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**Subject : Premier William's Speech**

Murray – below is an excerpt from Premier William's speech Saturday night to the Annual PC Convention:

And of course, also looming large on the horizon right now is the development of the Lower Churchill project.

Right now, we are in discussions with Emera Energy and the folks in Nova Scotia who are anxious to be our partners as we move forward.

Imagine how exciting a day it would be if we could see that power avoid Quebec altogether and use the power ourselves or send it our neighbours in the Maritime Provinces and New England states. And it could happen my friends - just wait and see!

With this potential new and mutually beneficial partnership with Emera Energy which builds upon our existing partnership with them on our recall power from the Upper Churchill, we are embarking upon an exciting journey that has never before been seriously contemplated and pursued by those seeking to develop the Lower Churchill.

We are saying "thank you Quebec, but we simply do not need you to develop this project". We are going to bring that clean, green power down from Labrador to the island and then sending power across to Nova Scotia.

Ultimately, some of the power could also end up going into New Brunswick or the hungry United States market as Emera has assets in Maine as well.

How about that folks? Our power developed and managed by the people of Newfoundland and Labrador and sold to market for the first time in history without having to beg Quebec for a piece of the pie!

This partnership with Emera would be based on another previously untested development option, and that is a phased development of the project. As you know the Lower Churchill River system is comprised of Muskrat Falls with 824 megawatts of power and Gull Island with 2250 megawatts.

Our discussions with Emera and Nova Scotia would result in a partnership that would see us proceed with the development of Muskrat Falls first. The power from Muskrat would be used to help us displace expensive, dirty power from Holyrood which in itself justifies the project, and then the remainder would be sold to our partners in Nova Scotia and beyond.

By using the Lower Churchill power here in the province, we will be able to provide stable rates for generations to come and an appropriate return to the treasury.

We would share the transmission with willing partners, unlike those in Quebec.

The larger Gull Island development would be a separate phase to follow, and would provide opportunities to attract industry to Labrador, should commercial partners be prepared to provide appropriate economic benefits.

Needless to say, there are still details to be worked out before and if a final agreement falls into place. But we are extremely excited about the prospects of developing this project in a way that brings real and meaningful benefits to the people of the province, to our partners and to our customers.

Of course, it is never over til it is over but we are cautiously optimistic that we will be able to announce something sooner rather than later.