

Power & Light Company's Brevard Substation. This new point of interconnection, known as the Brevard interconnection, operates and functions the same as the previously-described Sanford interconnection.

Mr. KELLY. There seems to be no recognition that the public interest requires proper coordination between these two great systems in order to minimize the cost of electric service (and Florida is one of the highest retail rate areas in the country) and insure the reliability of such service. This obviously requires firm and definite contractual obligations between major systems. It is not in the public interest that they be free to operate like two rug merchants on a wholly when, as, and if basis. The FPC presiding examiner questioned President Clapp closely concerning the memorandum as follows (deposition transcript p. 18):

* * * It says Florida Power and Light or Florida Power will exchange power with each other during peak periods in the event of an emergency, if they want to, or if they desire to. There is no obligation to; isn't that correct?

The WITNESS: That's right.

This point is critical in the case of Florida Power which, unlike most systems, does not plan its power supply capacity so as to assure the availability of backup power in the event its largest unit breaks down at the time of its annual peak. For such a system, it is essential that there be a definite peaktime, backup arrangements. Yet, here we find that Florida Power's principal interconnection is: First, on terms unknown to the president, or any other living member of his staff; and, second, is understood at best to rest entirely on the momentary desires of the parties.

We submit that the willingness of the Florida Commission to permit this state of affairs to exist demonstrates its inability to cope with major interconnection problems. This demonstrates the need for the expert interconnection resources of the Federal Power Commission, in Florida, as in so many other parts of the country.

Federal Power Commission, once its jurisdiction over F.P. & L. is established, will be able to require Florida Power and F. P. & L. to adopt a definitive and comprehensive agreement which will benefit both companies, and their customers, although it may curb some of the now limitless prerogatives evidently claimed by the heads of these companies.

To amend the act as proposed in H.R. 5348 or similar bills would, in my opinion, deprive Gainesville of its opportunity to best develop its system to serve the public because it would disable or attempt to disable FPC from ordering Gainesville into the Florida pool. It would similarly bar other municipal electric generating plants in Florida from contributing to and sharing the benefits of the Florida pool. Even more important, it would leave the protection of the vast Florida public to the uncontrolled acts of the particular persons heading up Florida Power and F.P. & L. at any particular moment.

Accordingly, I would strongly urge that the Federal Power Act not be amended to reduce the authority of the Federal Power Commission; but, if anything, that authority and jurisdiction should be strengthened and expanded.

Mr. MACDONALD. Thank you very much, Mr. Kelly, for a very informative statement.

I have a question concerning page 2. You say the Florida Power Corp. refused to interconnect with Gainesville. You say it refused and