

conditions and emergencies, such as the loss of a major transmission line or generating station. Therefore, hydroelectric capacity availability is one of the best safeguards against cascading power failures.

It is true that the Petit Jean and White Oak stations would be constructed wholly for power purposes. They are, nonetheless, an integral feature of the multiple-purpose development of the Arkansas River. We can discern no substantial difference between the installation of hydroelectric features in the dam of a multiple-purpose reservoir and the installation of such feature at a slightly different location on the same reservoir for the identical purpose of maximizing utilization of reservoir waters.

We very much hope that the subcommittee will report favorably on authorization of these two pumped storage units.

Mr. Chairman, I really do not think there can be any serious contention concerning the constitutionality of the Federal Government in this area.

It is my recollection that the courts have repeatedly held that the Federal Government has the power to generate electricity.

Thank you.

Mr. JONES. If they did not have the power to do that, they would not have the power to build the dam in the first place.

There are no legal inhibitions for them to pump the water uphill, downhill, around the hill, as part of the responsibility to utilize the water resources of this country.

Mr. ROBINSON. There is adequate constitutional power for this.

There is no statutory authorization. The purpose of these hearings is to determine whether these projects will be authorized or not. If they are authorized they are obviously authorized by statute.

We do not believe there is any question concerning the constitutionality of these two projects.

I might say, Mr. Chairman, recalculating the costs of the Petit Jean and White Oak projects—that is, the benefit-cost ratio and the per unit cost of energy produced from them based on 5-percent interest, 1968 cost figure, and a 50-year payout period—we used a figure of 3 mills per kilowatt hour for pumping energy, that being an estimate combination of what the Southwestern Power Administration could furnish from its own projects and what it could purchase.

This is the dump energy which SPA must sell at 1½ mills per kilowatt hour. This would be combined with some purchased energy. You combine the two blocks of energy and you come out with 3-mill pumping energy. We also multiplied this by a factor of 3 over 2, so ultimately we can come up with a figure of 4½ mills for pumping energy, 50-year payout, 5-percent interest, 1968 corrected prices, and the projects still are feasible and, in our opinion, represent the lowest alternative cost of peaking power.

Mr. Chairman, that concludes our testimony. But, we very much appreciate the opportunity to appear.

I wish to thank the chairman and all members of the subcommittee.

Mr. JONES. Thank you, very much, Mr. Robinson.

Our next witness will be our old friend Alex Radin, general manager of the American Public Power Association.

Alex, we do not get to see you very often. It is a pleasure to welcome you here today.