

bill. And sometimes utilities make donations for which they seek no public credit. These are quiet donations to some of the most irresponsible, extremist outfits in the country—Manion Forum, which is headed by a member of the national council of the John Birch Society; America's Future, which does the book reviews for the Birchers; and the Southern States Industrial Council, which thinks that Danny Kaye and the kids who collect for UNICEF every Halloween are part of the Communist conspiracy.

The utilities have no difficulty in applying automatic data processing to our bills, and other uses. They can just as easily furnish full information to the regulatory commissions, State and Federal, in a form convenient and understandable to the regulators, to the newsmen, and to the public.

One of the most salutary things which this committee could do would be to encourage the FPC to hasten full use of automatic data processing in the regulatory process. The whole regulatory system rests on the accounts. There is tax money, and ratepayers' money, to be saved by applying existing technology to the regulatory field.

That is the positive, constructive approach, the direction in which we should move, in my opinion.

I would also like to mention, Mr. Chairman, the proposal advanced here Tuesday by Paul Rodgers, general counsel of the National Association of Railroad & Utilities Commissioners as a substitute for S. 1365. Mr. Rodgers' proposal would have a much greater adverse effect on the Federal Power Commission than would S. 1365. His proposal would take away from the Federal Power Commission its jurisdiction over all wholesale sales to municipality-owned systems and co-ops, the heart of the Commission's jurisdiction. It would do this by exempting not certain public utilities as such as does S. 1365 but merely the wholesale sales of public utilities to those utilities which are not subject to Federal regulation, namely municipalities and co-ops. This exemption is conditioned, for appearance sake, on two meaningless conditions. The first is that the municipality or co-op need have all its facilities in one State where the power is delivered, which virtually all do anyway, and secondly, that sales must be regulated by the State commission or local political subdivision, also a condition met by virtually all sales but which in many cases is completely ineffective and necessitates Federal responsibility in the first place.

NARUC's proposal would therefore, leave the Power Commission with the authority to require financial and other reports from electric utilities under section 311 of the Power Act, but take away all its authority to do anything about it when the financial and other reports show that municipalities or co-ops are being overcharged or discriminated against.

One other point. Testimony was taken Tuesday that Florida Power & Light interstate transactions amounted to only a fraction of 1 percent. I believe the committee will find, upon checking the company's form 12 reports with the Federal Power Commission, that the fraction of 1 percent is a net figure, that the company actually received from other utilities about 5 percent and delivered to other utilities almost 5 percent of their total system generation. In such transactions we simply have to look at the actual amounts received and delivered rather than the net balance in order to obtain the actual picture of interpool and interstate transactions. A company could import half its power and export 49 percent and have a net figure of 1 percent. But it would certainly be heavily involved in interstate commerce.

In conclusion let me reiterate my belief that we should move quickly on legislation to assure power system reliability. Not long ago I was touring the TVA area with TVA Chairman "Red" Wagner. We are talking about blackouts and the possibility of future blackouts.

An example of how strong interconnection can contribute to avoidance of a massive power failure is provided by an incident he related to me and which will interest this committee.

In 1964 generation at TVA's Paradise steamplant in Kentucky was separated from the system during a severe windstorm. This was a massive equipment outage. High winds blew some sheet metal into the 161-kilovolt substation, causing a short circuit.

The plant was generating a total of 1,250 megawatts—approximately enough to serve one and a quarter million people as compared with the 1,500-megawatt load reversal at Niagara in 1965 during the blackout in the Northeast. The system frequency declined only slightly. Loading on the interconnections with neighboring systems increased immediately from a zero level to 1,175 megawatts.