FORM 5, BFM 50.10

ADMINISTRATIVE PROCEDURES ACT
FISCAL NOTE
Prepared by Submitting Agency

	CODE	NAME
DEPARTMENT	26	Public Utilities Commission
DIVISION	2610	Public Utilities Commission
PROGRAM	261032	Fixed Utilities

PROPOSED RULE: §§ 20:10:22:05, 20:10:36:02, 20:10:17:06, 20:10:17:07, 20:10:17:08, 20:10:17:09, 20:10:17:09.01, 20:10:17:09.02, and 20:10:38:01 to 20:10:38:07, inclusive.

Hearing Date: November 9, 2011, 9:00 a.m. Room 413, State Capitol Building, 500 E Capitol, Pierre, SD

FISCAL IMPACT STATEMENT:
Brief description of fiscal impact; Pursuant to 1-26-402, these rules have minimal impact to state agencies and local subdivisions. The Commission is unable to determine the fiscal impact for small businesses. See attached explanation.

FISCAL NOTE SUMMARY:
List state agencies of local governmental subdivisions affected.

COST INCREASES (DECREASES)

State Agencies:	First-Year Impact	Continuous-Yearly Impact
TOTAL	0	0
Local Subdivisions:		
TOTAL	0	0
Small Business Increases (Decreases)		
TOTAL	0 for state agencies and local subdivisions; unable to determine for small businesses	0 for state agencies and local subdivisions; unable to determine for small businesses

REVENUE INCREASES (DECREASES)

Revenue Increases (Decreases) State, Local & Small Business :		
TOTAL	0 for state agencies and local subdivisions; unable to determine for small businesses	0 for state agencies and local subdivisions; unable to determine for small businesses

APPROVED Gary Hanson *DATE* October 12, 2011
Signature Department Secretary or Board or Commission Chairman

ATTACH: Copy of proposed rules; separate sections for: 1) explanation of rules effect, i.e. what procedures, schedules, activities, etc. will change with its adoption 2) statistics used, and their source, 3) assumptions that were made to arrive at fiscal impact, 4) computations that were made, and 5)small business impact statement

Revised June 2004

EXPLANATION OF RULES EFFECT

For rule 20:10:22:05, there is no fiscal impact since the changes only correct statutory citations. For rule 20:10:36:02, there is no fiscal impact since the change is to correct an error by changing a statutory citation from SDCL 49-34B-1 to SDCL 49-34A-1.

Rules 20:10:17:06 through 20:10:17:09.02 are existing gas and electric customer billing rules. The changes revise how refunds and charges are calculated and assessed for gas or electric meters that are subject to meter errors. The utilities affected by these rules are the investor-owned gas and electric utilities and these utilities do not qualify as small businesses. It is possible that a small business, local subdivision, or state agency served by an investor-owned utility may be affected by the revisions to the timeframe for overcharges and undercharges if that entity is subject to an overcharge or undercharge for a meter error and the date of the error cannot be determined with reasonable certainty. However, any overall impact would be minimal as this type of situation would be infrequent.

Rules 20:10:38:01 to 20:10:38:07 comprise a new chapter of rules involving renewable energy credits and renewably, recycled, and conserved energy. Pursuant to SDCL 49-34A-101, the Commission is given the authority to establish rules regarding the measurement of conserved energy for purposes of achieving the states' voluntary 10% renewable, recycled, and conserved energy objective. The objective applies to retail providers of electricity. If a retail provider of electricity that is a small business chooses to use conserved energy resources as one of the ways to meet the voluntary objective, the retail provider would be required to measure the conserved energy in accordance with the proposed rules. Measurement and evaluation of energy efficiency and demand response measures can result in costs to a provider of electricity that is a small business. These costs will vary dramatically depending on what measures are adopted and what methods the provider uses to evaluate these measures. For example, the use of relatively simple energy efficiency measures can be measured using a deemed savings approach which uses pre-determined energy savings estimates. The costs of using a deemed savings approach would differ from the costs of using a measured savings approach. Also, a provider may choose not to implement any energy efficiency or demand response measures and therefore will not be subject to any costs. In addition, if a provider chooses to implement energy efficiency and demand response measures, these measures can result in overall decreased costs for the provider. For example, the use of energy efficiency and demand response measures can result in the provider not having to run expensive generation, especially during times of peak energy use. In addition, in the long term, these measures can result in a utility not having to build additional generation facilities due to the decreased demand caused by the implementation of energy efficiency and demand response measures. Thus, the Commission is unable to determine if there will be any cost or revenue increases or decreases. Rule 20:10:38:07 regards the reporting of renewable energy credits information to the Commission. A provider who is involved in retiring renewable energy credits will likely have this information. Thus, any costs should be minimal.