

It is the intent of H.R. 5348 to leave subject to the jurisdiction of the Commission commerce in (as evidenced by contracts for) electric energy which can be traced across State lines, but to leave beyond the jurisdiction of the Commission commerce in such energy which is wholly intrastate.

In closing, I would like to express our sincere belief that the Commission could not, by extending its jurisdiction to the Texas Interconnected System, bring to our consumers one iota of benefit which they do not already have. Through forward-looking planning, our regional system has always kept capacity ahead of load growth, has enjoyed all of the advantages of modern technology and scale, has had exemplary reliability with low system costs, and has provided rates that are among the lowest in the nation.

Mr. THRASH. The first thing that we would like to address ourselves to is a brief description—and a copy of this chart (fig. 1) is attached to each of the printed statements that we have in case you have some difficulty seeing it—of what we think it is that the bill does because that to us is a cornerstone of our belief that we are in favor of it.

We have tried to illustrate here five different situations in which a system in question, which in each case we have illustrated by a sort of elongated circle there with the letter "Q" in it, the five most typical situations that we think would exist and how this bill would affect a privately owned or investor-owned system in these five conditions.

As we understand the bill, where a system is in two States it would plainly remain jurisdictional just as it is now and if we understand the term "direct connection," as illustrated on line 2, it would involve a situation where the system has a line running to but not beyond a State line, and in such a situation as that a system would remain jurisdictional just as it is now.

So in these first two cases the system in question would remain subject to FPC jurisdiction just as it is now. In the other three situations, which we understand would be indirect connections under this bill, the system in question is remotely connected from the State line and we have dotted in these other systems, or foreign systems, to illustrate the three possibilities. One where the foreign system is in two States; one where the foreign system is within one State but has a connection with a State line, on line 4; and finally, where the system in question is completely separated from a system which is jurisdictional under the Federal Power Act.

Now, the only exception as we understand it to the system in question being jurisdictional on lines 3, 4, and 5 would be where the system in question has a contractual relationship with the system in the other State, as in the example yesterday of a system in Georgia, I believe, selling to a system in southern Florida.

Now, if our understanding be correct, we feel that this is tantamount to an electrical Hinshaw amendment in that it does not reach the question at all of whether the electricity is in interstate commerce.

It is more or less understood that if these people are connected up it is interstate commerce, but since the Federal regulatory power could in each case be asserted at the State line to cleanse the transaction, I suppose you might say, of any attributes which might not be thought to be in the public interest from the Federal regulatory point of view, then from that point downstream it would simply be a line of demarcation between the Federal jurisdiction and the State jurisdiction for regulatory matters and as we understand it this bill would do approximately the same as the Hinshaw amendment would do.