Mr. BROYHILL. Your bill, Mr. Rogers, states, as I understand it, that the FPC would not have dual jurisdiction over wholesale rates to any political subdivision of a State.

Would that include a municipality?

Mr. ROGERS. That would be correct.

Mr. BROYHILL. If a municipality were purchasing power from a company that isn't interstate?

Mr. ROGERS. I presume it is entirely exempted just as REA's would be where they may be getting power. In fact some of the REA's you known go into two or three States and they are still exempt.

Mr. BROTZMAN. Will the gentleman yield?

Mr. BROYHILL. Yes.

Mr. BROTZMAN. I was thinking the same thing, Paul, that last sentence there, in relationship to Jim's question:

> The foregoing exemption shall not apply to any public utility any part of whose facilities are used in transmitter-received energy under contract with a public utility or other entity in another State.

Does that sentence apply only to the strictly intrastate facility, or does it apply back to the provision on municipalities?

Do you understand my question?

Mr. ROGERS. Yes. Section (f) actually sets for the exemption, saying—

> No provision in this part shall apply to, or be deemed to include, the United States, a State or any political subdivision of a State, or any agency, authority, or instrumentality of any one or more of the foregoing, or any corporation which is wholly owned, directly or indirectly, by any one or more of the foreging, or any cooperative or nonprofit membership organization which is financed by the Rural Electrification Administration, or any officer, agent, or employee * * *.

And so forth.

Now the next——

> No provision in this part or in the part next following applicable to a public utility shall apply to any public utility all of whose facilities are situated in a single State and none of whose facilities is used to transmit or receive electric energy by direct connection from or to a State other than the State in which such facilities are situated. The foregoing exemption shall not apply to any public utility any part of whose facilities are used to transmit or receive energy under contract with a public utility or other entity in another State.

As I interpret the language here, it would exclude municipalities, but for the public utility, the problem on a public utility that is trying to contract out of State for power, I think it would not be excluded. Municipal utilities are regulated, you see, by municipal control.

Mr. BROYHILL. I wondered how this would apply in the State of North Carolina. I know that you have explained how it would apply to the State of Florida, but would this bill affect the State of North Carolina where we have 73 municipalities that are providing electric service for the citizens of the various communities? They are purchasing power from private utilities which are in interstate commerce.

Mr. ROGERS. The municipalities are not regulated. They are exempt under the provisions.

Mr. BROYHILL. They contract, the municipality and the public utility, a wholesale power contract. Would that be subject to regulations under this bill?

Mr. ROGERS. I don't think this goes to that problem.

Mr. BROYHILL. You don't think it goes to that?