


STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

MEMORANDUM

TO: Commissioners Kalk, Christmann, and Fedorchak
Darrell Nitschke
Illona A. Jeffcoat-Sacco

FROM: Sue Richter – Licensing Division 

DATE: October 7, 2014

RE: Southam Elevator Company
Public Grain Warehouse License Suspension

The grain warehouse bond for Southam Elevator Company is scheduled to expire on October 31, 2014. North Dakota Century Code section 60-02-09.1 provides that unless the warehouseman files a new bond at least thirty days before liability ceases, the Commission, without hearing, shall immediately suspend the warehouseman's license and the suspension may not be removed until a new bond has been filed and approved by the Commission.

As of September 30, 2014, a replacement bond was not filed with the Commission and the license of Southam Elevator Company was suspended effective October 1, 2014. On September 30, 2014, Staff mailed suspension notices along with a memorandum listing the statutory compliance Southam Elevator Company must follow while their license is suspended.

On October 6, 2014, a grain warehouse inspector was at Southam Elevator Company. The inspector verified the suspension notices were posted and examined the company records.

Southam Elevator Company has a grain inventory of approximately \$169,000. All grain is company owned, except 1,348.91 bushels of barley on warehouse receipts valued at \$3,700. Southam Elevator Company provided required written notice to the receipt holder that the grain must be redelivered or sold by October 31, 2014, the projected date of license revocation.

On October 6, 2014, the Commission received a request from Southam Elevator Company to remove the grain from the warehouse to satisfy warehouse receipts.

Staff recommends the Commission approve Southam Elevator Company's request to operate the warehouse to redeliver grain to satisfy warehouse receipts.

Attached are a motion and order reflecting the suspension of the grain warehouse license of Southam Elevator Company. The order sets forth compliances for the licensee. Southam Elevator Company has until October 30, 2014, to procure and file an adequate bond or submit a written request for hearing or the license of Southam Elevator Company will be revoked effective October 31, 2014. Also attached are a motion and order authorizing Southam Elevator Company to operate the warehouse to redeliver grain to satisfy warehouse receipts.

If you have any questions, please let me know.

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Attachments