

SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the) Schedule "A" and "E" Rates
Commission, on its own motion,)
seeking to determine)
reasonable A and E storage) ORDER SETTING SCHEDULE "A" AND
rates and charges for Public) "E" RATES
Grain Warehouses for the 2021-)
2022 storage year.) Entered: May 25, 2021

BY THE COMMISSION:

The above-captioned proceeding was opened by the Nebraska Public Service Commission ("Commission"), on its own motion, to fix reasonable storage rates for warehouse licensees. The Commission is charged by statute to not less than once a year hold a public hearing and fix reasonable storage rates for warehouse licensees. (NEB. REV. STAT. § 88-541).

The order opening the above-captioned docket and setting the hearing was entered on March 30, 2021 and mailed to all interested parties. Notice of the proceeding appeared in The Daily Record, Omaha, Nebraska, on April 1, 2021. A public hearing was held on May 4, 2021 in the Commission Hearing Room and via Webex.

E V I D E N C E

Terri Fritz, Grain Program Manager of the Grain Warehouse Department, testified on behalf of the Commission staff. Ms. Fritz stated that no comments were received by the industry regarding the current "A" and "E" rates.¹ Ms. Fritz stated the current maximum rate for handling and receiving is \$0.36 cents for all commodities. She explained that the handling fee is included in the storage rate.² Ms. Fritz further stated that the current maximum rate for storage is set at \$0.00165 cents per day for barley, corn, grain sorghum, millet oats, rye, sunflower seeds, wheat and the current maximum rate for storage is set at \$0.00187 for soybeans.³

Ms. Fritz explained that the number of warehouses has decreased since last year. She stated that there are currently 59 licensed warehouses, one of which is a schedule "E" fixed rate

¹ *Hrg. Transcript* 7:24 - 8:2 (May 4, 2021).

² *Id.* at 8:2 - 8:5.

³ *Id.* at 8:6 - 8:10.

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edible bean warehouse, where the rate is fixed and not variable.⁴ Later on, Ms. Fritz detailed that the decrease in the number of licensed warehouses from last year was due to mergers of several licensees as well as a few licensees terminating their operations.⁵ Schedule "A" rates would apply to the 58 remaining grain warehouses. Ms. Fritz testified that ten (10) of these grain warehouses currently have at least one or more commodities at the maximum storage rate. She also stated that three (3) of these grain warehouses are currently charging the maximum handling rate.⁶ Ms. Fritz noted that based on these figures of the licensed warehouses, 17% are at the maximum storage rate and 5% are at the maximum handling rate.⁷ Ms. Fritz recommended that due to her analysis of the current rates and the lack of input from the industry, the schedule "A" and "E" rates should remain unchanged for the 2021-2022 storage year.⁸

Finally, Mr. Brad Wilkins on behalf of Pride Grain made a statement. Mr. Wilkins explained that with the current commodity prices most elevators will completely empty out this upcoming summer and it would not make sense to increase the storage prices while attempting to replenish the storage amounts at this time. Mr. Wilkins added that in the future an increase in storage rates may be necessary to cover the costs associated with an increased demand for grain storage.⁹ Mr. Wilkins also stated that the insurance rates for the industry are substantially increasing. In response to Commissioner questions regarding the intricacies of a warehouseman's insurance coverage, Mr. Wilkins noted that it is commonplace for warehouseman to report the value of grain to their insurer every month. He further explained the grain examiners confirm that each warehouseman has supplied that information to their respective insurers during examinations.¹⁰

O P I N I O N A N D F I N D I N G S

In consideration of the evidence adduced, state law and the Rules of the Commission, the Commission finds that the Schedule "A" and "E" Rates as found in Appendix A should remain unchanged commencing May 25, 2021. The maximum rates for storage should

⁴ *Id.* at 8:11 - 8:14.

⁵ *Id.* at 10:9 - 10:21.

⁶ *Id.* at 8:15 - 8:22.

⁷ *Id.* at 8:23 - 9:1.

⁸ *Id.* at 9:2 - 9:5.

⁹ *Id.* at 11:18 - 22.

¹⁰ *Id.* at 12:23 - 13:20.

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remain at \$0.00165 per bushel per day on all grains and the maximum rate for storage of soybeans should remain at \$0.00187 per bushel per day. The Commission further finds that the current maximum on receiving, handling, and delivery charges should remain at \$0.36 per bushel.

With respect to Schedule "E," rates should remain at a maximum storage and insurance charge for dry edible beans not to exceed \$0.0039 per cwt., per day with receiving and delivering charges not to exceed \$0.15 per cwt. For popcorn storage, charges should remain at a maximum rate of \$0.0025 per cwt., per day with a maximum one time combined receiving and delivery charge of \$0.30 per cwt.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Schedule "A" and "E" Rates as shown in Appendix A of this order, be, and are hereby, entered for the period commencing May 25, 2021, with Schedules "A" and "E" Rates remaining in effect until further order of this Commission.

IT IS FURTHER ORDERED that a schedule of rates and charges as prescribed in Schedules "A" and "E" shall be posted in a conspicuous place in each warehouse and may not be changed except upon before, and approval by, the Commission, and such schedule of rates and charges, when adopted by a warehouseman, shall be the maximum rates and charges to all depositors of grain without discrimination in storage facilities, service, or gratuity. These charges shall be full compensation for receiving, handling, storing, delivering, and insuring such grain.

IT IS FURTHER ORDERED that the rates and charges herein prescribed be designated Schedules "A" and "E" Rates and are hereby made a part of the Order by reference, the same as though fully set forth in words and figures.

IT IS FINALLY ORDERED that this Order shall become effective as set forth in the foregoing findings and shall continue in full force and effect until further order of the Commission.

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ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 25th day of May, 2021

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Rob Johnson
Crystal Brander
Mary Kidden

Don Watson
Chair

ATTEST:

Michael S. Hyatt
Executive Director