

Mr. ROGERS. I think of course basically it is the interstate power, but the commingling theory, you see, is what they also use. They are saying electricity moves back and forth, so an item might get down here that came from New York somehow. It is a rather extended view I think and it is not logical when you look at the operation if a company has all of its generating and all of its facilities in one State.

Mr. BROTZMAN. How is it going to be determined?

Mr. ROGERS. It is on the facts.

Mr. BROTZMAN. I am trying to figure out by what rationale they think they have jurisdiction under the Federal Power Act.

Mr. ROGERS. They think that anyone that has any connection gives FPC authority to regulate. This is really what they are pushing, even in spite of what the law said when we created it, so this is simply a restatement of the law, what we are trying to do, to say, "Yes, you do have jurisdiction" and they ought to have, "When it crosses State lines."

Mr. BROTZMAN. You may have said something about this before. Are there any law suits on this point?

Mr. ROGERS. Yes, there is, I understand.

Mr. BROTZMAN. Many of them?

Mr. ROGERS. I don't know how many. I know there is one on this one. The FPC decision was three to two. It is my understanding. Perhaps they can go into detail with you.

Mr. BROTZMAN. By whom?

Mr. ROGERS. By the Federal Power Commission claiming FPC had had jurisdiction of this company, which is intrastate, has no direct connection, has no contracts to furnish any power in, and simply has an emergency connection.

Mr. BROTZMAN. I am not quite clear.

Mr. MACDONALD. Will the gentleman yield?

Mr. BROTZMAN. Yes.

Mr. MACDONALD. On that point, Paul, you said the Georgia Power Co. and this company—

Mr. ROGERS. Not this company. It is another one.

Mr. MACDONALD. There are arrangements in case of an emergency.

Mr. ROGERS. There is an emergency connection between this company—

Mr. MACDONALD. They have to have a contract, don't they?

Mr. ROGERS. No. You see, this company has no contract or no interconnection with the Georgia company. It is the Florida Power Co. which has that, and they are regulated by the Commission. This one has none of that.

Mr. MACDONALD. Thank you, Mr. Brotzman.

Mr. BROTZMAN. Back to the way we set up originally, the three-exemption theory here, Paul, I can see the rationale on the intrastate facility.

Now, you tell why you think the REA-financed nonprofit organization should not be?

Mr. ROGERS. This has been traditionally so. It is a cooperative where they are supposed to keep their prices down. It is for their membership. Their own membership benefit in any prices. It is a nonprofit operation.

Mr. BROTZMAN. Are they regulating them now?