Commissioner Carver in his dissent, in which Commissioner O'Connor joined, pointedly disagreed with the company on its allegation of increased regulatory costs. "This dissent," said Carver, "does not stem from sympathy to the Florida Power & Light Co., whose arguments against being regulated, particularly in the matter of the impact of conformance with the uniform system of accounts, affront the legislative purpose. Congress did not saddle consumers with unnecessary costs when it directed the Commission to set up a uniform accounting system."

The majority of the Commission in its opinion and order stated that "although Florida Power & Light asserts that it will incur more than $500,000 additional annual cost if it must comply with the Commission accounting requirements, its contention is unsupported on the record before us."

Now, Florida Power & Light has escalated its supposed cost of regulation by an additional figure of up to $6 million, which is almost half the annual budget of the Federal Power Commission.

Estimates of accounting cost by that company obviously even exceed its estimate of depreciation.

Secondly, the witness now says only a very few companies would be affected by the bill.

A significant finding in the Senate hearings on companion legislation was that no one knows how many companies would be affected. I would also remind the subcommittee that if the law is changed some utilities will likely rearrange their territory to suit the new loophole. Not long ago Montana Power Co. initiated action toward sale of its properties in Idaho.

Montana Power got its second big stock option plan approved by lobbying through a law giving control over security issues to the State commission. Almost before the ink was dry the utility obtained approval of the new batch of options before our State commission, which admittedly didn't know the stock options were involved in the transaction at all.

Mr. Chairman, I appreciate very much the opportunity to appear before you and your distinguished subcommittee.

Mr. MACDONALD. Thank you very much, Senator Metcalf, for a very succinct and fine statement which is the tradition that you established in the House before you went to the Senate.

I was bothered yesterday a little bit by the argument that was made by the proponents of the bill that they are indeed just an intrastate operation. Would you have any comment about that, because you are are much more an expert in this field than I personally am?

Senator METCALF. Mr. Chairman, more and more we are getting so that the whole power industry is interlocked and dependent one company upon another. You had the experience with power failures in the northeast which emanated from failure to have the proper kinds of relays.

Mr. MACDONALD. Right.

Senator METCALF. In my testimony before the Senate I told a story of how down in the TVA area a similar power failure was averted because of interties which drew power from adjacent areas immediately.

In the first place, this great business of supplying of electric power is a long way from the teakettle or potboiling plant that we started out