

1 SB35
2 145096-1
3 By Senators Fielding, Waggoner, and Whatley
4 RFD: Commerce, Transportation, and Utilities
5 First Read: 05-FEB-13
6 PFD: 01/02/2013

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8 SYNOPSIS: This bill would authorize a small private
9 water system purchasing water from a municipal
10 water system in a Class 8 municipality to elect to
11 be exempt from regulation of the Public Service
12 Commission and subject to regulation by the
13 municipality.

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15 A BILL
16 TO BE ENTITLED
17 AN ACT

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19 To add Section 37-4-2.1 to the Code of Alabama 1975,
20 to authorize a small private water system utility which
21 purchases water from a municipal water system in a Class 8
22 municipality to elect to be exempt from regulation of the
23 Public Service Commission and subject to regulation by the
24 municipality from which it purchases its water.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. Section 37-4-2.1 is added to the Code of
27 Alabama 1975, to read as follows:

1 §37-4-2.1.

2 Notwithstanding any other provision of law, any
3 private water system utility which serves less than 1,000
4 customers and purchases its water from a municipal water
5 system in a Class 8 municipality may elect to be exempt from
6 all regulation of the Public Service Commission and subject to
7 regulation by the municipality from which it purchases its
8 water in the manner set forth in this section. An initial
9 election under this section shall be effective upon filing of
10 a written notification to the Public Service Commission and
11 the municipality, and shall remain effective until and unless
12 revoked in the same manner. Any private water system utility
13 making an election under this section may maintain its rates
14 and charges which are in effect at the time of the election
15 without further approval from the municipality. The
16 municipality shall thereafter approve any changes in rates and
17 charges for the private water system utility that are fair,
18 just, and reasonable to the water system and the customers.
19 Approval of the changes may be set forth in a water purchase
20 agreement between the private water system and the
21 municipality, or by other written means, and may allow for
22 prospective rate adjustments based on specified criteria.

23 Section 2. This act shall become effective
24 immediately following its passage and approval by the
25 Governor, or its otherwise becoming law.