

intrastate power companies were not subject to the jurisdiction of the Federal Power Commission. Since these two Florida companies have all of their equipment within the State of Florida and all of their transactions are of a local nature, a State regulatory agency was responsible for overseeing their plans, operations, and progress in carrying out their responsibilities to the consumers within the State which they serve. In 1963, however, these same companies which had previously been considered intrastate, and therefore not subject to Federal regulation, were notified by the Federal Power Commission that they would thereafter come within the jurisdiction of the Federal Power Commission. Furthermore, this Commission has since formally and officially taken the position that these intrastate power companies are subject to Commission regulation and has directed, among other things, that they must comply with all requirements of the Federal Power Act. This, of course, would include the filing of original cost estimates and the keeping of company accounts in the manner provided by the Commission's uniform system of accounts, thus incurring the increased costs which such additional regulation entails.

In past years the Florida Public Service Commission has achieved a record of effective regulation of all electric companies within the State. Considerable progress has been made in constantly lowering rates to the benefit of the consumer while, at the same time, successfully financed the record expansion of the system to meet the fantastic growth of Florida. There is no question that the proposed control of these intrastate companies by the Federal Power Commission would result in duplication of service and increased company costs which will probably and logically be passed on to the consumers.

The present system of control by the State has been satisfactory. I can see no useful purpose in dual control—both Federal and State. Such an unnecessary duplication would undoubtedly lead to increased complexity, confusion, and, as I have already mentioned, increased consumer costs. In other words, extension of Federal control over these companies would penalize the customers served by them. It seems to me that in attempting such a power grab the Federal Power Commission is overstepping its jurisdiction. I feel, therefore, that legislative curbs and limits must be clearly spelled out. And that is the exact purpose of this bill.

I truly believe that in so clarifying the original intent of Congress when the Federal Power Act was passed; that is, in reserving for the States their rightful authority and control over intrastate electric companies, we will be acting to the best interests of the American public. Accordingly, I urge your favorable consideration of this legislation and am hopeful that this measure may soon be enacted by the Congress.

Mr. MACDONALD. The next witness will be Mr. Robert Fite, president of the Florida Power & Light Co., Miami, together with that company's vice president, Mr. Ben Fuqua.

STATEMENT OF ROBERT H. FITE, PRESIDENT, FLORIDA POWER & LIGHT CO., MIAMI, FLA.; ACCOMPANIED BY BEN H. FUQUA, VICE PRESIDENT

Mr. FITE. Mr. Chairman and gentlemen, my name is Robert H. Fite. I am president of the Florida Power & Light Co. and I have with me