

709NEWS

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Product Summary:

**PROGRESS OF LOWER CHURCHILL: How do you build a hydro electricity facility?**  
Tuesday, April 17, 2007 07:22AM Item # 05  
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**CINDY WALL:How do you build a hydro electric facility? Well, Hydro Newfoundland and Labrador held an open house yesterday in Happy Valley-Goose Bay to talk to people about the progress of the Lower Churchill project. One of the people there was Gilbert Bennett, the Lower Churchill development engineer and vice president. Reporter Danielle Finney caught up with him at the Labrador Friendship Centre to get an update on the proposed hydro-electric development.**

**DANIELLE FINNEY:How can you be confident that the project will be operational by 2015?**

**GILBERT BENNETT:For a variety of reasons. We have a very comprehensive project planning process and certainly we're looking at not only our planning leading us towards construction start-up project sanction 2009, but towards in service and then finally well into operation. So look at the construction planning. I think we're confident that the timeline that we have identified is appropriate for building this project.**

**DANIELLE FINNEY:Do you think there's a window of time here where if it closes this just won't be feasible anymore economically?**

**GILBERT BENNETT:I can certainly say that the fundamentals of this project have never been better. When you look at concerns of greenhouse gas emissions in the electricity generation sector. We look at concerns about the cost of fuel prices. The fundamentals of this project have never looked more attractive.**

**DANIELLE FINNEY:Are Aboriginal groups on side?**

**GILBERT BENNETT:**We have a very comprehensive consultation process in place with the Innu Nation and Premier Williams has announced and discussed a five percent equity participation in the project with leadership at Innu Nation.

**DANIELLE FINNEY:**So are they, as we understand it right now, they're happy with how things are going?

**GILBERT BENNETT:**We're making good progress with respect to negotiating an impact and benefits agreement with the Innu Nation. Those discussions are ongoing.

**DANIELLE FINNEY:**The Labrador Metis Nation is in Ontario right now issuing a warning to that government about the Labrador Metis Nation wanting to be included in and consulted. Is it possible that they could put pressure on Ontario and that could have an impact?

**GILBERT BENNETT:**Maybe the best thing for me to say there is that the consultation with the LMN will be, I guess will ultimately be directed by government through the environmental assessment process. It's probably best if I defer it to seeing the specific guidelines that we're going to receive for consultation with the LMN.

**DANIELLE FINNEY:**What about the transmission issue? Has that been sorted out or where does that stand?

**GILBERT BENNETT:**We're evaluating and studying a number of options for transmission. Certainly, as we know, we've filed for open access transmission service through Hydro Quebec into various markets in eastern North America and we're also continuing our engineer study work on a Maritime submarine route that would take us to the islands and on into New Brunswick. So both of those alternatives are being investigated very seriously.

**DANIELLE FINNEY:**But right now nothing is confirmed.

**GILBERT BENNETT:**No. We haven't made the final decision on our transmission alternatives.

**DANIELLE FINNEY:**The final question is, some Labradorians are concerned that if this goes ahead and the construction phase finishes that Labrador won't get a lot of economic benefit out of this. What would you say to that?

**GILBERT BENNETT:**The first thing I would say is that in a project that's worth \$9 billion that has a ten year construction interval would have a significant benefit to the economy here in Labrador. I think the second point is that once the project

goes in service, the availability of low cost hydro-electric power in the region will be a catalyst for further development.

**DANIELLE FINNEY:**Is it possible that lines would go up the north coast and energy would be routed that way?

**GILBERT BENNETT:**We looked at that work as part of a rate review back in the early part of 2000, 2001. It was concluded at the time that the least cost alternative for supplying energy to the north coast was a continued use of diesel generation. As time progresses we'll continue to review those options, but certainly Hydro has a legislative mandate to deliver the least cost energy. So we will choose the lowest cost alternative for our customers.

**DANIELLE FINNEY:**Mr. Bennett, thanks for talking to me today.

**GILBERT BENNETT:**It was great. Thank you very much.

**CINDY WALL:**That's Gilbert Bennett of Newfoundland and Labrador Hydro. He is actually the Lower Churchill development engineer and vice president.