

FORM 14

SMALL BUSINESS IMPACT STATEMENT FORM

See SDCL 1-26-2.1

(NOTE: This form must be signed by either the head of the agency or the presiding officer of the board or commission empowered to adopt the rules. Check your statutes to see who is authorized to promulgate rules. A small business is defined as any business with 25 or fewer full-time employees. When a set of rules is proposed, a general summary shall be provided; each proposed rule amendment shall also be explained thoroughly. In the case of a large set of proposed rules which all have a single purpose and impact, one explanation is sufficient. The law makes it clear that agencies or commissions shall use readily available information and existing resources to prepare the impact statement.)

1. Our agency has determined that the rule/s we are proposing have the following type of impact on small businesses:
 - Direct impact *(please complete remainder of form)*
 - Indirect impact *(please provide a brief explanation, then sign, date, and submit form. Questions 2 through 8 do not need to be answered)*
 - No impact *(please provide a brief explanation, sign, date, and submit form - Questions 2 through 8 do not need to be answered)*

2. A general narrative and overview of the effect of the rule(s) on small business - written in plain, easy to read language:

A small business that seeks to interconnect a small generator facility to electric transmission and distribution systems of public utilities would be affected by the proposed rules. A small generator facility is a facility designed for the production of electrical energy that has an electric nameplate capacity of ten megawatts or less. The proposed rules establish uniform procedures, standards, requirements, costs, and responsibilities for a small generator facility to interconnect with the electric systems of public utilities.

Without the rules, a small business seeking interconnection would still be required to follow each utility's internal interconnection procedures and would still be required to pay for interconnection costs. The rules are designed to make the interconnection process more transparent, uniform, and streamlined. The rules should make it easier for small generator facilities to know what the requirements are for interconnection. Time frames for responding to applications are included to ensure that a utility promptly responds to an interconnection request.

3. What is the basis for the enactment of the rules(s)?
- Required to meet changes in federal law
 - Required to meet changes in state law
 - Required solely due to changes in date (i.e. must be changed annually)
- Other:

The PUC was required by both federal and state law to *consider* adopting interconnection rules. The PUC subsequently decided it would adopt interconnection rules and these rules are the result of that decision.

4. Why is the rule(s) needed?

The interconnection rules are needed to make the interconnection of small generator facilities more streamlined and uniform across the state.

5. What small businesses or types of small businesses would be subject to the rule?

A small business that wanted to interconnect a small generator facility to a public utility would be subject to the rules.

6. Estimate the number of small businesses that would be subject to the rule.
- 1-99
 - 100-499
 - 500-999
 - 1,000-4,999
 - More than 5,000
 - Unknown - please explain
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7. Are small businesses required to file or maintain any reports or records under this rule?

Yes No

a. If "yes," how many reports must a small business submit to the state on an annual basis?

b. If "yes," how much ongoing recordkeeping within the business is necessary?

c. If "yes," what type of professional skills would be necessary to prepare the reports or records?

- The average owner of a small business should be able to complete the reports and/or records with no assistance
- It is likely that a bookkeeper for a small business should be able to complete the reports and/or records

- It is likely that a small business person would need the assistance of a CPA to complete the reports and/or records
- It is likely that a small business person would need the assistance of an attorney to complete the reports and/or records
- Other

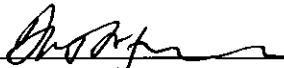
Unknown - please explain

8. Are there any less intrusive or less costly methods to achieve the purpose of the rule (i.e. fewer reports, less recordkeeping, lower penalties)?
- No - please explain _____

The rules are designed to be fair to both the public utility and the owner of the small generator facility and to make the interconnection process more streamlined and uniform.

Yes - please explain _____

4/13/07
Dated


Authorized Signature

Public Utilities Commission
Name of Agency