Power Corp. and on to the Tampa Electric Co., which has no sources of its own, and is merely a distribution company.

Is the Tampa Electric Co., under those limited provisions, exempted or not?

Mr. FITE. They can't wheel it; no, sir.

Mr. BROWN. What?

Mr. FITE. They can't wheel the power, but you say if Tampa has no generating facilities of its own?

Mr. BROWN. Yes.

Mr. FITE. But they buy from the corporation?

Mr. BROWN. Yes.

Mr. FITE. They would be exempt.

Mr. BROWN. And the power source actually comes, let's say, from Georgia?

Mr. FITE. Well, it could come from Florida Power Corp.

Mr. BROWN. Well, let's say it comes from Georgia and the Florida Power Corp. is merely a transmission line for that power although it does its own generation, too.

Mr. FITE. It would be regulated when it came across the State line to Florida Power but it wouldn't be regulated when it went from Florida Power to Tampa.

Mr. BROWN. So Tampa would be exempt.

Mr. FITE. That is right.

Mr. FUQUA. Also if Tampa had a contract with a Georgia entity to buy and had Florida Power Corp. to wheel it, that would remove it.

Mr. BROWN. You will have to define that term "wheeling" for me.

Mr. FUQUA. I mean haul it.

Mr. BROWN. OK.

Mr. FUQUA. That is wheeling.

Mr. BROWN. When I asked the question I saw some heads in the audience nod yes and some heads nod no, so I am still a little baffled.

Mr. FITE. If Tampa has no generation, it buys from the corporation and the corporation is willing to sell it, it has generation facilities to sell it, to supply it to, we will say from wherever it comes, then they are exempt, but if Tampa says to Florida Power, "I want to get some juice, we have no generation here," and Florida says, "No; we haven't got any," and they go to Georgia and make a contract with Georgia and then they employ the Florida Power Corp. to bring it down there like a freight train would bring a piece of equipment, then they are subject to FPC and are not subject under this law.

Mr. BROWN. This seems to be something you can structure. Your utility can make a contract with another intrastate corporation to supply it power and then your corporation, in turn, because of the extra needs, makes a contract with Georgia to buy additional power because your corporation is now supplying Tampa.

Mr. FITE. Well, these things are not that simple. There are two or three things that are involved. In the first case you don't get power directly from Georgia. It is by displacement. There are powerplants in between. That is one thing. The second thing is economics come into this. You have to make a contract between Tampa and Florida Power that both of them are satisfied with from the standpoint of cost.

One has to either procure the power somewhere and sell it to Tampa or it has to generate the power and sell it to Tampa, and it wants to