Colonel SEIDEL. That is correct.

Mr. HARSHA. An interest rate of 3⅛ percent?

Colonel SEIDEL. That is correct, sir.

Mr. HARSHA. Now, the President in his 1969 budget said interest rates used here for project evaluations would be more realistic. How much would it cost, the annual increase to bring the estimates, the current price up?

Colonel SEIDEL. Sir, may I supply that for the record?

Mr. HARSHA. All right.

(The information follows:)

Using a discount rate of 4¾ percent, which approximates the rate now in use, the overall benefit-cost ratio would still be favorable. Total average annual benefits would be about $6,600,000 and total average annual costs would be about $4,500,000, resulting in a benefit-cost ratio of 1.5.

Mr. HARSHA. How much will the annual cost be increased when you bring the interest rates up to more realistic interest rates?

Colonel SEIDEL. The interest rates we are using today is 3¼ percent in accordance with Senate Document 97.

Mr. HARSHA. 3¼ percent?

Colonel SEIDEL. Yes, sir. It would be a rather small change.

Mr. HARSHA. I thought you just told me you use 3⅛ percent.

Colonel SEIDEL. Yes, sir; I was indicating the new level that we use today, the increase from 3⅛ to 3¼.

Mr. HARSHA. Is this figure of 3¼ or 3⅛?

Colonel SEIDEL. The figure you have today is 3⅛.

Mr. HARSHA. Will you provide it for the record, what the increase will be?

Colonel SEIDEL. Yes.

(The information follows:)

Based on this interest rate and 1968 price levels, annual project costs are estimated at $4,218,000.

Mr. HARSHA. Can you tell us what the borrowings are now on long-term notes?

Colonel SEIDEL. No, sir; I cannot.

Mr. HARSHA. Well, is it in excess of 4.5 percent?

Colonel SEIDEL. I do not know.

Mr. HARSHA. Will you provide the same corresponding figures for the record for the power features of the project?

Colonel SEIDEL. Yes, sir.

(The information follows:)

Annual costs allocated to power based on a 3¼% interest rate and 1968 price levels are estimated at $1,191,000 or an increase of about $162,000.

Mr. HARSHA. Now, the Federal Power Commission, as I understand it, stated there has been no showing of financial feasibility. Is that an accurate statement of their position on it?

Colonel SEIDEL. Sir, not to our knowledge. They found that the project was financially feasible.

Mr. HARSHA. Well, apparently I have different information but I will straighten that out later on.

Mr. JONES. Will the gentleman yield?

Mr. HARSHA. Yes.

Mr. JONES. The prospectus transmitted to the committee was that the Federal Power Commission was favorable.