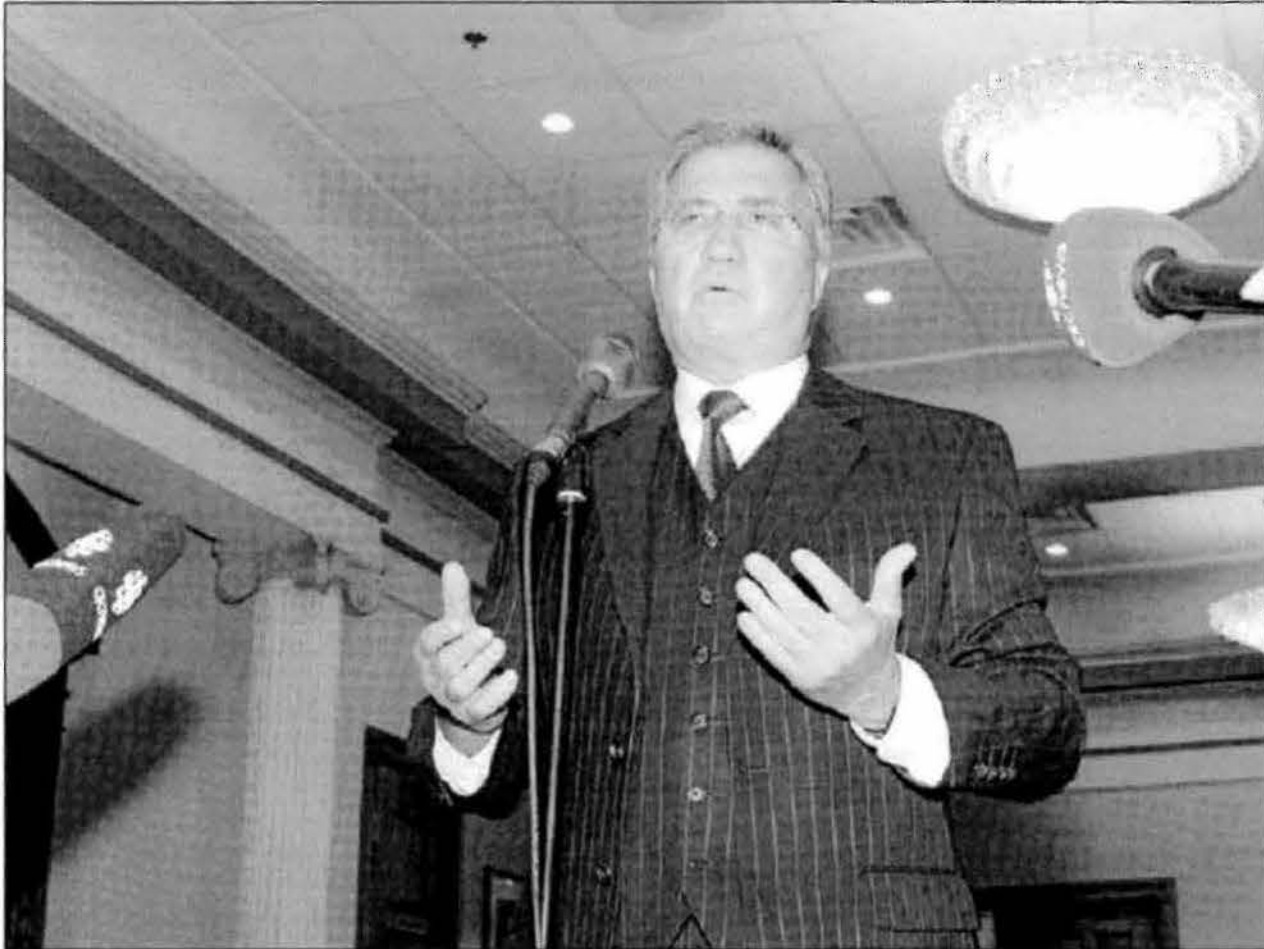


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Access denied

Quebec regulator rejects application; province to switch focus to maritime route

Quebec's energy regulator has denied one of this province's applications for access to its transmission grid.



— Photo by Gary Hebbard/The Telegram

Premier Danny Williams speaks with reporters Wednesday after the Regie de l'énergie, Quebec's energy regulator, ruled against complaints filed by Nalcor Energy in relation to Nalcor's efforts to export power from the proposed Lower Churchill hydroelectric project across the Quebec transmission system.

The province was looking for capacity on the Quebec grid to transport power from the proposed Lower Churchill project to markets in the United States and the rest of Canada.

The decision of the Regie de l'énergie came late Tuesday night and, according to Nalcor Energy, contravenes federal competition rules and those which allow Hydro-Quebec to sell power into the U.S.

The decision incited the wrath of Premier Danny Williams.

"The inequity and the injustice of what's gone on here is horrendous," he told reporters outside the House of Assembly Wednesday.

"They came back and they basically whitewashed us, which ... again shows the arrogance and contempt that Quebec has for Newfoundland and Labrador," he continued.

But the premier suggested the bad news could be good in the long run.

He said the decision is so lopsided and biased it could come back to haunt both the regulator and Hydro-Quebec.

When Williams was questioned about what he thinks the decision will do to the Regie's reputation, he said, "I think they've seriously damaged their credibility."

"The Regie dared to even suggest that Hydro-Quebec had some control or authority over assets that actually reside in Newfoundland and Labrador and are under the jurisdiction of (the province)," the premier said.

Williams also said he's informed the U.S. Federal Energy Regulatory Commission (FERC) of what's happened and will eventually launch a formal complaint with FERC once the province has exhausted all possible appeals under the Regie.

He said because FERC rules demand jurisdictions who sell power in the States to allow open and fair access to their grids, Hydro-Quebec could face penalties because of the Regie decision.

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Shift in focus

But Williams also said Wednesday the province will now shift its focus to developing a maritime route to transmit Lower Churchill power to the island and on to Nova Scotia and New Brunswick.

He said that has been his preferred option all along even though it is more expensive.

"I really felt Quebec were going to do whatever they could to try and block us along the way and they've done just that," the premier said.

Williams said he and the other Atlantic premiers will discuss that route further during a conference call next week, which the federal government may also be a part of.

When asked whether there is any political dialogue to be had with Quebec Premier Jean Charest on the matter, Williams said he's always open to talk.

"But we're not going to go into Quebec on our hands and knees under any circumstances," he said.

The province, through Nalcor, still has a second application before the Regie.

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