





the region to the province. These provisions may enable Hydro Quebec to hinder transmission development, whether it is expansion of the existing system or the development of a new corridor if it is not seen to be in Hydro Quebec's own interests.

Newfoundland and Labrador's experience of dealing with a system operator that is imbedded within Hydro Quebec has show that this model can significantly delay decisions (4 years or more) even under an OATT process. It is this experience that leads us to believe the proposed move by Hydro Quebec to take over the NB System Operator (NBSO) role will likely lead to similar outcomes.

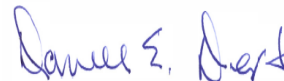
I trust this information helps you to understand in greater detail our concerns about the future of open access in New Brunswick, and its effect on development of Atlantic Canada's renewable energy resources. That is why we are asking the New Brunswick government to:

- 1) finalize an agreement, by February 2010, prior to signing of the definitive agreements between New Brunswick and Hydro Quebec, subject to normal environmental assessment and permitting, to construct a new interprovincial transmission line through New Brunswick to the Maine/NB border, separate from the existing NB grid; and
- 2) ensure that existing open access applications will be handled by NBSO under existing NB OATT rules until the process is complete and service agreements have been offered to Nalcor Energy or any other Atlantic Canadian companies that may seek such access before the signing of the definitive agreements between New Brunswick and Hydro Quebec next Spring (i.e., grandfathered and handled by NBSO under current rules).

Thank you for your consideration on this matter.



**DANNY WILLIAMS, Q.C.**  
Premier of Newfoundland and Labrador



**DARRELL DEXTER**  
Premier of Nova Scotia

cc. Premier Ghiz

2009 12 02

5:40 p.m.