

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:

The South Dakota Public Utilities Commission's (Commission) proposed pipeline safety rules establish uniform procedures and standards for pipeline safety inspections and the enforcement of pipeline safety standards. The rules set forth the procedures and standards regarding inspections of pipeline facilities that are subject to the jurisdiction of the Commission. The rules set forth the procedures for inspections, the handling of inspection reports, and the handling of possible violations of pipeline safety standards. See 20:10:37:04 through 20:10:37:09. The rules also address the procedures and standards for reporting and investigating incidents. See 20:10:37:10 through 20:10:37:16. An incident is an event that the pipeline operator must report to the Commission, such as a release of gas that causes personal injury or property damage. See 20:10:37:01(2). The proposed rules also require a pipeline operator to notify the Commission of the sale of a jurisdictional pipeline facility (20:10:37:17), set forth notice requirements for transmission line construction (20:10:37:18), and require the submission of the annual report the pipeline operator is required to submit to federal authorities (20:10:37:19).

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 basis for the enactment of the proposed rules is to let pipeline operators know the procedures, obligations and standards that will be followed for pipeline inspections and how pipeline incidents will be handled.

4. Why is the rule(s) needed?

The rules are needed so that pipeline operators are aware of the procedures for pipeline inspections and the handling of pipeline incidents. The rules set forth the obligations of the Commission's pipeline inspectors and pipeline operators. The result of the rules will be that the handling of inspection and incidents will be subject to clear standards and procedures.

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

A small business that has a pipeline that is subject to the Commission's pipeline safety jurisdiction would be subject to the proposed rules. The Commission currently inspects intrastate operators of natural gas transmission pipelines, natural gas distribution pipelines, natural gas master meter pipelines, and propane pipelines.

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 _____

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?

The rules require two new notifications to be made to the Commission. The first is notification of new transmission line construction. *See* 20:10:37:17. The second is notification of a change in ownership. *See* 20:10:37:18. The other reporting and recordkeeping requirements referenced in the rules are already required.

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

A pipeline operator would already keep records of changes in ownership or new transmission line construction. The only new duty would be to report these to the Commission.

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 new requirements only require notification, not lengthy reports.

Yes - please explain _____

7/27/09
Dated


Authorized Signature

PUBLIC UTILITIES COMMISSION
Name of Agency