

wholly intrastate electric public utilities are not intended to be subject to the jurisdiction of the Federal Power Commission.

Now, the bill takes nothing away from the jurisdiction of the Federal Power Commission because the Federal Power Commission never had such jurisdiction under the original act of 1935.

The scope of this bill, H.R. 5348, is very narrow. This bill will exempt from the Federal Power Commission's reach only those very few electric utility companies that function wholly intrastate that do not transmit or receive any electric energy by direct connection across State lines, or who do not have contracts outside of the State with any companies to provide power, and whose operations should justifiable be free of Federal regulation under the Federal Power Act of 1935.

Under this bill a company's entire electric system must be intrastate in nature before the company may qualify under the bill and likewise the company seeking exemption from the jurisdiction of the Federal Power Commission when the Federal Power Commission just comes in and tells it, "Well, we have decided you will be under our jurisdiction" can't use any part of its facility to transmit or receive energy under contract with a corporation in another State either in order to foreclose that possible gap.

The provision of this bill prohibits the wheeling of electric energy, the sale and purchase of power under contract to or from a company in another State by transmission through an intermediary company.

Now, the practices, the accounting practices and the regulations of the intrastate company are then left under the State regulating bodies, and I feel that State or local regulatory bodies should exist before a company can claim exemption under this proposed bill. This gives a forum for relief to the consumers.

Now, let me just point out two or three things quickly and I will conclude, Mr. Chairman.

As you know, the Federal Power Commission has no authority to regulate retail rates, none, not in the original act, nor do they even claim it yet. Their jurisdiction was restricted to wholesale rates.

Now, if State regulatory bodies are competent to regulate and set retail prices, and certainly they are, and the law so recognizes this, and this Congress has so decided, then they ought to be competent to regulate the utilities that operate solely within their State and no other State.

Some say, "Oh, well, we have to have the Federal Power Commission to come in to protect the public," that these State regulatory agencies can't do a very efficient job. Let me just compare what has happened for the consumer in America from the actions of the Federal Power Commission and the actions of the State regulatory agencies.

From the years 1962 to 1966, for example, and this is typical, there has been a net decrease ordered in rates by State commissions of \$273,-400,000, savings to the consumers by State regulations.

You know how many consumers by action taken by the Federal Power Commission have been helped? In the same number of years—here is the great action for consumers that has been taken by the Federal Power Commission—a net decrease of \$13,557,896, and that is from their report, Federal Power Commission Report, 1966.

So this becomes pretty academic when we look at the actual facts in a real situation as it exists. This great claim that the American taxpayer