

SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. GW-852
of Country Partners Cooperative,)
Gothenburg, Nebraska, requesting)
a \$25,000 deductible on its) GRANTED
stock insurance.)
)
) Entered: February 23, 2022

BY THE COMMISSION:

On January 10, 2022, Country Partners Cooperative ("Applicant" or "Country Partners"), Gothenburg, Nebraska filed an application requesting a \$25,000 deductible on its stock insurance. Notice of the application was published in The Daily Record, Omaha, Nebraska, on January 12, 2022.

On January 3, 2022, Applicant filed a Grain Inventory Insurance Verification ("GIIV") form with the Nebraska Public Service Commission ("Commission") showing it holds a policy with Austin Mutual Insurance Company with a \$25,000 insurance deductible effective until December 1, 2023.

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

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.

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

¹ 291 NAC Ch. 8 §002.04A.

SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

Application No. GW-852

Page 2

the Commission's rules regarding working capital a warehouseman's current liabilities to allowable current assets shall show a 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 February 2, 2021, the Commission entered an Order granting Country Partners an increase in its insurance policy deductible to \$25,000.³ In that Order, the Commission held that if Country Partners desired to retain the increased deductible for a subsequent license year, it must reapply for authority to do so. The January 3, 2022, GIIV form filed by Country Partners shows a deductible on its policy higher than that which is prescribed in Commission Rule 002.06C. In its filed application, Country Partners stated that the company has the financial capability to handle a higher deductible than \$10,000. The Commission's most recent financial review of Country Partners was conducted and based on Country Partners' September 30, 2021 financial statement.

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

Based on the foregoing finds, the Commission finds the application of Country Partners Cooperative, Gothenburg, Nebraska requesting a \$25,000 deductible in its stock insurance should be granted. Further, the Commission finds that should Country Partners Cooperative, Gothenburg, Nebraska, 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 Country Partners Cooperative, Gothenburg, Nebraska be, and is hereby granted authority to increase its insurance

² 291 NAC Ch. 8 §002.04B.

³ See *In the Matter of the Application of Country Partners Cooperative, Gothenburg, Nebraska, requesting a \$25,000 deductible on its stock insurance*, Order Granting (Entered: February 2, 2021).

SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

Application No. GW-852

Page 3

deductible to \$25,000 for its policy effective until December 1, 2023.

IT IS FURTHER ORDERED that should Country Partners Cooperative, 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 23rd day of February, 2022

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Rod Johnson
Crystal Brader
Mary Kidden
Tim Schram

Don Watson
Chair

ATTEST:

Thomas W. Golden
Executive Director