

and therefore we are in interstate commerce and that is basically the controversy we are having with the Federal Power Commission now and this is the area that we are supplying.

That clause that you gentlemen asked about in the bill that removes the exemption if there is a contract with a company outside of the State that goes through an intermediary is put in there so there can be no subterfuge. If we were to make a contract with a Georgia power company to buy and sell electricity and then make another contract with the Florida Power Corp., to transmit it for us and act as the agent, we immediately would come under the Federal Power Commission under this bill.

There is one more point I want to make. There is no gap, no Attleboro gap, remaining in the situation here.

The electricity that passes into Florida is regulated at the line when it goes from the Georgia system to the corporation system, I will call it, so as not to get mixed up with us, and it is also regulated when it goes from the corporation system back into Georgia, and it is regulated by the Federal Power Commission and that is going to continue to be the case if this bill becomes law. It doesn't change it in any respect whatsoever.

So there is no transaction that is of a national interest. There is no transaction that we have that has any national interest at all. They are purely intrastate transactions all the way through, so there is no gap that the Federal Power Commission needs to control in our case as was the case when the original Federal Power Commission Act was enacted. It was enacted in order to take care of the so-called Attleboro gap where two systems in two States were transacting business and nobody had control over them. They had to have Federal control.

This doesn't exist in our system. It can't exist in our system unless we try to make this subterfuge and then we get caught by the clause that is there in the law. There are many reasons why we want to avoid duplicate regulation by the Federal Power Commission. While we are thoroughly in agreement that an electric utility, because of its monopolistic characteristics, must be regulated, we think a State regulatory agency is in a much better position to oversee our plans, operations, and progress in carrying out our responsibilities, than is a Federal agency in Washington that is concerned or should be concerned primarily with matters of national scope.

We submit that our interconnections in Florida are in the public interest. We believe in interconnections. We have a good interconnected system inside the State. But we don't believe that they need to go to far-removed sources of power because of hurricanes and because of the high frequency of lightning in peninsular Florida.

We believe that the degree of interconnection can affect blackouts, and that interconnections which are too long and too extensive can cause blackouts instead of preventing them for the benefit of the public.

We submitted in the fall of last year to your committee at the request of your then chairman, a statement which described what we have done in Florida with our system in connection with the interconnected operations in Florida to avoid interruptions of service.

I think this a pertinent report because of frequent references to the blackout situation. It lists all the things we have done and others that