

Mexican border and probably 300 miles from the north border of Texas. We are substantially in the middle.

Mr. BROTZMAN. That is all. Thank you.

Mr. MACDONALD. Thank you, sir. You understand that under the present Federal Power Act, and it has been called to my attention and I will now read it to you, part II, dealing with regulations of electric utility companies, says:

"No provision in this part shall apply to or be deemed to include the United States, a State, or any political subdivision of a State."

Mr. SOMMERS. I am well aware of that.

Mr. MACDONALD. Texas is independent, but you are still part of Texas I guess, and therefore you are not subject to regulation by the FPC, anyway, so this bill doesn't really affect you, does it? If it does I would like to find out how.

Mr. SOMMERS. Well, the point I was trying to make in my statement there is that over the years on a voluntary basis we have interconnected all of our systems to the degree that we think that we are achieving a highly satisfactory interconnected system.

I don't think that by additional regulation we are going to improve the system.

Mr. MACDONALD. But you are not going to be affected by it is my whole point.

Mr. SOMMERS. We will be. The city of San Antonio will be affected because we are interconnected with investor-owned utilities and they comprise the big part of it.

Mr. MACDONALD. I didn't hear you.

Mr. SOMMERS. We are interconnected with investor-owned utilities and they comprise the large portion of our interconnected system. We are a small part of it. The Lower Colorado River Authority is a small part of it and the city of Austin is a small part of it.

Mr. MACDONALD. Yes; but they are not affected either.

Mr. SOMMERS. Of course that is the point, that we don't want to be affected.

Mr. MACDONALD. You won't be. Have you read the bill?

Mr. SOMMERS. Yes, sir; I read the bill thoroughly, but what I am saying is that we have a very satisfactory working situation now and we don't think it is necessary to make any addition.

Mr. MACDONALD. Whether the bill passes or not it won't affect your situation one iota.

Mr. SOMMERS. It could.

Mr. MACDONALD. How?

Mr. SOMMERS. If it affects our interconnections.

Mr. MACDONALD. Well, it depends whom I guess you are interested with. If you are interconnected with interstate people—

Mr. SOMMERS. All of ours are intrastate.

Mr. MACDONALD. Well, then you won't be affected.

Mr. SOMMERS. Well, I can't argue that point at this time.

Mr. MACDONALD. Well, you can't argue it. It is a fact. I mean I don't want to argue with you and I am sure you don't want to argue with me, but it is just a fact that that is what the bill says.

Mr. BROTZMAN. Will you yield?

Mr. MACDONALD. Yes.

Mr. BROTZMAN. I think the point the chairman is making is that the bill, H.R. 5348, would seem to be relative to you, as I understand your