

SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. GW-2185
of Pride Enterprises, Inc. dba)
Pride Grain, Long Pine,)
Nebraska, requesting a \$100,000) GRANTED
deductible on its stock)
insurance.)
) Entered: June 8, 2021

BY THE COMMISSION:

On May 27, 2021, Pride Enterprises, Inc. dba Pride Grain ("Pride Grain"), Long Pine, Nebraska filed a Grain Inventory Insurance Verification ("GIIV") form with the Nebraska Public Service Commission ("Commission") showing Pride Grain holds a policy with Nationwide Agribusiness Insurance Co. with a \$100,000 insurance deductible.

Minimum insurance coverage amounts are governed by Title 291, Chapter 8, Section 002.06C, which provides:

[A] warehousemen must maintain a policy or policies of combustion, fire, lighting, and tornado insurance in an amount sufficient to cover the total loss upon all grain in the licensed warehouse, as valued by the formula set forth in Subsection 002.08H2. Without in any way limiting the warehousemen's liability under this section, the warehousemen may carry a standard form of insurance policy approved for grain warehousemen, with a total deductible not to exceed \$10,000; provided that the Commission may require a lower deductible based on the warehousemen's financial condition. Any applicant or licensee seeking a deductible higher than \$10,000 will submit an application to the Commission for consideration.

Historically, when the Commission receives a GIIV form indicating a warehouseman has a policy with a deductible higher than the prescribed \$10,000, the requirement to file an application has been waived if the warehouseman has sufficient net worth and working capital to support an increase to the insurance deductible. A warehouseman must demonstrate and maintain an allowable net worth of \$0.25 per bushel for each bushel of licensed capacity and must maintain a minimum allowable net worth of \$10,000.¹ Pursuant to the Commission's rules regarding working capital a warehouseman's current liabilities to allowable current assets shall show a

¹ 291 NAC Ch. 8 §002.04A.

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working capital ratio of not less than 1 to 1. If a warehouseman's financial condition fails to meet this requirement, the warehouseman shall provide additional data that sufficiently satisfies the Commission that additional operating capital be obtained to meet the requirement.²

On April 21, 2020, the Commission entered an Order granting Pride Grain an increase in its insurance policy deductible to \$100,000.³ In that Order, the Commission held that if Pride Grain desired to retain the increased deductible for a subsequent license year, it must reapply for authority to do so. The May 27, 2021 GIIV form filed by Pride Grain shows a deductible on its policy higher than that which is prescribed in Commission Rule 002.06C. No application was filed by Pride Grain seeking approval for a higher deductible on its policy. The Commission's most recent financial review of Pride Grain was conducted and based on Pride Grain's May 31, 2020 financial statement.

Based on the most recent financial review conducted by Commission staff, it appears Pride Grain has sufficient net worth and working capital to support an increase to the insurance deductible.

In consideration of the information provided to the Commission finds the increase in Pride Grain's deductible should be granted. Further, the Commission the requirement that an application be filed in order to seek a deductible higher than that described in Commission Rule 002.06C should be waived. Should Pride Enterprises, Inc. dba Pride Grain, desire to retain such increased deductible for a subsequent license year, it must reapply for authority to do so from this Commission.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Pride Enterprises, Inc. dba Pride Grain, Long Pine, be, and is hereby granted authority to increase its insurance deductible to \$100,000.

IT IS FURTHER ORDERED that the requirement that an application be filed for Pride Enterprises, Inc. dba Pride Grain, to seek a

² 291 NAC Ch. 8 §002.04B.

³ See *In the Matter of the Application of Pride Enterprises, Inc. dba Pride Grain, Long Pine, Nebraska, requesting a \$100,000 deductible on its stock insurance*, Order Granting (Entered: April 21, 2020).

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higher deductible than prescribed in Commission Rule 002.06C be, and is hereby, waived.

IT IS FURTHER ORDERED that should Pride Enterprises, Inc. dba Pride Grain, desire to retain such increased deductible for a subsequent license year, it must reapply for authority to do so from this Commission.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 8th day of June, 2021

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Rod Johnson
Crystal Swader
Mary Keddin
Tim Schram

Don Watson
Chair

ATTEST:

Michael S. Hyatt
Executive Director