

5348, and I thank the Committee members for permitting us to submit this statement on behalf of continuing FPC regulation on a basis which would not encourage power suppliers to slip out from under its jurisdiction.

STATEMENT OF Q. W. WELLINGTON, PRESIDENT, CENTRAL ILLINOIS LIGHT CO.,
PEORIA, ILL.

Most of the electric utilities throughout the country are interconnected in various degrees. The FPC encouraged utilities to interconnect on a voluntary basis and no one thought that such interconnections were going to lead to plenary FPC jurisdiction. When these voluntary interconnections were being made the FPC did not indicate any jurisdiction unless the company was directly connected with an out-of-state utility, and then only to the limited extent of such out-of-state energy being directly traceable. However, the FPC having now obtained an elaborate voluntary interconnection of the electric utilities, has begun to extend its jurisdiction over the entire electric utility industry on the theory that once interconnected the entire electric system grid is impregnated with out-of-state energy. During the past two years this jurisdiction has grown; first, over the integrated subsidiary utilities of the holding company (*Indiana-Michigan Electric Co.*, FPC Opinion 458, aff'd 365 Fed. 2d 180 (1966)) which company is an integral part of the American Electric Power System operating as an integrated unit in five states); second, the individual non-integrated utility but which was directly interconnected across state borders in an interstate electric pool (*Public Service Company of Indiana*, FPC Opinion No. 483, aff'd 7th CCA January 13, 1967); and now third, the individual utility which is neither directly interconnected across state lines nor a member of an interstate power pool but part of a state pool (*Florida Power & Company*, FPC Opinion 517 issued March 20, 1967).

In the case of Central Illinois Light Company, we are not interconnected across state lines nor a member of any power pool, state or interstate. However, we do have interconnections with Commonwealth Edison Company and Illinois Power Company, both of whom are interconnected with out-of-state utilities operating in parallel. CILCO's interconnections are for temporary and emergency service, both for its own protection as well as helping others in case of need. Occasionally CILCO may purchase firm power from Commonwealth Edison or Illinois Power for limited periods while deferring the installation of a new generating unit. CILCO is the smallest of the major Illinois electric utilities ranking behind Commonwealth Edison, Union Electric, Illinois Power and Central Illinois Public Service, and is ranked 80th nationally. Although the Federal Power Commission has not formally exerted jurisdiction over CILCO, we have been directed to file our wholesale rates and to adhere to FPC accounting and other regulations, including permission to acquire or sell any utility property in excess of \$50,000. CILCO has been and is still under the jurisdiction of the Illinois Commerce Commission and files its rates, including wholesale rates, with that Commission as well as keeping its books, acquisitions and other matters in accordance with that Commission's uniform system of accounts and formal approvals.

The Florida Power & Light decision of the FPC was 3 to 2, with Commissioners Carver and O'Connor dissenting. As Commissioner Carver states:

"The vice I find in the Commission's decision, which prevents me from joining in its statement, is that its adoption of the commingling theory as a test for jurisdiction *per se*, interprets the Federal Power Act to have a reach beyond that which I find in the statute.

"The Federal Power Act is today found to grant to the Commission jurisdiction over any company which generates electric energy in the form of alternating three-phase 60-cycle current, if that company is interconnected and electromagnetically synchronized with any other generating source producing electric energy in the same form in another State.

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"If commingling obviates tracing, then the reach of the Commission's jurisdiction is plenary. Furthermore, it has become plenary in 1967, while the act was passed in 1935 and has not been changed by Congress (in respects material here) since.

"The Supreme Court in *Connecticut Light and Power Co. v. FPC*, 324 U.S. 515, at 515, credited the Congress with determining that 'federal jurisdiction was to follow the flow of electric energy.' (at 529)