

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

1 SB35

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4 ENROLLED, An Act,

5 To add Section 37-4-2.1 to the Code of Alabama 1975,  
6 to authorize a small private water system utility which  
7 purchases water from a municipal water system in a Class 8  
8 municipality to elect to be exempt from regulation of the  
9 Public Service Commission and subject to regulation by the  
10 municipality from which it purchases its water.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

14 §37-4-2.1.

15 Notwithstanding any other provision of law, any  
16 private water system utility which serves less than 1,000  
17 customers and purchases its water from a municipal water  
18 system in a Class 8 municipality may elect to be exempt from  
19 all regulation of the Public Service Commission and subject to  
20 regulation by the municipality from which it purchases its  
21 water in the manner set forth in this section. An initial  
22 election under this section shall be effective upon filing of  
23 a written notification to the Public Service Commission and  
24 the municipality, and shall remain effective until and unless  
25 revoked in the same manner. Any private water system utility

1 making an election under this section may maintain its rates  
2 and charges which are in effect at the time of the election  
3 without further approval from the municipality. The  
4 municipality shall thereafter approve any changes in rates and  
5 charges for the private water system utility that are fair,  
6 just, and reasonable to the water system and the customers.  
7 Approval of the changes may be set forth in a water purchase  
8 agreement between the private water system and the  
9 municipality, or by other written means, and may allow for  
10 prospective rate adjustments based on specified criteria.

11 Section 2. This act shall become effective  
12 immediately following its passage and approval by the  
13 Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB35  
Senate 16-APR-13  
I hereby certify that the within Act originated in and passed  
the Senate.

Patrick Harris  
Secretary

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House of Representatives  
Passed: 07-MAY-13

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By: Senator Fielding