

would have the same salutary effect. As in the Hinshaw Amendment, the only deprivation of FPC jurisdiction resulting from its passage would be in an area in which Congress had never intended it to act.

An exact parallel to the situation prompting the Hinshaw Amendment may be found in the action of the FPC in *City of Colton v. Southern California Edison Company*. There in 1961, for the first time, the FPC declared it had jurisdiction over a sale of energy by an electric company operating solely within the State of California, to a California city for resale to its inhabitants. In its integrated system Edison had less than 6 percent of out-of-state energy which it bought from Hoover Dam pursuant to a contract with the United States. The terms of the contract were regulated by the Secretary of the Interior. No state other than California had any interest in this original sale and transmission. Since all of Edison's energy was consumed within the same state, no other state had any interest in any subsequent sales.

The California Public Utilities Commission for many years prior to the enactment of the Federal Power Act and for 26 years thereafter regulated all of Edison's sales, both for resale and for direct consumption, fixing low rates which gave the resale customers as a class the benefits of cost averaging among all the classes and of the load diversities on Edison's total system. This the California Commission could do as it regulated both resale and retail rates.

STATEMENT OF WALTER HARRISON, MANAGER, GEORGIA ELECTRIC
MEMBERSHIP CORP.

My name is Walter Harrison, and I am manager of the Georgia Electric Membership Corporation, Millen, Georgia, which is the statewide association of the 41 rural electric systems serving 401,397 rural consumer members over 71,000 miles of line in Georgia. It is also my privilege to represent the Georgia rural electrics on the board of directors of the National Rural Electric Co-op Association. NRECA is the trade and service organization of 980 rural electric systems operating in 46 states.

Mr. Chairman, the rural electric systems in Georgia and in the nation as a whole are progressive, consumer-owned and operated electric utilities. As such, they are very much interested in utilizing modern concepts and techniques in order to provide the most reliable and adequate electric service to their consumer-members at the lowest possible cost.

We oppose H.R. 5348 because we feel it is regressive rather than progressive legislation in the electric utility field.

Its provisions would tempt, if not downright encourage, commercial electric utilities to plan their interconnections and pooling arrangements with an eye toward evading FPC regulation rather than with the aim of utilizing the most economical and reliable mode of operation.

Too much of this negative or regressive type of planning is already going on in the electric utility business today, and the electric consumer suffers because of it. He suffers because electric rates are higher and blackouts are more prevalent when utility planning is done on any basis other than the utilization of the most economic and most reliable method available to the utility.

Back in 1964, the Federal Power Commission published its landmark study, the *National Power Survey*. This extensive and comprehensive study, which was conducted by the FPC staff in cooperation with advisory committees drawn from all segments of the electric power industry, stressed the fact that the manner in which the Nation's 3,617 separate power systems plan and build for the future is of national concern. The Survey points out that all generation and transmission facilities, whether owned by private, cooperative, Federal or other public agencies, should be planned and built as part of large coordinated power networks to achieve the lowest cost of bulk power supply.

As the Survey so accurately observes: "Planning to coordinate the investments in new facilities and the operation of all of the power systems over broad areas of the country is a must if we are to achieve the objective set forth in the Federal Power Act of 'an abundant supply of electric energy throughout the United States with the greatest possible economy'. The Nation can afford no less."

The Survey proposes effective utility regulation as protection to the 3,190 small electric systems, which include most of the rural electric cooperatives, in their wholesale power dealings with the 427 large utilities. The Federal Power