

power, we intend to move forward. Further, we see it as most unfortunate that Quebec is a strong advocate for free trade, in particular with the European Union, but does not seem to want to apply those principles to its own neighbours."

Premier Williams said that although this decision is obviously not the desired outcome, the province through Nalcor will continue with plans for development of the Lower Churchill project.

"By no means does this decision mean that we are stopping or slowing down plans to develop this extraordinary clean, renewable energy project," said the Honourable Kathy Dunderdale, Minister of Natural Resources. "We knew the potential for this unfortunate decision and this is precisely why we have been pursuing two alternative routes to market, including the Labrador-Island Link, the Maritime route as well as the pursuit of a separate 724 MW transmission service request into the Maritimes and New England. This is an extremely attractive clean energy project and we are anxious to move forward."

The Premier added that not only did the Régie show a complete lack of regard for open access principles, they went beyond the scope of the complaints they were hearing and suggested the transmission lines in Labrador and Upper Churchill generating facility are under the control of Hydro-Québec. This completely ignores the Upper Churchill contract, the realities of that existing project and provincial rights and jurisdictions.

"In essence, the Régie has ignored the limits to Hydro-Québec's power entitlements under the 1969 contract to give Hydro-Québec the majority of the access on the existing corridor from Labrador into Québec," said Premier Williams. "To suggest that these assets are under the control of Hydro-Québec TransEnergie is quite simply wrong and patently unreasonable. The Régie further made an erroneous assertion by disregarding other contracts serving load in Labrador from the Churchill Falls plant, that Hydro-Québec takes priority over the Twin Co power block which supplies IOCC and recall power used by the province, in particular for the people of Labrador. This is clearly in contradiction of the Upper Churchill contract and I can assure the people of the province, we put absolutely zero credence in these statements by the Régie. Indeed, it further de-legitimizes the entire regulatory process."

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