

Mr. BROWN. I certainly think that is germane to this discussion.

Mr. MACDONALD. I have to interrupt. It is also regulated by the Federal Government at the well.

Mr. FITE. Yes. I didn't mean to imply that that was the only regulation, but as far as moving into the State is concerned, when it goes over the State line it then becomes subject to State regulation.

With respect to the item on cost, Mr. Chairman, I would like to add this one point, that in the hearings before the Federal Power Commission when our jurisdictional matter was being reviewed before the examiner we submitted all of this information, the testimony, about costs and there was no witness of the FPC that refuted it or attempted to refute it. It was just passed over very lightly.

Now, since then there has been some statement in the hearings on the corresponding bill in the Senate by the Chairman of the Commission that the costs were not much in his opinion, but there was certainly no effort to oppose the testimony that we submitted during the hearings of this additional cost.

Mr. MACDONALD. Mr. Kornegay.

Mr. KORNEGAY. Thank you, Mr. Chairman. Just one other thought that occurred to me as a result of one of the answers you gave just a few minutes ago, Mr. Fite, and that is the Federal Power Commission is attempting to regulate only your wholesale rates, is that correct?

Mr. FITE. No, sir; they are attempting to regulate our contracts. On wholesale rates, we don't have any except the REA.

Mr. KORNEGAY. I am thinking of wholesale and retail. You do not contend they have authority to regulate your retail.

Mr. FITE. No, sir.

Mr. KORNEGAY. That is left up to the State commission.

Mr. FITE. That is correct.

Mr. KORNEGAY. With the Federal Power Commission coming in and the regulating of your wholesale rates does that in and of itself relieve the State commission from regulating your wholesale rates?

Mr. FITE. No, I don't think it does at all.

Mr. KORNEGAY. Do they continue to regulate your wholesale rates?

Mr. FITE. They are qualified to do it and it is a question of what they are delegated by the State to do.

Mr. KORNEGAY. What I am getting at is this: Is this dual regulation?

Mr. FITE. Yes, sir.

Mr. KORNEGAY. In other words, the State commission is regulating your wholesale rates?

Mr. FITE. Well, that isn't true now; no, sir, they are not.

Mr. KORNEGAY. You mean the State commission does not regulate the wholesale rates?

Mr. FITE. Not in Florida. They have not been given that authority by the legislature. We have no wholesale rates in our particular case except the supply of some REA cooperatives.

Mr. KORNEGAY. You sell to REA and municipal?

Mr. FITE. We don't sell to municipal, no.

Mr. KORNEGAY. How about large companies that use—

Mr. FITE. That is subject to the State commission. I mean these interconnections we have with the Florida Power Corp., and with Tampa, are State regulated interconnections.