

Accordingly, Gainesville sought an agreement with F.P. & L. for an interconnection since the city does not compete with it. There is available for a Gainesville-F.P. & L. interconnection the 115-kilovolt transmission line which has excess capacity and was previously used for later connecting Jacksonville and F.P. & L. This is approximately 20 miles from Gainesville, and the city is willing to build the whole interconnection without cost to F.P. & L. We were, however, unable to obtain an agreement with F.P. & L. either, which, among other things, insisted as a condition that the city work out a retail territorial agreement with Florida Power. In other words, although the companies deny it, it appears that the two companies are working together hand in glove. In these circumstances it does not make sense to place F.P. & L. beyond reach of FPC regulation, while Florida Power is regulated. In the case of Gainesville, since FPC had not yet established its jurisdictional finding over F.P. & L., the city had no choice but to apply to FPC for an interconnection with Florida Power, irrespective of the comparative merits of an interconnection with F.P. & L., or with both.

The testimony before FPC, and the Commission's staff briefs, show that the interconnection will save both Gainesville and Florida Power millions of dollars, and improve the reliability of both systems. We believe that FPC will ultimately order that connection and we believe that, absent FPC jurisdiction, we would not be able to obtain the interconnection.

Actually, what Gainesville needs is to become a member of the Florida pool, and there has been extensive technical staff testimony at our hearings showing the desirability of such membership, and also showing the need for expansion of the activities of the pool, particularly an increase in coordination activities. However, under the proposed amendment, FPC would apparently be unable to reach the two other principal members of the pool; F.P. & L. and Tampa Electric Co.

There was also testimony at the FPC hearings in the *Gainesville* case showing that, in the public interest, Gainesville might ultimately provide a transmission intertie between Florida Power and F.P. & L. Again, this desirable objective might be beyond FPC jurisdiction if the act is amended.

There is no question in our minds that the Florida Public Service Commission cannot fill the regulatory gap. It does not have the muscle to deal with these large companies. During the Gainesville proceeding, an effort was made to obtain the terms of the operating and interconnection arrangement between Florida Power and F.P. & L. Florida Power said it was on file with the Florida Public Service Commission, but upon inquiry the Florida Commission would not release a copy. When Florida Power finally produced the paper, under threat of FPC subpoena, it turned out to be a 1½-page unsigned memorandum prepared by Florida Power, never reviewed by F.P. & L., and in this shape was accepted for filing by the Florida Commission. Counsel for Florida Power, who was responsible for this memorandum stated, "* * * to my knowledge, unless they had looked at the record, they haven't paid any attention to this instrument and they do not join in this expression of the oral operating arrangement" (FPC docket No. E-7257, St. Petersburg deposition, transcript p. 89).