

PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA

MEMORANDUM

TO: Commissioners Fedorchak, Christmann and Kalk
Darrell Nitschke
Legal Division

FROM: Sue Richter - Licensing Division Director



DATE: August 29, 2016

RE: Warehouse License
Paterson Grain, LLC – Bottineau, ND

On August 15, 2016, Paterson Grain, LLC of Winnipeg, Manitoba, filed a license application to operate a 3,521,000 bushel grain warehouse at Bottineau, North Dakota. Paterson Grain, LLC is nearing completion of its Burlington Northern Santa Fe shuttle-train loader facility in Bottineau and anticipates this warehouse will be ready to receive grain by the end of September 2016.

This grain warehouse consists of 2,012,000 bushels of permanent storage and a 1.5 million bushels of bunker (semi-permanent) storage. Paterson Grain, LLC projects it will purchase 10 million bushels of grain annually at this warehouse.

Paterson Grain, LLC filed with its license application a \$1,072,000 grain warehouse bond. Under North Dakota Admin. Code section 69-07-02-02, a required minimum bond is determined by the licensee's total physical capacity licensed in the state, the length of time the licensee has been licensed, the licensee's annual grain purchase volume, and the licensee's scale ticket conversion policy.

Paterson Grain, LLC also filed with its license application, a policy that provides for conversion of scale tickets within 10 days of grain being delivered. This conversion policy reduces the required bond by 30% and the required minimum bond for Paterson Grain, LLC is \$778,050.

In January 2016, the Commission approved Paterson Grain, LLC's license application to operate as a roving grain buyer in North Dakota for the purpose of soliciting grain for delivery to its new facility in Bottineau once construction was completed. On January 20, 2016 roving grain buyer license number 3219 was issued to Paterson Grain, LLC and in July 2016, roving grain buyer license number 3219 was renewed.

Paterson Grain, LLC notified the Commission it has not operated as a grain warehouseman in North Dakota. Statutory compliance has been met and Staff recommends a grain warehouse license be issued to Paterson Grain, LLC. A corresponding motion and order are attached.

skr
Attachments

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