

their entire case and all supporting data verified by an independent certified public accountant at the time a rate increase is filed. The data supplied by the companies under our new regulations will eliminate the need for extended field investigations as a part of rate cases. It was the field investigations which caused much of the delays in processing rate cases, and piled up the backlog. We shall, of course, check the books of pipeline companies periodically to assure compliance with the Uniform System of Accounts but these checks will not delay the processing of rate cases.

We have also made more extensive use of prehearing conferences to clarify the issues and, where possible, to eliminate immaterial or peripheral issues, thus simplifying and materially expediting formal hearings.

A significant step in increasing the efficiency of our field operations has been the creation of a field office in Houston, Tex., which we established to strengthen supervision over our personnel in the area and to serve as a clearinghouse for problems of the small independent producers in the Southwestern United States.

On the electric power side, the Commission has also been working hard and has a record of achievements.

Perhaps our major accomplishment to date is the national power survey we are conducting to encourage the voluntary interconnection and coordination of the Nation's power systems on a regional and interregional basis. For the first time in a decade the Commissioner is exercising leadership in the mainstream of the activity of the industry and in my judgment is making a major contribution toward progress in the industry. The Commission's objectives are to stimulate the Nation's power systems to more efficient operations in the years ahead so as to provide lower rates to consumers. The survey has already resulted in many new interties and joint projects between companies and has provided a forum in which all segments of the industry can work together to improve the use of America's power resources.

The Commission is working closely with over 100 of the leading experts, representing all segments of the electric power industry, who are serving on various advisory committees. For the first time in history representatives of the public, private, cooperative, and Federal power systems are working together in these committees under FPC leadership to take advantage of the opportunities of modern-day technology, by joint plans for the use of large generating units tied together with high voltage transmission lines.

The survey is not intended as a basis for dictating to the various companies in the industry what kind of generating units they should buy, what systems should own and operate them, where they should be located or how they should be integrated for service to the region and Nation. Rather, the purpose is to suggest the general plant location areas and intertie and integration arrangements which the utilities can follow up on their own, with such variations as more particular investigations and changing circumstances may disclose to be necessary. The most important contribution of the survey is the broadening of industry perspective by introducing into every industry decision on building additional generating and transmission facilities the question of whether every possibility for coordination and joint planning of facilities has been fully explored in the national interest.

Another central activity of the Federal Power Act that the new Commission has invigorated is electric rate regulation. When the present members of the Commission took office the Commission's electric rate regulation functions were practically nonexistent. There were only four professional people engaged in electric rate work. The Commission took immediate action to build up the electric rate staff within the limits of existing manpower. We are now seeking funds to enlarge the staff to the minimum required to carry out effective regulation of the wholesale rates of the public utilities in interstate commerce. This work is of great importance to insure that the cost savings of operating in larger power pools which the national power survey is encouraging are passed on to the public.

The Commission has taken action to speed the processing of applications for licenses for hydroelectric projects and in the last 6 months of 1962 licenses were issued for projects whose construction will add \$260 million to stimulate the Nation's economy.

We have also made progress in an area where we can show tangible benefits for the U.S. Treasury. We have developed a simplified formula for collecting the money owned the Federal Government from downstream hydroelectric projects that benefit from upstream Federal developments. In this fiscal year, we are