reason for the deletion is to be consistent with current law.

The change to 20:10:11:06, a rule that addresses surety bonds, deletes the reference to 20:10:11:03. The reason for this change is because 20:10:11:03 is being repealed.

For 20:10:11:07 and 20:10:11:08, the only changes are the addition of the word "grain" before "warehouse licensee." The reason for these changes is to make it clear that the rules are applicable only to grain licensees.

ARSD 20:10:11:09 sets forth notification requirements for when a license is revoked or suspended or when there is knowledge of insolvency. The Commission added in references to open storage scale ticket holders and grain bank depositors. The reason for these changes is to make the rule consistent with recent changes to the law.

The changes to 20:10:11:09.01, a rule which requires notice of transfers in ownership, adds in references to open storage scale ticket holders and grain bank depositors. The reason for these changes is to be consistent with recent statutory changes

ARSD 20:10:11:11 lists requirements for warehouse receipts. The revisions delete requirements regarding the ordering of additional warehouse receipts. The reason for the changes is because the requirements for the ordering of additional warehouse receipts no longer conform to current industry practices.

For 20:10:11:12, the effect of the changes is to require information on a scale ticket as to the disposition of the grain. Another change removes the requirement that scale tickets be converted to a uniform warehouse receipt, cash, check, or other grain purchase contract within 30 days. The reason for these changes is to be consistent with recent statutory changes and to clarify how grain is classified.

The changes to 20:10:11:13 allow a temporary public grain storage unit to have a fly ash base, delete the requirement that the base must be at least one foot above the terrain, modify the requirement regarding air flow, add a requirement that an operator must notify the Commission prior to storing grain in a new storage unit, and provide flexibility regarding the inspection of new temporary storage. The reasons for these changes are to provide more flexibility regarding the specifications for temporary grain storage units and to ensure that the Commission is notified of new storage units.

ARSD 20:10:11:18 is a new rule that allows a warehouse operator to request a waiver of a rule. The reason for this proposed rule is to allow the Commission the ability to grant a waiver if it finds the waiver would not be detrimental to depositors and would be in the public interest.

ARSD 20:10:12:05 sets forth the bond form requirements for grain buyers. All references to "dealers" are changed to "buyers." In addition, the requirement to obtain the signature of a South Dakota resident agent is deleted. The reason for the changes is to make the rule consistent with the law.

For 20:10:12:08, 20:10:12:09, 20:10:12:10, 20:10:12:11, and 20:10:12:12, the only revisions are the changes from "dealer" to "buyer." The reason for the changes is to make the rules consistent with the law.

ARSD 20:10:12:13 sets forth the notice requirements for voluntary credit sales. The revisions replace "dealer" with "buyer" and deletes the requirement that the voluntary credit sale contract contain the date of delivery of the grain. The reason for the deletion of the date of delivery is because grain is generally delivered over a period of several days rather than on a single day.

ARSD 20:10:12:14 contains the requirements for financial statements that must be submitted by an applicant for a grain buyer's license. The changes set forth the requirements for class A and class B licenses and the conditions under which the Commission may require a second financial statement. The reason for

the changes is to comply with recent statutory changes which set forth new classifications for licenses and new requirements for financial statements.

ARSD 10:10:12:16 is a new rule which provides that a grain buyer must post information regarding its license and how to contact the Commission. The reason for the rule is to comply with a statutory change.

ARSD 20:10:12:17 is a new rule that allows a grain buyer to request a wavier of a rule. The reason for this proposed rule is to allow the Commission the ability to grant a waiver if it finds the waiver would not be detrimental to grain sellers and is in the public interest.

The revisions to 20:10:31:04 and 20:10:31:05 change the assessment of charges on pipeline operators from quarterly to annually. The reason for the changes is to make the rules consistent with the law regarding assessments.

Persons interested in presenting data, opinions, and arguments for or against the proposed rules may do so by appearing in person at the hearing or by sending them to the South Dakota Public Utilities Commission, State Capitol, 500 East Capitol, Pierre, South Dakota 57501-5070. Material sent by mail must reach the Public Utilities Commission by July 24, 2008, to be considered.

After the hearing, the Commission will consider all written and oral comments it receives on the proposed rules. The Commission may modify or amend a proposed rule at that time to include or exclude matters that are described in this notice.

Notice is further given to individuals with disabilities that this hearing is being held in a physically accessible place. Please notify the Public Utilities Commission at least 48 hours before the public hearing if you have special needs for which special arrangements must be made. The telephone number for making special arrangements is (605) 773-3201.

Copies of the proposed rules may be obtained without charge from the

South Dakota Public Utilities Commission  
State Capitol  
500 East Capitol  
Pierre, SD 57501-5070

The proposed rules may also be found on the Public Utilities Commission's home page at the following address:

<http://www.state.sd.us/puc/commission/dockets/rulemaking/2008/rm08-001/rm08-001.htm>