

the lunch break. The San Antonio and Austin municipal systems are right in the center of the State, and all of these other systems illustrated here are investor-owned systems. They are all interconnected with each other, but they are all electrically isolated from the peripheral systems which are partly in other States.

As of the moment I think it could be said that this bill would not have any immediate effect upon Texas, but Texas is not convinced that a situation of electrical isolation can forever be maintained. Under the present doctrine of the Commission if one line anywhere should in a nonemergency situation be connected to one of these other companies or across the State line everyone in the State would ipso facto become jurisdictional.

Mr. BROTZMAN. May I ask a question right there?

You say if any one of the investor-owned utilities in a nonemergency situation should become attached across a State line that everyone is involved? Is that your line of thought?

Mr. THRASH. Yes, sir; that is the way we understand the thrust and purport of the Commission's decision in the *Florida Power & Light Company* case, which is now, of course, in litigation, but in the Commission's decision early this year, if we understand this position correctly, our interpretation is that a line anywhere, no matter how large or for what purpose, should be extended either to one of these peripheral interstate systems or perhaps a line across—this is a very schematic drawing and it is not intended to be precise.

This company, for example, goes right over to the State line and one of its cooperative customers, for example, might extend the line across the Louisiana border and as we understand it this would, under the *Florida Power & Light Company* decision, make all of these systems jurisdictional from that point on regardless of whether or not any energy produced—let's say by this company—in Texas is consumed outside of Texas, as we understand the test of the Federal Power Act.

Mr. MACDONALD. Sir, before we get more confused and waste more time, the term "Hinshaw amendment" has been thrown around and was thrown around by me yesterday and by you today, but I am not sure that it is applicable, is it?

Mr. THRASH. I beg your pardon. I didn't understand the last word.

Mr. MACDONALD. Applicable.

Mr. THRASH. It is not applicable, sir, except by analogy I think. What I was trying to say was that we conceive this bill to be an electrical counterpart of the Hinshaw amendment.

Mr. MACDONALD. The Hinshaw amendment said, and I am reading from it, that:

A certification from a State Commission to the Federal Power Commission that such State commission has regulatory jurisdiction over rates and services of such person and facilities and is exercising such jurisdiction shall constitute conclusive evidence of such regulatory power or jurisdiction.

So I don't really understand the comparison because there is nothing like that in this bill.

Mr. THRASH. The similarity is that this bill would draw a line of demarcation between the Federal regulatory power and the State regulatory power and that is all that I am trying to say, that this bill would leave the Federal power applicable in these situations at a State line but would leave the matter downstream or inside of that point in the State subject to the State regulatory power.