

here Mr. Ben Fuqua, vice president of the company. We are here to support H.R. 5348 and to urge the members of this subcommittee to report the bill favorably.

Otherwise, Florida Power & Light Co. will become subject to jurisdiction of the Federal Power Commission and will be forced to incur the additional costs which such added regulation entails.

H.R. 5348 is a bill of limited application. You will recall that your subcommittee reported favorably a similar but somewhat broader bill, S. 1459, as amended, late in 1965. H.R. 5348 is a simplified version of that bill. It was drafted in order to achieve two objectives only: (1) the exemption of REA cooperatives and (2) the exemption of the limited number of fully intrastate electric companies.

We believe that H.R. 5348 meets all of the legitimate objections voiced by the Federal Power Commission to S. 1459, as amended.

Proposed regulation by the Federal Power Commission is duplicate regulation. Our company is already subject to broad regulation by the Florida Public Service Commission so that duplicate regulation by the Federal Power Commission will serve no useful purpose and we believe is not in the public interest. The unnecessary added costs will be loaded on the backs of our customers because they are our only source of income.

As a responsible officer of our company, I think it is my duty to come here in the interest of the million customers we serve and do everything I can to prevent these unnecessary costs from being incurred.

For 28 years, from 1935 when the Federal Power Act was enacted until 1963, there had never been any question about our status as an intrastate electric company not subject to jurisdiction of the Federal Power Commission. That matter has been discussed by a number of the witnesses so far and who pointed out that suddenly in the term of office of former Chairman Swidler, we were advised along with many other companies that previously had been considered intrastate, that we came within the jurisdiction of the Commission.

Subsequently in March 1967, the Commission and we took exception to it and had hearings before the Federal Power Commission, the Commission by a 3 to 2 majority, concluded formally and officially that Florida Power & Light Co. is subject to regulation and that we must file original cost statements and comply with all other Federal Power Commission requirements under the Federal Power Act, including keeping of accounts in accordance with the Commission's uniform system of accounts.

There was a vigorous dissent to the majority ruling by two dissenting Commissioners. They concluded that the Federal Power Act does not cover Florida Power & Light Co. and they emphasized that the results found by the majority constitutes "too great a stretching" of the act. Congressman Rogers has already presented in detail the background of the minority decision. His statement is already in the record and does not need to be repeated here.

In spite of the fact that the Federal Power Commission's ruling that we come under their jurisdiction is contested logically and at length by two of the five Commission members, we are scheduled to become subject to all of the audits, regulations and rules of the Commission unless H.R. 5348 or some similar amendment is made a part of the Federal Power Act.