

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

IN THE MATTER OF THE ESTABLISHING ) WAREHOUSE RATES FOR THE STORAGE, ) RECEIVING, HANDLING AND REDELIVERING ) OF GRAIN )	) FINDINGS OF FACT AND ) CONCLUSIONS OF LAW; ) NOTICE OF ENTRY OF ) ORDER ) GW97-001
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Pursuant to SDCL 49-43-7, the Public Utilities Commission (Commission) is required to investigate, from time to time, the cost of receiving, handling, redelivering, and storing grain by public grain warehouses licensed with the Commission. The Commission last reviewed these costs in 1991.

At its December 18, 1997, meeting, the Commission moved to open a docket to investigate the current rates for storing, receiving, handling, and redelivering of grain. The hearing was scheduled for April 30, 1998, in Room 412 of the Capitol Building by order dated April 13, 1998, and amended order dated April 24, 1998. The hearing was held as scheduled.

At the conclusion of the hearing, the Commission unanimously voted to set a maximum storage rate of 0.1042 cents per bushel per day for all grains; a maximum rate of seven cents per bushel for receiving and handling and seven cents per bushel for redelivering of all types of grain, not to exceed a combined total of 12 cents per bushel; that licensees have the option of waiving the charge for receiving and handling grain if they take title to the grain; that each licensee establish the rates to be charged at each of his facilities by submitting an annual tariff to the Commission at the time of licensing on a form supplied by the Commission; that amendments to the original tariff be allowed up to two times in any given calendar quarter, but no more than four times a year; that licensees be allowed to use existing stock of warehouse receipts by stamping on the new rates; and that the effective date of the tariff will be ten days from the date of mailing or sending electronically.

Based on the evidence received at the hearing, the Commission makes the following Findings of Fact and Conclusions of Law:

**FINDINGS OF FACT**

1. Ed Anderson, Director of the Transportation Warehouse Division, stated that the current rates are three cents per bushel for storage, seven cents per bushel for receiving and handling, and five cents per bushel for redelivery. Tr. at 8, 16.

2. Mr. Anderson stated that over the years there has been a dramatic decline in the amount of grain stored in comparison to grain sold under voluntary credit sale contracts which may be partly attributable to the flexibility in handling rates for voluntary sales contracts. Tr. at 7.

3. Mr. Anderson recommended that maximum rates, with no minimums, be established in order to give public grain warehouses more flexibility. Specifically, he recommended the following: a maximum storage rate of 0.1042 cents per bushel per day for all grains; a maximum rate of seven cents per bushel for receiving and handling and seven cents per bushel for redelivering of all types of grain, not to exceed a combined total of 12 cents per bushel; that licensees have the option of waiving the charge for receiving and handling grain if they take title to the grain; that each licensee establish the rates to be charged at each of his facilities by submitting an annual tariff to the Commission at the time of licensing on a form supplied by the Commission; and that amendments to the original tariff be allowed up to two times in any given calendar quarter, but no more than four times a year.

4. No one testified against the recommendation made by Mr. Anderson.

5. The Commission finds that the maximum rate structure and other conditions as proposed by Mr. Anderson are fair and reasonable. Thus, the Commission adopts the following rates as maximum rates for all grains that may be charged by a public grain warehouseman: 0.1042 cents per bushel per day for storage; and seven cents per bushel for receiving and handling and seven cents per bushel for redelivering, not to exceed a combined total of 12 cents per bushel. There are no minimum rates.

6. The Commission further finds that licensees shall have the option of waiving the charge for receiving and handling grain if they take title to the grain. Each licensee shall establish the rates to be charged at each of his facilities by submitting an annual tariff to the Commission at the time of licensing on a form supplied by the Commission. The Commission shall allow amendments to the original tariff up to two times in any given calendar quarter, but no more than four times a year.

7. The Commission further finds that public grain warehouses may use their existing stock of warehouse receipts by stamping on the new rates. The Commission shall send out the tariff form to all public grain warehouses as soon as the form is completed. The completed tariff shall be mailed or sent electronically to the Commission and the effective date of the tariff is ten days from the date of mailing or sending electronically.

8. Following the filing of the initial tariff, each public grain warehouse shall file an annual tariff along with its annual application for a public grain warehouse license.

#### CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-43, specifically 49-43-7. Pursuant to SDCL 49-43-7, the Commission must fix just and reasonable rates for the handling, redelivering, and storage of grain. Each warehouseman is required to apply the rates in effect to all customers alike.

2. The Commission adopts the maximum rates and terms and conditions as stated in Findings of Fact 5 through 8, inclusive.

It is therefore

ORDERED, that the maximum rates and terms and conditions as stated in Findings of Fact 5 through 8, inclusive, are hereby adopted by the Commission.

NOTICE OF ENTRY OF ORDER

PLEASE TAKE NOTICE that this Order was duly entered on the 25<sup>th</sup> day of June, 1998. Pursuant to SDCL 1-26-32, this Order will take effect 10 days after the date of receipt or failure to accept delivery of the decision by the parties.

Dated at Pierre, South Dakota, this 25<sup>th</sup> day of June, 1998.

<b>CERTIFICATE OF SERVICE</b>	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelope, postage as prepaid thereon.	
By:	<u>M. Scott Fischbach</u>
Date:	<u>6/29/98</u>
	

BY ORDER OF THE COMMISSION:

James A. Burg  
JAMES A. BURG, Chairman

Pam Nelson  
PAM NELSON, Commissioner

Laska Schoenfelder  
LASKA SCHOENFELDER, Commissioner