

Testimony presented by Clewiston before the FPC indicates that Florida Power & Light Company has a policy against selling wholesale power to any municipal utilities, and, indeed, the testimony indicates a desire to use this as a means of pressuring these municipal utilities to sell out to the Company. The settlement in the Clewiston case avoided an FPC decision which we believe would have upset this policy. The FPC's National Power Survey encourages small isolated municipal generating systems to interconnect with large investor-owned systems for purchase and interchange of power on a basis more economical than adding small generating units. It is essential, in the public interest, the FP&L's boycott be broken, and we believe that only FPC has the resources to accomplish this and to impose fair and reasonable terms. Mr. Robert H. Fite, President of Florida Power and Light Company, in a statement of June 8, 1967 submitted to the Senate Commerce Committee emphasized that only one per cent of the company's revenues is derived from wholesale contracts, and that these are only with REA Co-ops. The reason for this low percentage is simply because FP&L refuses to sell wholesale power to municipal utilities within reach of its lines; otherwise there would be a much larger percentage of wholesale sales. This policy has forced the municipal utilities to rely upon isolated generating systems, and thus both the municipals and FP&L have been deprived of the advantages of energy exchange, pooling and coordination.

FP&L's policy is dramatically explained in the testimony of witnesses before FPC in the FP&L jurisdictional case. One of the principle and substantial economic reasons why FPC jurisdiction is needed is to overcome this refusal to do business with these municipals. In this regard the municipals expect treatment comparable to that FP&L affords to the cooperative distributors.

With respect to the claim of Florida Power & Light that its activities are intrastate in nature, I believe the decision by the Federal Power Commission that FP&L is operating in interstate commerce as part of a multi-state electric network demonstrates the need for effective FPC regulation over large interconnected systems. With your permission, Mr. Chairman, I would like to offer a copy of that decision (FPC Opinion No. 517, March 20, 1967) as attachment A, for insertion in the record.

There is an immediate problem in the City of Homestead which operates the only municipal electric utility in Dade County, the headquarters of FP&L, and which generates its own requirements. It needs an interconnection, purchase and exchange arrangement as an alternative to adding small generating units, along the lines set forth in the FPC's tentative opinion in the *Crisp County case (Crisp County Power Commission v. Georgia Power Company, FPC Docket No. E-7210, Tentative Opinion No. 508)*, and also in the briefs of the FPC staff in the case of *Gainesville v. Florida Power Corporation (FPC Docket No. E-7257)*. Homestead must look to FPC to provide a fair interconnection and exchange arrangement, which will help FP&L and not burden it, while providing a sound economic basis for Homestead's electric operations.

Again, only FPC has the staff to deal with so complex a problem. There is now pending before FPC the City of Gainesville's application for interconnection and exchange arrangements with Florida Power Corporation. Twelve days of hearings have been held, and the FPC staff has participated vigorously throughout. They have made an extensive study, not only of Gainesville and Florida Power Corporation systems, but of the whole Florida Pool and its out-of-state interconnections. They have presented three expert witnesses whose prepared direct testimony runs to 119 pages, plus 43 exhibits. It is no criticism of the Florida Commission to point out that it is simply not equipped to cope with so complicated a matter, while the FPC is building up a background for handling these cases based upon national experience.

As loads grow rapidly in Florida, regional generating and transmission facilities need continual expansion, and FPC is the agency to assure that this is done right. At the same time, the municipal utilities need to be able to obtain fair and reasonable wholesale arrangements, and our Association believes that a strong FPC is necessary to accomplish this purpose.

Mr. Chairman, our Association urges this Committee to reject H.R. 5348 and similar bills, and, instead, give serious consideration to bills which would strengthen, not destroy, the jurisdiction of the Federal Power Commission.

Thank you.