

Alaska State Legislature

Session:
State Capitol, Room 30
Juneau, AK 99801-1182
Phone: (907) 465-3873



Interim:
P.O. Box 1441
Wrangell, AK 99929
Phone: (907) 874-2318

Senator Robin Taylor District A

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Contact: Sen. Robin Taylor, (907) 465-3873

Senate Shores Up Four Dam Pool Agency

(JUNEAU) – The Alaska Senate unanimously passed a bill on Wednesday that would resolve legal issues remaining from last year’s sale of the Four Dam Pool.

The hydroelectric facilities at Tyee Lake, Swan Lake, Solomon Gulch and Terror Lake, known as the Four Dam Pool, were sold to the communities they serve under the direction of the 21st Legislature. The communities and utilities formed a Joint Action Agency (JAA) to own the pool projects.

During the legal review of this new organization, questions were raised concerning the JAA’s legal status, its powers, and its relationship with the member utilities. Senate Bill 84, sponsored by Sen. Robin Taylor (R-Wrangell) would resolve these issues so that the sale of the Four Dam Pool projects can be completed as envisioned by the Legislature.

“One of the benefits of this sale is funding a Power Cost Equalization endowment with the proceeds,” said Taylor. “Without this bill, the endowment can not be created, and PCE will be in jeopardy.”

The bill clarifies the JAA’s status with regard to taxes, regulation, and its relationship with the member utilities. SB 84 would:

- Grant the JAA the eminent domain powers key to allowing it to be classified as a government entity for federal tax purposes, enabling the JAA to issue tax-exempt bonds and otherwise operate on a tax-exempt basis.
- Exempt the JAA from state and local taxation.
- Give the JAA a separate and distinct legal existence from its member utilities, preventing claims against the agency from being asserted against its members.
- Keep the JAA exempt from Regulatory Commission of Alaska oversight, as all but one of its member utilities are exempt.

“The sale of the Four Dam Pool provided the opportunity for local utilities to lower power costs for their communities through ownership of the hydroelectric facilities,” said Taylor. “SB 84 will remove the last few barriers to the successful completion of this goal.”

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