

1 SB95  
2 204285-2  
3 By Senator Chambliss  
4 RFD: Governmental Affairs  
5 First Read: 04-FEB-20

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

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

A BILL  
TO BE ENTITLED  
AN ACT

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           "(d) Any private water system utility that has not  
13 previously followed the procedure provided in this section  
14 shall be regulated by the Public Service Commission."

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