

Mr. McCOLLAM. Well, in the case of licensing of hydroelectric projects there is a specific statute, the Federal Power Act.

Mr. JONES. Because it is Federal property and you mean the limitation of the Federal Government, they cannot exercise the ownership they have to generate power just as well as they can afford navigation and flood control?

The only authority you have is a license that the law provided you, that you could get a license for 50 years to construct and maintain and operate a dam or reservoir that did not complicate the other interests. That has been the law since 1920.

Mr. McCOLLAM. That is correct, Mr. Chairman.

Mr. JONES. The Federal Power Act.

Mr. McCOLLAM. That is correct.

Mr. JONES. So what you are gaining is an authority for a public function, by license issued by the Federal Government to a private corporation to do a public act. Do you mean to say to this committee that the inherent authority of the Federal Government to do what it gave you a license to do cannot be exercised by them? That does not seem sensible to me. You say that the Federal Government does not have the authority to do the things that they gave you a license to do.

Mr. CLAUSEN. Is there jump stream generated power that can be acquired cheaply to provide pumping energy for these plants?

Mr. McCOLLAM. There is some off-peak energy available in our area but I give the figures quoted in the Corps of Engineers' report and I believe the witnesses who have appeared earlier, we feel they are very unrealistic figures because these figures are below our basic fuel costs right now.

Our basic costs without considering the other costs of steam generation in our area and our particular company area of running in the order of the magnitude of between 2.7 and 2.8 mills per hour, just fuel cost. That does not include the cost of transmission. That is just busbar cost of steam energy at the plant.

Mr. MENEES. It does not include the fixed charges on our investment.

Mr. CLAUSEN. What would be the price of pumping energy per kilowatt hour?

Mr. McCOLLAM. In excess of the 2.3 mills. We have never been asked to quote a firm price on pumping energy, but it would be certainly somewhat considerable in excess of our raw fuel cost when you consider the fact that you have capital costs and operating and maintenance costs other than fuel which are involved.

Mr. JONES. Mr. Hammerschmidt?

Mr. HAMMERSCHMIDT. Mr. McCallom, let me ask you a question about the acquisition. Is it now owned by the Federal Government?

Mr. McCOLLAM. It is to the best of my knowledge. Petit-Jean Mountain, for example, is largely owned by—I think part of it is a State park and the other is privately owned land on the top of Petit-Jean.

Mr. HAMMERSCHMIDT. In other words, to form this upper pool they would have to pump into it and it would not be incidental to the project. They would have to acquire the land and construct.

Mr. McCOLLAM. That is my understanding.

Mr. HAMMERSCHMIDT. Entirely for the pump storage.

Mr. McCOLLAM. That is my understanding.