

September 22, 2014

VIA COURIER, EMAIL, RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4

Dear Ms. Walli:

**Re: EB-2011-0140: East-West Tie Line Designation
Monthly Report - September 22, 2014**

Enclosed for filing is the monthly report for Upper Canada Transmission, Inc. ("NextBridge"), a copy of which was filed through RESS earlier today.

Yours truly,

(Original Signed)

Tania Persad
Senior Legal Counsel, Enbridge Gas Distribution Inc.

ONTARIO ENERGY BOARD

IN THE MATTER OF sections 70 and 78 of the *Ontario Energy Board Act, 1998*;

AND IN THE MATTER OF a Board-initiated proceeding to designate an electricity transmitter to undertake development work for a new electricity transmission line between Northeast and Northwest Ontario: the East-West Tie Line.

**UPPER CANADA TRANSMISSION, INC.
(d/b/a NextBridge Infrastructure)**

Monthly Report

September 22, 2014

1. By the *Decision and Order* dated August 7, 2013 (Decision), the Ontario Energy Board (“OEB” or “Board”) decided that the designated transmitter for the development phase of the proposed East-West Tie Line (“EWT Project”) is NextBridge Infrastructure (“NextBridge”).
2. In accordance with Ordering Paragraph 2 (page 42) of the Decision and the Board’s September 26, 2013 *Decision and Order regarding Reporting by Designated Transmitter*, NextBridge provides this monthly report. This report reflects the financial status of development work on the EWT Project through August 31, 2014. Other aspects of this report are current as of the close of business on the last business day prior to the filing date.
3. This report is organized as follows:
 - (a) A summary report on overall EWT Project progress.
 - (b) A cost summary providing details for each cost category included in NextBridge’s Board approved development cost budget of: i) actual costs

to date; ii) percentage of budgeted costs spent to date; iii) updated budget forecast (if applicable); and iv) forecast variance. Reasons for any forecast variance and associated mitigating measures for negative forecast variances are also provided.

- (c) A summary of the status of NextBridge's Board approved development milestones, indicating those that are complete and the status (i.e. on schedule, ahead of schedule or delay/potential delay) of those in progress. If any delay or potential delay in achievement of any of the milestones has been identified, the reasons for the delay, the magnitude and impact of the delay on the broader development schedule and cost, and mitigating steps that have been or will be taken, are reviewed.
- (d) A summary of risks and issues that have arisen during development work, including discussion of potential impact of any such developments on schedule, cost or scope, and discussion of options for mitigating or eliminating the risk or issue. This section also provides an update on any previously identified risks or issues.

Overall Project Progress

- 4. Overall during this period, work towards all milestones continued to progress. Due to a lack of aboriginal traditional knowledge data and development of a comprehensive access plan taking longer than anticipated, NextBridge has identified potential risk to completing the environmental assessment ("EA") in accordance with the OEB approved Milestone target date. NextBridge is assessing the nature and extent of schedule impacts anticipated, and will continue to update the Board.
- 5. In respect of engineering work:
 - (a) the aerial surveys are complete and the data is being processed in support of milestone #8 and it is expected to be completed on schedule;
 - (b) detailed engineering of the lattice tower structures is complete. The fabrication of prototype towers has commenced and testing will begin once completed. Third party inspection services have been competitively sourced for the oversight of the fabrication and testing of prototype towers;
 - (c) mobilization of the geotechnical testing crews is pending landowner and Ministry of Natural Resources and Forestry (MNR) approvals for access; and

- (d) Request for expressions of interest for general contractor services for the EWT Project yielded several responses that are currently being reviewed. This review will form the basis for identifying contractors ultimately invited to participate in a Request for Proposals (“RFP”) for the construction scope, which is also being prepared for issuance.
6. In respect of route selection, land/ROW acquisition and community/municipal consultation activities, discussions with landowners, permitting agencies and other stakeholders have continued.
- (a) Activities within the community/municipal consultation area included:
 - (i) hosted the last two EWT Project Open Houses (Round Two) in White River and Wawa on August 22 and 23, 2014, respectively;
 - (ii) responding to and tracking stakeholder inquiries, including preparation of a response to the Municipality of Wawa’s August 25, 2014 letter raising concerns about the nature and level of consultation between NextBridge and the Municipality of Wawa and local economic benefits. Attached at Schedule A is a copy of the letter dated September 16, 2014 to the Municipality of Wawa. NextBridge has proposed a meeting with the Municipality of Wawa in October, as requested, on or around October 6, 2014, which is the date of the Northeastern Superior Mayors’ Group meeting; and
 - (iii) planning and preparation for the EWT Project Open Houses (Round Three), including exploration of the possibility of adding additional locations and alternate timing.
 - (b) Activities in respect of route selection and land/ROW acquisition included:
 - (i) continued engagement and outreach with landowners potentially directly affected along the Reference Route and alternate routes still under consideration;
 - (ii) exploration of a further Dorion-area route refinement identified by community members at the Dorion Open House held on August 19, 2014. Consent from potentially directly affected landowners is being sought for purposes of preliminary environmental studies;
 - (iii) continued consultation with landowners (including corporate landowners, government ministries and local municipalities), Crown disposition and claim holders in support of obtaining consent for geotechnical studies and EA activity;

- (iv) continued response to landowner queries as received, including queries in connection with the Terms of Reference (ToR), current routes under consideration, the Land Acquisition program, and the EWT Project in general;
 - (v) submitted Letter of Intent to the MNRF regarding the EWT Project and proposed tenure related to Crown Land; and
 - (vi) continued review of the routes currently under assessment including collection of information from landowners and stakeholders potentially directly affected by the proposed EWT Project.
7. In respect of Aboriginal engagement, consultation and participation, activities included:
- (a) ongoing engagement activities with the 18 identified First Nation and Métis communities;
 - (b) attendance at a Long Lake #58 First Nation community event on August 24, 2014;
 - (c) submission of a record of aboriginal consultation to the MNRF in support of NextBridge's request for geotechnical investigation permits;
 - (d) planning community meetings with Red Rock Indian Band for September 19, 2014 and Pays Plat First Nation for September 20, 2014; and
 - (e) continued discussions on ways Aboriginal communities can commercially participate in the EWT Project, as outlined in the Aboriginal Participation Plan (Schedule C) submitted as part of the EWT Project January 22, 2014 Monthly Report.
8. In respect of environmental assessment activities, work included:
- (a) continued consultation with the Ministry of the Environment and Climate Change ("MECC"), Ministry of Tourism, Culture and Sport, and MNRF in support of the EA;
 - (b) continued consultation with the MNRF regarding geotechnical drilling work;
 - (c) continued environmental site assessment field staff data collection in the EWT Project area;

- (d) continued identification and evaluation of alternative routes; and
 - (e) ongoing meetings with numerous interested parties and industry in connection with the collection of socioeconomic data for the EA.
9. Additional general updates for the reporting period include:
- (a) NextBridge received approval of its EA ToR on August 28, 2014, which was posted to the MECC's website on September 10, 2014.
 - (b) On August 28, 2014 NextBridge received the full draft System Impact Assessment ("SIA") from IESO and provided it to Hydro One Networks Inc. (HONI) on the same day in order for HONI to begin its Customer Impact Assessment ("CIA") and Construction Cost Estimate. On September 19, 2014 NextBridge received a draft CIA from HONI for review and comment.
 - (c) On August 29, 2014 NextBridge submitted a revised request originally filed on August 15, 2014 to the Board for approval to use United States Generally Accepted Accounting Principles as its accounting standard for rate setting, regulatory accounting and regulatory reporting.
 - (d) NextBridge hosted a performance based rate making ("PBR") methodology stakeholder consultation session on September 10, 2014 at the Board's offices in Toronto.
 - (e) NextBridge continues its efforts to consult with the six route First Nations communities. However, progress has been slow as economic participation activities have been given priority by those communities.
 - (f) NextBridge continues financial review of its costs to date and forecast to January 28, 2015, as initially reported in the EWT Project July 22, 2014 Monthly Report. NextBridge has updated Table 1 to reflect areas in which additional review has been completed, specifically, Regulatory and Project Management. NextBridge will update any remaining forecast amounts as required in subsequent Monthly Reports.

Cost Summary

10. Table 1, below, details for each cost category included in NextBridge's Board approved development cost budget: i) actual costs to date; ii) percentage of budgeted costs spent to date; iii) updated budget forecast (if applicable); and iv) forecast variance.

Table 1: Budgeted Costs Status

Cost Category	PROJECT TO DATE		TOTAL PROJECT ESTIMATE			
	Actual ¹	% of total budget	Forecast	Budget ²	Variance \$	Variance %
Budgeted						
Engineering, Design and Procurement Activity	\$3,947,932	37.4%	\$10,553,292	\$10,553,292	-	0%
Permitting and Licensing	47,223	99.8%	47,320	47,320	-	0%
Environmental and Regulatory Approvals	2,390,005	66.5%	3,592,680	3,592,680	-	0%
Land Rights (Acquisitions or options)	1,294,044	65.0%	1,991,000	1,991,000	-	0%
First Nation and Métis Consultation	889,388	51.6%	1,724,000	1,724,000	-	0%
Other Consultation	649,247	130.9%	1,022,554	496,001	(526,553)	(106.2)%
Regulatory (legal support, rate case and LTC filings)	673,456	68.4%	1,165,000	985,000	(180,000)	(18.3)%
Interconnection Studies	70,199	39.2%	100,000	179,000	79,000	44.1%
Project Management	1,204,067	92.6%	1,745,276	1,300,000	(445,726)	(34.3)%
Contingency (Engineering, Design and Procurement)	-	0%	456,429	1,529,708	1,073,279	70.1%
Total	\$11,165,561	49.9%	\$22,398,001	\$22,398,001	-	0%

¹ "Actual" refers to actual costs plus estimated accruals.

² This total refers to the Development Phase budgeted amount as approved by the Board in file EB-2011-0140 Phase 2 Decision and Order dated August 7, 2013.

11. As part of the mid-term financial review, Regulatory has identified additional expenditures required to address, among other things, added activity related to Leave to Construct application preparation, as well as preparation of unanticipated ancillary accounting-related filings to the Board. As a result, Regulatory has an increased budget requirement.
12. With respect to Project Management, NextBridge has identified expenditures that were not initially budgeted, including, additional labour to manage the EWT Project through the development phase, including increased core team meetings, procurement management and monthly reporting activity. As a result, Project Management has an increased budget requirement.
13. Project Contingency is being drawn on for the increases in the Regulatory and Project Management forecast.
14. Table 2, below, details costs to date not included in NextBridge's Board approved development cost budget. This table includes two categories of cost expressly excluded from the development cost budget filed by NextBridge: First Nation and Métis land acquisition costs and First Nation and Métis participation costs (see NextBridge Response to Interrogatory 26 to all applicants, attachment 1).
15. The "Other" category on Table 2 records unbudgeted costs that are, to date, for the most part related to the Notice of Appeal filed by Pic River in the Ontario Divisional Court in respect of the Decision.

Table 2: Unbudgeted Costs

Cost Category	Current month project to date Actual³	Prior month project to date Actual³
Not Budgeted		
First Nation and Métis Land Acquisition	\$ 7,332	\$ 7,332
First Nation and Métis Participation	1,028,338	973,493
Other Costs Not included in Budgeted Categories	224,610	224,660
Carrying Cost	34,766	26,032
Taxes and Duties	-	-
Total Not Budgeted	\$ 1,295,046	\$ 1,231,517

Development Milestone Summary

16. Table 3, below, provides a summary of the status of NextBridge’s Board approved development milestones, indicating those that are complete and the status of those in progress (i.e. on schedule, ahead of schedule or delay/potential delay).
17. For each of the Board approved milestones, Table 3 provides:
 - (a) The Board approved milestone date.
 - (b) The status of those milestones due within 3 months of the reporting date.
 - (c) A “revised forecast date” if applicable, indicating NextBridge’s current forecast of the date for completion of the relevant milestone if the current forecast differs from the Board approved date.
18. NextBridge has focused, for the purposes of this reporting, on the status of those milestones due within 3 months of the reporting date in order to highlight the development activities in respect of which efforts are primarily focused, and which are of most immediate relevance to project progress and status.

³ “Actual” refers to actual costs plus estimated accruals.

19. NextBridge does review its development schedule on a monthly basis, in conjunction with preparation of these monthly reports, and should an issue or risk regarding a milestone that is scheduled beyond 3 months from the reporting date be identified, NextBridge will nonetheless report on that issue or risk, and include an appropriate status indication and revised forecast date in Table 3.

Table 3: Milestone Progress and Status

Engineering Milestones

	Milestone	Board Approved Date	Status	Revised Forecast Date
1	Initiate engineering	13 Sep 2013	Completed	
2	Sign contract for engineering	31 Oct 2013	Completed	
3	Finalize design criteria for conductor and structure	31 Jan 2014	Completed	
4	Complete conductor optimization study	7 Mar 2014	Completed	
5	File request for a System Impact Assessment (SIA) with the IESO	12 Mar 2014	Completed	
6	Status report on progress toward finalization of structure choice	31 Mar 2014	Completed	
7	Obtain senior management approval of the structure configuration proposal	1 July 2014	Completed	
8	Complete aerial surveys	14 Oct 2014	On Schedule	
9	Receive final SIA from the IESO	21 Nov 2014	On Schedule	

Route Selection, Land/ROW Acquisition and Community/Municipal Consultation Milestones

	Milestone	Board Approved Date	Status	Revised Forecast Date
10	Prepare list of landowners along the ROW	10 Oct 2013	Completed	
11	Complete design of Landowner, Community and Municipal Consultation Plan	1 Nov 2013	Completed	
12	Commence negotiations or discussions with all landowners and permitting agencies	25 Nov 2013	Completed	May 30, 2014 as per EWT Project April 22, 2014 Monthly Report
13	Finalize proposed route and obtain senior management approval	1 Jul 2014	Completed	

Aboriginal Engagement, Consultation and Participation Milestones

	Milestone	Board Approved Date	Status	Revised Forecast Date
14	Send introductory correspondence to aboriginal communities	30 Aug 2013	Completed	
15	Initial meeting with Ministry of Energy regarding the MOU for delegation	15 Sept 2013	Completed	
16	Complete initial/introductory contact with all aboriginal communities identified by the Ministry of Energy	30 Sept 2013	Completed	
17	Sign MOU with Ministry of Energy regarding the delegation	5 Nov 2013	Completed	
18	Complete design of First Nations and Métis Participation Plan with community input	2 Jan 2014	Completed	
19	Complete design of First Nations and Métis Consultation Plan with community input	2 Jan 2014	Completed	

Environmental Assessment (Provincial) Milestones

	Milestone	Board Approved Date	Status	Revised Forecast Date
20	Consult with environmental agencies (Ministry of Environment, Ministry of Natural Resources, Parks Canada and Ontario Parks)	10 Oct 2013	Completed	
21	Issue notice of draft Terms of Reference (ToR) available for review	16 Jan 2014	Completed	
22	File Environmental Assessment ToR	28 Feb 2014	Completed	
23	Initiate wildlife, aquatics and early season vegetation assessments	1 May 2014	Completed	May 20, 2014 - as per EWT Project April 22, 2014 Monthly Report
24	Approval of Environmental Assessment ToR	3 Jul 2014	Completed	August 28, 2014
25	Complete Environmental Assessment Consultation Report	27 Jan 2015	Potential Delay	Unknown
26	Submit Environmental Assessment to Ministry of Environment	27 Jan 2015	Potential Delay	Unknown

Leave to Construct Milestone

	Milestone	Board Approved Date	Status	Revised Forecast Date
27	Submit Leave to Construct (LTC) application	28 Jan 2015		

20. In respect of the milestone achieved during this reporting period:
- (a) **Milestone 24: Approval of Environmental Assessment ToR.** Attached at Schedule B is a copy of the August 28, 2014 letter received from MECC and the formal notice of approval of the EA ToR as proof of completion of this milestone.
21. With respect to the milestones due within the next 3 months, activity is currently on track to achieve the relevant milestones in accordance with the Board approved target dates.

Issues/Risks/Mitigation Summary

22. This section of NextBridge’s monthly report provides a summary of risks and issues that have arisen during development work, including discussion on potential impact of any such developments on schedule, cost or scope, and of options for mitigating or eliminating the risk or issue.
23. As referenced in paragraph 4 above, due to a lack of aboriginal traditional knowledge data and development of a comprehensive access plan taking longer than anticipated, NextBridge has identified potential risk to completing the environmental assessment (“EA”) in accordance with the OEB approved Milestone target date. NextBridge is assessing the nature and extent of schedule impacts anticipated, and will continue to update the Board.

Attachments to NextBridge Monthly Report

Schedule A

NextBridge response to Municipality of Wawa August 25, 2014 letter

September 16, 2014

Chris Wray, AMCT
CAO/Clerk-Treasurer
Municipality of Wawa
P.O. Box 500
40 Broadway Avenue
Wawa, ON P0S 1K0

Sent via email and mail

Dear Mr. Wray:

RE: East-West Tie Line

Thank you for the letter and for informing us of your concerns regarding consultation and engagement activities in support of the new East-West Tie Transmission Project. Please be assured that we hold the interests and concerns of the Municipality of Wawa and all communities in the Project area in the highest regard. We've committed to regular and open communication and to seeking and respecting input. We would be pleased to further discuss the concerns you raised in your August 25, 2014 letter and accept your offer to meet with Council and Staff of the Municipality of Wawa. We will be in Chapleau on October 6th to attend the next Northeastern Superior Mayors' Group Meeting. We would be pleased to schedule a separate meeting with Wawa on October 6th or 7th. Please contact Brent Bullough at 647-260-3931 or brent.bullough@nexteraenergy.com to confirm specific timing for the meeting.

Our preliminary responses to some of the issues you raise in your August 25 letter follow.

When we first set up meetings with municipalities in November of 2013, our intention was to meet with municipalities individually. It was through the cooperative effort of the Township of White River and the Municipality of Wawa that we met with the Northeastern Superior Mayors' Group Meeting on November 18, 2013. The Municipality of Wawa, the host municipality, approved a scheduling change for the Mayor's Group meeting to coincide with our meeting schedule. We appreciated this gesture and interpreted this action as confirmation that the Mayors' Group was an appropriate forum for our meeting, but we also recognized a need to hear Wawa-specific concerns and arranged a meeting with the Municipality of Wawa Management Team on the same day, before the Mayors' Group meeting. Mayor Nowicki and Councillor Besner were in attendance at this Wawa-specific meeting along with key Wawa staff including the Director and Assistant Director of Infrastructure Services, Director of IT and Innovation, Director of the Michipicoten Memorial Community Centre, Chief Building Official, and the Deputy Treasurer. We considered these the first opportunities of many to discuss the project with the Municipality of Wawa and other communities along the route. We regret if the impression was given that our commitment to consult was completed after the November 18, 2013 meetings. This was not and is not our intention.

Regarding the May 6, 2014 meeting with the Economic Development Corporation of Wawa, this meeting was arranged by our consultant to collect data for the Environmental Assessment's socio-economic studies. It was not intended to be an update meeting involving the Project team.

We were pleased that Mayor Nowicki was able to attend the August 23, 2014 Open House and speak with Project staff. It was unfortunate that the Open Houses coincided with the annual Association of Municipalities of Ontario

(AMO) conference. As you can appreciate, scheduling a week of Open Houses around long weekends during the summer, while meeting regulatory requirements and avoiding other activities such as conferences and community events can be difficult. All municipalities faced the same challenges with respect to the AMO conference, but we did recognize the residents of Wawa were faced with the added challenge of being asked to attend a Saturday Open House. To encourage attendance in Wawa, we engaged the services of a local caterer to provide a meal to all attendees and advertised this offer in the Notice that was published in local and regional papers. Meals were not offered at the other Open Houses.

With respect to notification and the publication dates of the Notice of Open Houses, the Notice was published locally in French and English in the Algoma News on August 6, 2014 and Ontario News North on August 8, 2014. Advertising was also purchased from www.wawa-news.com and www.ontarionewsnorth.com and began appearing online on August 8, 2014. Radio stations along the route, including CBC (Project area-wide), CFNO (Marathon) and JJAM (Wawa), broadcast stories about the Project and the Open House locations the week leading up to the events. Also, potentially affected landowner and others on the mailing list (including those who attended the first round of Open Houses) received a hard copy mailing of the Notice the week of August 3, 2014.

We are aware of the concerns you raised during your presentation on behalf of the Algoma Coalition to the Ontario Energy Board in May 2013 and your written submission. Many of these concerns were raised at our meeting the Northeastern Superior Mayors' Group and the Municipality of Wawa on November 18, 2013. Some of the concerns you raised cannot be answered by NextBridge. At the November 18th meeting, NextBridge was accompanied by a representative of the Ontario Power Authority, who was able to respond to questions related to project rationale and Provincial Policy more directly. We will be pleased to further discuss the concerns you raised that are within our control and project scope at our upcoming meeting.

Our public communications materials generally list me, the Project Director, or Oliver Romaniuk, the Project Manager, as the contacts for the Project. We would be pleased to work with you, but we do have a dedicated Stakeholders Relations Project team member, Chris Lupaschuk. Chris will be able to provide you with timely responses and direct you to other team members that may assist in your inquiries. Chris can be reached at chris.lupaschuk@enbridge.com or 519-339-0524.

Thank you again for your letter and we look forward to continued discussions.

Sincerely,



Michael Power, P.Eng
Project Director – East-West Tie Transmission Project
NextBridge Infrastructure

Cc: Municipality of Wawa Mayor and Council
Northeastern Superior Mayors' Group
Kirsten Walli, Board Secretary – Ontario Energy Board
The Honourable Brad Duguid – Minister of Economic Development, Employment and Infrastructure
The Honourable Michael Gravelle – Minister of Northern Development and Mines
Alan Spacek, President – Federation of Northern Ontario Municipalities
Kristen Oliver, Executive Director – Northwestern Ontario Municipal Association

Attachments to NextBridge Monthly Report

Schedule B

Milestone 24: Approval of Environmental Assessment ToR – proof of completion

Approval received from the Ministry of Environment dated August 28, 2014

Ministry of the Environment
and Climate Change

Ministère de l'Environnement et de
l'Action en matière de changement
climatique



Office of the Minister

Bureau du ministre

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AUG 28 2014

ENV1283MC-2014-1293

Carrie Wiklund
Senior Environmental Analyst
Enbridge Pipelines Inc.
10130 103rd Street
Edmonton, AB T5J 3N9

Dear Ms. Wiklund:

Thank you for submitting the Terms of Reference for NextBridge Infrastructure's proposed East West Tie Project on February 28, 2014, and as amended on May 22, 2014. The Ministry of the Environment and Climate Change has completed its review and I wish to inform you that I have approved your ToR for the preparation of an environmental assessment. Please see the attached Notice of Approval.

As required by subsection 6.1(1) of the Environmental Assessment Act, your environmental assessment must now be prepared in accordance with the approved Terms of Reference. While this approval provides additional certainty to your environmental assessment decision-making process, it does not secure approval of an undertaking. NextBridge is responsible for fulfilling the commitments outlined in the Terms of Reference and providing the appropriate level of quality in the environmental assessment.

Should you wish to vary significantly from your approved Terms of Reference, in preparing your environmental assessment you will need to submit a (new/amended) Terms of Reference for my approval. In the event of any uncertainty, you should consult with the Ministry of the Environment and Climate Change's Environmental Approvals Branch.

Should you require further assistance please contact Mr. Dave Bell of the Environmental Approvals Branch, at 416-314-7232 or by e-mail at dave.jr.bell@Ontario.ca.

Sincerely,

A handwritten signature in blue ink, appearing to read "Glen Murray".

Glen Murray
Minister

Attachment

c: Mr. Mario Buszynski, Project Manager, Dillon Consulting

TERMS OF REFERENCE - NOTICE OF APPROVAL

ENVIRONMENTAL ASSESSMENT ACT

SUBSECTION 6(4)

APPROVAL OF TERMS OF REFERENCE

FOR

THE PREPARATION OF AN ENVIRONMENTAL ASSESSMENT

RE: Proponent: NextBridge Infrastructure

Undertaking: East West Tie Project

EA File No.: EA-03-03-03

As provided for by subsection 6(4) of the *Environmental Assessment Act*, Terms of Reference, as submitted for approval to the Ministry of the Environment and Climate Change on February 28, 2014, and revised with the amended Terms of Reference being submitted on May 22, 2014 (amended Terms of Reference), to govern the preparation of an environmental assessment for the above-noted undertaking, is hereby approved.

Pursuant to subsection 6.1(1) of the *Environmental Assessment Act*, any environmental assessment for the above-noted undertaking, submitted to the Ministry of the Environment and Climate Change pursuant to subsection 6.2(1) of the *Environmental Assessment Act*, must be prepared in accordance with the Terms of Reference as hereby approved.

Reasons:

I am satisfied that an environmental assessment prepared in accordance with the amended Terms of Reference, will be consistent with the purpose of the *Environmental Assessment Act* and the public interest for the following reasons:

1. The amended Terms of Reference provides that the environmental assessment will include an identification and evaluation of a reasonable range of alternative routes and that these alternative routes will be assessed during the environmental assessment process.

2. The amended Terms of Reference requires the proponent to implement a comprehensive consultation plan during the preparation of the environmental assessment. In addition, the Environmental Assessment Act requires consultation and documentation of the consultation during the preparation of the environmental assessment. As well, there will be additional opportunities for public and government agency consultation when the environmental assessment is submitted to the ministry.
3. The amended Terms of Reference provides that the environmental assessment will be prepared using a comprehensive public, Aboriginal community and government agency consultation process that is open and transparent and in particular will include consultation on the selection and evaluation of alternative routes during the environmental assessment.
4. The amended Terms of Reference requires that the proponent meet the intent of the Environmental Assessment Act by providing for the identification of issues and concerns, and the preferred means of addressing them with due regard to adoption of environmental management, protection and mitigation measures.
5. There are no outstanding issues that have not been incorporated into the amended Terms of Reference or that cannot be addressed during the preparation of the environmental assessment.

Dated the 28th day of AUGUST, 2014 at TORONTO.



Minister of the Environment and Climate
Change
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