

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

Taylor Pleased Four Dam Pool Sale Moving Forward

(JUNEAU) – Sen. Robin Taylor (R-Wrangell) announced on Wednesday that the sale of the Four Dam Pool approved by the 21st Alaska Legislature can now be completed.

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 last year. 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. Sen. Robin Taylor (R-Wrangell) introduced Senate Bill 84 to resolve these issues. With the signature of the governor yesterday, SB 84 now becomes law and the sale can proceed.

The JAA's status with regard to taxes, regulation, and its relationship with the member utilities is now clarified. With these changes the Alaska Statutes that affect the JAA will now:

- 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. “I am pleased that we have removed the last barrier to this goal.”

With the completion of this sale, some of the proceeds will be placed in an endowment to provide funding for the Power Cost Equalization Program.

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