

tinued use of a straight-line depreciation even though a faster method is being used for tax purposes. This approach provides the utility with funds to invest in facilities as originally intended by Congress.

Tampa Electric Co. "normalizes" and uses the reserves created thereby to invest in property for benefit of the customer. But they could not do this under the Federal Power Commission's accounting regulations.

Failure to pass the proposed legislation would mean that customers of the Tampa Electric Co. would be required to pay the added costs of unnecessary and burdensome dual regulation—once by the State regulatory commissions and once by the Federal Power Commission.

However, if enacted, the legislation would leave the regulation of the wholly intrastate utility companies to the State commissions. The history of rates and service reliability in the State of Florida clearly demonstrates there is no need for dual regulation. In the past 2 years Tampa Electric Co. has reduced rates some \$4 million.

The bills being considered by this committee clearly spell out and remove any possible doubt as to jurisdiction. A company to be exempt must be totally situated in a single State. It must have no transmission lines connecting directly with a utility in another State and it must have no contracts with a utility in another State.

Therefore, H. R. 5348 and related bills leave commerce across State lines subject to the Federal Power Commission. It leaves commerce within the State subject to the jurisdiction of the State commission. Thus, the bill merely reaffirms the original intent of Congress.

We urge the approval of House bill 5348 or a similar bill. I do appreciate this opportunity to appear before you.

Mr. MACDONALD. Thank you, sir. I just have one question. Does your company have any wholesale sales?

Mr. BLACK. No, sir.

Mr. MACDONALD. I think it is a word of art in the field of power and I know in other fields it is different. Would you describe for me just briefly the difference between retail and wholesale. What is a wholesale sale in power?

Mr. BLACK. Under the Federal Power Act it is wholesale for resale. In other words, we have a community of Lakeland, the town of Lakeland, next to us and we had a contract with Lakeland to sell to them and they are reselling to their customers that is a wholesale sale for resale under the terms of the Federal Power Act.

Mr. MACDONALD. Are there any power companies in Florida that do have wholesale sales?

Mr. BLACK. Yes. Florida Power Corp. is a good example. They have numerous cases.

Mr. MACDONALD. That is the only one you know?

Mr. BLACK. Well, if it is a case of selling to cooperatives, I think the Florida Power & Light Co. sells to some cooperatives.

Mr. MACDONALD. Well, under that theory they would come under the FPC jurisdiction, would they not?

Mr. BLACK. A jurisdictional company comes under the jurisdiction of the Federal Power Commission.

Mr. MACDONALD. Excuse me.

Mr. BLACK. In a jurisdictional company. In other words, the Florida Power Corp. is under the jurisdiction of the Federal Power Commission.