in America. The electric utility industry is the largest industry in America today, and it is national in scope, even though it is divided into sometimes intrastate operators.

Senator CANNON. You heard the other witness testify here that their rate of return was 6.95 percent, as of January 1, 1967. I note that you say in 1965 they had a rate of return of 8.21 percent. Apparently the Florida has acted since that time. I am wondering if you have any dispute with their figures of 6.95 percent that they contend they are getting now?

Senator METCALF. I have no statistics, of course, on that. I put in the record the FPC figures, based on the company's own reports, which show it had a rate of return of 8.21 percent.

Mr. Chairman, in a fine, public-spirited newspaper campaign the Miami Herald forced the Florida Public Service Commission to hold hearings on Florida Power & Light's excessive rates. As a result, the rate decrease that was cited was made in January of this year. I would suggest, however, that if past experience is anything we can measure this by, we still have continued padding in the Florida Power & Light rate base, that they have made contributions that they wouldn't even tell about. They said that they don't know what their rate base was. I would like to have an opportunity to analyze it as we have analyzed some of their past figures and showed that they had a much higher rate of return than their advertised of stated rate of return was.

Senator CANNON. Contributions, though, would not affect the rate base, would it? That would go to operating expenses.

Senator METCALF. Yes. I just suggested that at one time they misstated their contributions to the Federal Power Commission. Maybe they need those extra 57 auditors to find out just what goes on in their own company.

Senator CANNON. One of the previous two witnesses testified that there would be possibly 11 companies affected by this bill if it were to pass. You say in a few States there is no power company regulation at all. Do you know whether or not there are some of the States involving those 11 companies that have no regulation?

Senator METCALF. There are six in Texas that would be affected, as Texas has no State regulation. So if this passes, as far as the Texas companies are concerned, it would mean that there would be no regulation whatsoever. However, I believe more than 11 companies would be affected by this bill.

Senator CANNON. What happens in Texas? Do they charge any amount the traffic will bear?

Mr. REINEMER. There is an archaic law providing for regulation by municipalities but it is not effective. So in effect there is no regulation.

Senator METCALF. There is no State commission.

Senator CANNON. And there is no State commission in Texas to review rates or require rate reductions or have any hearings that in effect protect the public interest?

Mr. REINEMER. That is correct. The State regulatory commission in Texas has no jurisdiction over electric utilities.

Senator METCALF. And before this committee 2 years ago, the chairman of the Florida commission said that the best regulation was little or no regulation. So in effect there isn't much regulation in Florida, until the Miami Herald gets after the commission.

Senator CANNON. I don't know. They have indicated 10 rate reductions in 10 years.

Senator METCALF. I wish——

Senator CANNON. That is an average of one a year.

Senator METCALF. I wish that the committee would ask that the previous witness put into the record that list of the rate reductions, because you will find that some of them are very minor.

Senator CANNON. Is Mr. Fite still here?

Mr. FITE. Yes, sir.

Senator CANNON, Mr. Fite, would you supply for the record the dates of the rate reductions you have already said were on application to the commission, and the amount of the reductions over the past 10 years that you referred to?

Mr. FITE. I will be very happy to.

Senator CANNON. Very good. Thank you very much.