

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

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

House of Representatives
Passed: 07-MAY-13

By: Senator Fielding