

the Florida Power Corp. and, upon investigation, these members were paying a much higher wholesale rate than the rural electric cooperatives served by the same company. After about a year of supposedly friendly negotiations with the company to get lower wholesale rates to no avail, then we had to go to the FPC. As my testimony outlines, we did get quite a rate reduction, and also a substantial cash rebate.

I would like to quote from my testimony. The question might come up as to why we prefer wholesale regulation by the Federal Power Commission rather than the Florida Public Service Commission. You notice on page 3 at the top the quotation from the Florida Public Service Commission chairman, Edwin L. Mason, when he testified on S. 218 last year, that "the best regulation is little or no regulation."

That is a quick synopsis, and I appreciate the time given to me.

Mr. MACDONALD. We appreciate having you here.

What is your relationship to Florida Power & Light?

Mr. CUNNINGHAM. We are on very friendly terms, associationwide. We have a difference in interest, of course.

Mr. MACDONALD. Do you generate your own power?

Mr. CUNNINGHAM. Our association as such does not generate power. Generation is done by the individual members. As Florida Power & Light testimony bears out, they sell no municipal wholesale power. However, I think probably what triggered this was a deal similar to this, the *Clewiston* case that came up last year, which was a case in which one of our members was paying an exorbitant wholesale rate. It was coming through a second party, you might say. Again, we tried to negotiate locally, but we had to go to the FPC finally to get a reduction.

Mr. MACDONALD. The FPC gave a reduction in rate of 40 percent, as I understand it.

Mr. CUNNINGHAM. I do not remember that it was the FPC, but I will say it resulted in a reduction of the rates; yes, sir.

Mr. MACDONALD. That is what I was going to ask, if it was the FPC. I am not quite sure how it could have come about if it was not the FPC.

Mr. CUNNINGHAM. I think you are right there, because all other efforts failed before the FPC was brought into the picture.

Mr. MACDONALD. Thank you.

Are there questions?

(No response.)

Mr. MACDONALD. Thank you very much, Mr. Cunningham.

Mr. CUNNINGHAM. Thank you, gentlemen.

Mr. MACDONALD. The next witness scheduled is Mr. Charles A. Robinson, Jr., staff counsel and staff engineer of the National Rural Electric Cooperative Association, Washington, D.C.

STATEMENT OF CHARLES A. ROBINSON, JR., STAFF COUNSEL AND STAFF ENGINEER, NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION; ACCOMPANIED BY GARY TABAK, ASSISTANT STAFF ENGINEER

Mr. ROBINSON. Thank you very much, Mr. Chairman.

My name is Charles Robinson. I am the staff engineer and staff counsel of the National Rural Electric Cooperative Association, which is the national trade association of the consumer-owned rural electric