

Mr. TALLY. As a matter of technical fact, I do not know. I think there are not municipals that are so. There are public utility districts that are so. They are excluded by the express language of the present Federal Power Act as being instrumentalities of the Government. They are certainly in interstate commerce, particularly out in the Midwest and Western areas. By the scheme then set up by the Congress in the Federal Power Act, they were excluded as the Federal Government itself was excluded. In the reliability act that you gentlemen will be considering soon, you know that if you pass that in its present form you are going to bring even the Federal Government's electrical facilities under the jurisdiction of the Federal Power Commission as to these reliability features.

In the 1935 act, what we are now talking about, rates and conditions, service and the like as to Federal Government activities, State activities and State subdivision activities and instrumentalities (this goes to REA's public utility districts), they were all excluded.

The rationale of that, I suppose, was that—and I think it is still good, perhaps always will be good—perhaps, after all, these are entities that are owned and controlled, voted and directed by the people themselves. They can directly change their trustees, conditions, rates, conditions of service and the like. I suppose that it would always be a reasonable distinction to leave them out from under FPC jurisdiction. If you wanted to say that you were going to be consistent so far as FPC jurisdiction is concerned, just interstate commerce, then you would say, if you generate and transmit in interstate commerce—

Mr. BROTZMAN. This is what is required.

Mr. TALLY. REA or municipal.

Mr. BROTZMAN. Consistency of jurisdiction.

Mr. TALLY. Yes, sir.

Mr. BROTZMAN. One other question. It so happened that you were in the committee room when there was testimony just prior to yours. They were talking about the consumer interests. I noticed that the witness just before you stated that in the case of the Florida Power & Light Co., he said that the price paid per kilowatt-hour by residential customers had been reduced about one-third since 1956.

I do not know if you are familiar with the operation of the company. You may not be, but would you believe that there would have been a greater reduction had there been Federal Power Commission control over this particular company? Do you think that they have not gone the full measure?

Mr. TALLY. First let me say, of course, I assume he was speaking of retail rate reductions since they, as I heard their testimony—

Mr. BROTZMAN. I would assume that.

Mr. TALLY (continuing). Do not have any municipal wholesale customers.

So it would be hard for your question to operate in their actual case because if they do not have any wholesale customers they are not selling at wholesale in interstate commerce, it gets to be academic.

It is worth noticing this—

Mr. BROTZMAN. Let us take this just a minute to follow this up. Would it in fact make a distinction between the wholesale and retail regulation? Retail being regulated, I assume, by the elected Florida regulation agency.