


1976/08/02

WHEREAS by a Lease dated the 16th. day of May, One Thousand Nine Hundred and Sixty-One and made between His Honour the Lieutenant-Governor in Council (hereinafter called the "Government") and Churchill Falls (Labrador) Corporation Limited (hereinafter called "CFLCo"), the Government granted to CFLCo the full right and liberty to use exclusively for the generation of electricity certain waters on the Upper Churchill Watershed which are more specifically described in the said Lease (the said Watershed being referred to therein as the "Upper Hamilton Watershed") and it was provided in the said Lease that such grant was subject to the terms, conditions, reservations, exceptions and provisions therein contained;

AND WHEREAS the said Lease was made pursuant to The Churchill Falls (Labrador) Corporation Limited (Lease) Act, 1961, the Act No. 51 of 1961;

AND WHEREAS the said Act and the said Lease were thereafter amended from time to time (the said Act and the said Lease as so amended being hereinafter called, respectively, the "Upper Churchill Act" and the "Upper Churchill Lease");

AND WHEREAS Section 3 of the Upper Churchill Act provides that from its execution and delivery, the Upper Churchill Lease shall be valid and binding upon the parties thereto and that all and singular the provisions thereof shall have the force and effect of law for all purposes as if expressly enacted in



1976/08/02

the Upper Churchill Act, and among other things, that the Lessee named in the Upper Churchill Lease shall have full power and authority from time to time to do or perform or omit to do or perform all and singular the several acts, matters and things in and by the Upper Churchill Lease provided to be done or not to be done, as the case may be, in the manner and with the effect and under the conditions stipulated and provided in the Upper Churchill Lease;

AND WHEREAS Section 4 of the Upper Churchill Act further provides that Section 3 of that Act shall have full effect notwithstanding anything to the contrary contained in any other statute or law;

AND WHEREAS Clause 2 of Part 1 of the Upper Churchill Lease provides, among other things, that upon the request of the Government, consumers of electricity in the Province of Newfoundland (hereinafter called the "Province") shall be given priority where it is feasible and economic to do so;

AND WHEREAS the Government has caused an investigation to be made of the future needs of power and energy in the Island of Newfoundland (hereinafter called the "Island") and on the basis of that investigation has concluded that additional power and energy will be needed in the Island, commencing in the year 1983 and continuing thereafter;

AND WHEREAS the Government proposes to meet the increased need in the Island by transmitting hydroelectric power from



1976/08/02

Labrador;

AND WHEREAS, towards that end, the Government has decided to invoke the said provisions of Clause 2 of Part 1 of the Upper Churchill Lease and to cause transmission facilities to be constructed from the said Upper Churchill Watershed to the Island;

AND WHEREAS it is necessary to secure a commitment now for the supply of the said power from Labrador in order to arrange the financing of the said transmission facilities and to complete the construction thereof by the year 1983;

BE IT THEREFORE ORDERED THAT CFLCo be and it is hereby requested to

- (a) supply to Newfoundland and Labrador Hydro, an agent of Her Majesty in right of the Province, a total of 800 Megawatts of power, generated from the waters of the said Upper Churchill Watershed, at a 90% load factor, commencing on October 1, 1983; and
- (b) give Newfoundland and Labrador Hydro access to limited quantities of power for commissioning purposes prior to October 1, 1983,

all such power



1976/08/02

- (c) to be supplied at such price and upon such other terms and conditions as may be mutually agreed between CFLCo and Newfoundland and Labrador Hydro, and as shall, in any event, be not less favourable to CFLCo than the price and other terms and conditions prescribed in the Power Contract dated as of the 12th. day of May A.D. 1969, and made between Quebec Hydro-Electric Commission and CFLCo; and
- (d) to be delivered to Newfoundland and Labrador Hydro at or near Churchill Falls, the exact point or points of delivery to be such as may be mutually agreed between CFLCo and Newfoundland and Labrador Hydro.

ORDERED FURTHER THAT all power and energy supplied to Newfoundland and Labrador Hydro pursuant to this request shall be used solely and exclusively for the purpose of supplying consumers of electricity in this Province.

ORDERED FURTHER THAT the Honourable John C. Crosbie, Minister of Mines and Energy, be and he is hereby directed to cause a certified copy of this Order to be delivered to CFLCo.

COPY

Clerk of the Executive Council