

**SB137 ENROLLED**



1 SB137  
2 MDPSWHW-2  
3 By Senator Waggoner  
4 RFD: State Governmental Affairs  
5 First Read: 06-Feb-25



## SB137 Enrolled

1 Enrolled, An Act,

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3  
4 Relating to privately owned sewer and wastewater  
5 systems; to authorize and provide a procedure for certain  
6 private sewer or wastewater systems not subject to regulation  
7 of the Public Service Commission to elect to consolidate with  
8 certain private systems that are currently under the  
9 jurisdiction of the Public Service Commission.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. For the purposes of this act the following  
12 terms have the following meanings:

13 (1) AFFILIATED SYSTEM. A sewer or wastewater system  
14 that is both under common ownership and control with a  
15 regulated sewer or wastewater entity and not subject to the  
16 jurisdiction of the Public Service Commission as of the  
17 effective date of this act.

18 (2) COMMON OWNERSHIP OR CONTROL. Ownership, directly or  
19 through one or more affiliates, of 50 percent or more of the  
20 shares of stock entitled to vote for the election of  
21 directors, in the case of a corporation, or 50 percent or more  
22 of the voting equity interests in the case of any other type  
23 of legal entity, or status as a general partner in any  
24 partnership, or any other arrangement whereby an entity  
25 controls or has the right to control the selection of 50  
26 percent or more of the board of directors, managing members,  
27 or equivalent governing body of a legal entity. An "affiliate"  
28 under the preceding sentence means any corporation, limited



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liability company, partnership, or other legal entity that directly or indirectly controls or is controlled by or is under common control with such entity.

(3) REGULATED SEWER OR WASTEWATER ENTITY. A privately owned sewer or wastewater management entity subject to the rate jurisdiction of the Public Service Commission as of the effective date of this act. The term includes, but is not limited to, any of the following:

a. A privately owned and operated wastewater system, as defined in Section 22-25B-1, Code of Alabama 1975, that is required by Chapter 25B, Title 22, Code of Alabama 1975, to be operated and maintained by a wastewater management entity certified by the Public Service Commission.

b. Any system subject to the jurisdiction of the Public Service Commission pursuant to Section 58-11.21(b) of the Constitution of Alabama of 2022.

Section 2. (a) An affiliated system may elect to become subject to the regulatory jurisdiction of the Public Service Commission by filing a notice with the commission.

(b) The Public Service Commission shall certify and regulate an affiliated system making an election under this section in accordance with Title 37, Code of Alabama 1975, and in arriving at a valuation of the property of an affiliated system, the Public Service Commission shall give due consideration to the private utility's property, original cost to the affiliated system, cost of reproduction as a going concern when original cost is not available, and other elements of value recognized by law for rate-making purposes



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as outlined in Section 37-4-17, Code of Alabama, 1975.

(c) An affiliated system making an election under this section shall continue to charge the rates in effect at the time of election, and which rates shall continue force and effect until the rates established by the Public Service Commission are finalized and effective.

(d) In establishing prospective rates and rate structures for an affiliated system, the Public Service Commission shall consider both the affiliated system and regulated systems' capital expenditures and operating expenses together as a whole to determine a single rate structure and rate amounts for all customers of such combined entity, except to the extent the commission finds adjustments are necessary due to pre-existing obligations or other circumstances unique to a particular area served.

Section 3. An affiliated system making an election under Section 2 shall be subject to the fees established by the Public Service Commission for wastewater management entities under Section 22-25B-7, Code of Alabama 1975.

Section 4.(a) Nothing in this act shall infringe upon or replace the authority granted to the Jefferson County Board of Health pursuant to Act No. 659 (1978).

(b) This act shall not apply in any county that has a local constitutional amendment authorizing the regulation of wastewater utilities, except to the extent this act would be permitted under such constitutional amendment.

(c) Except as specifically provided, this act is supplemental to all other laws and administrative rules and is



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85 not intended to repeal or replace any existing statute except  
86 to the extent that there is a direct conflict. In such case,  
87 this act shall control.

88 Section 5. This act shall become effective on October  
89 1, 2025.



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\_\_\_\_\_  
President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB137

Senate 05-Mar-25

I hereby certify that the within Act originated in and passed  
the Senate.

Patrick Harris,  
Secretary.

\_\_\_\_\_  
House of Representatives

Passed: 01-Apr-25

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By: Senator Waggoner