

1 SB182
2 196159-1
3 By Senator Chambliss
4 RFD: Governmental Affairs
5 First Read: 02-APR-19

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8 SYNOPSIS: Under existing law, a private water system
9 utility that serves less than 1,000 customers and
10 purchases its water from a municipal water system
11 in a Class 8 municipality may elect to be exempt
12 from all regulation of the Public Service
13 Commission and shall instead be subject to
14 regulation by the municipality from which it
15 purchases its water.

16 This bill would provide that in order for
17 such a private water system utility to become
18 exempt from all regulation by the Public Service
19 Commission, the private water system utility must
20 first file a petition with and obtain approval from
21 the municipality, and the approval must be sent to
22 the Public Service Commission.

23
24 A BILL
25 TO BE ENTITLED
26 AN ACT
27

1 Relating to public water utilities; to amend Section
2 37-4-2.1, Code of Alabama 1975, to provide further for the
3 regulation of certain private water system utilities in Class
4 8 municipalities.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. Section 37-4-2.1, Code of Alabama 1975,
7 is amended to read as follows:

8 "§37-4-2.1.

9 "(a) Notwithstanding any other provision of law, any
10 private water system utility ~~which~~ that serves less than 1,000
11 customers and purchases its water from a municipal water
12 system in a Class 8 municipality, upon petition to and
13 approval from the municipality from which it purchases its
14 water, may elect to be exempt from all regulation of the
15 Public Service Commission and subject to regulation by the
16 municipality from which it purchases its water in the manner
17 set forth in this section.

18 "(b) An initial election under this section shall be
19 effective upon ~~filing of a written notification to the Public~~
20 ~~Service Commission and the municipality~~ approval of a
21 resolution by the municipality and upon submission of the
22 approval to the Public Service Commission., ~~and~~ The election
23 shall remain effective until and unless ~~revoked in the same~~
24 ~~manner~~ the approval of the municipality, by resolution, is
25 revoked, and the revocation is submitted to the Public Service
26 Commission.

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

12 Section 2. This act shall become effective on the
13 first day of the third month following its passage and
14 approval by the Governor, or its otherwise becoming law.