

ONTARIO ENERGY BOARD

**Upper Canada Transmission Inc. (on behalf of
NextBridge Infrastructure)
Application for leave to construct an electricity
transmission line between Thunder Bay and Wawa, Ontario**

- and -

Hydro One Networks Inc.

**Application to upgrade existing transmission station facilities
in the Districts of Thunder Bay and Algoma, Ontario**

-and-

Hydro One Networks Inc.

**Application for leave to construct an electricity transmission line
between Thunder Bay and Wawa, Ontario**

**WRITTEN INTERROGATORIES OF HYDRO ONE NETWORKS INC.
TO NEXTBRIDGE (“NB”)**

Interrogatory 1

Reference

- I) Technical Conference Transcript, May 7, 2018, p. 95

Ms. Tidmarsh testified that a delay in receiving an OEB decision on NB’s leave to construct application would have an impact on the cost of construction. Ms. Tidmarsh testified that NB needed a decision from the OEB on that application by July of 2018

Questions:

- a) Given that NB required a July, 2018 approval of its leave to construct application to meet a 2020 in-service date and to do so at the cost set out in its leave to construct application, please advise of the impact on the construction schedule and on the cost of

construction of not receiving a decision of the OEB on NB's leave to construct application until December of 2018.

- b) Please list the items in the forecast cost of construction that have increased since July 1 of 2018, and indicate the amount of the increase for each item and the reasons for the increase for each item.
- c) Please include, in the update of the project cost estimate, all forecast expropriation costs.
- d) Please list all of the items, other than the forecast cost of construction, that have increased the overall project costs since July 1, 2018, indicating the amount of the increase and the reasons for the increase for each item.
- e) Should NB be unsuccessful in its efforts to cross existing transmission lines, please update the NB cost estimate to include any and all anticipated costs associated with the relocation of T1M. Please include all estimated costs associated with consultation, construction, and a potential OEB application.
- f) Please indicate what impact an OEB Act section 101 application would have on the project schedule including the commencement of construction and the in-service date. Please indicate the corresponding effect on the cost estimate to complete the project.
- g) Please set out the impact, on the construction costs and schedule, of an application under section 99 of the OEB Act.
- h) **Interrogatory 2**

Reference:

- l) Technical Conference Transcript, May 7, 2018, p. 101

Mr. Gill testified that the construction rates in the Valard contract may be affected by a change in the construction period as a result of a delay.

Questions:

- a) Please indicate whether, and if so in what amount, Valard's construction costs have changed as a result of delays in the construction period. Please indicate what portion of the increase is being absorbed by Valard and how much NB will seek to recover from ratepayers.
- b) Have the terms and conditions of the Valard contract, previously filed in NB's leave to construct application, been changed since the date the application was filed and, if so, in what ways and for what reasons?
- c) Please provide a copy of any changed Valard contract.

- d) Has NB prepared a report to its senior management and/or its Board of Directors and/or the shareholders of Upper Canada Transmission Inc. on the following:
 - i) Delays in the in-service date and the construction period?
 - ii) Changes in the forecast cost of construction?
 - iii) Changes in the overall project costs?
- e) Please provide copies of all reports of NB to senior management and/or the Board of Directors and/or the shareholders of Upper Canada Transmission Inc. including subcommittees of the Board, on the topics identified in questions d(i), (ii) and (iii) above.

Interrogatory 3

Reference:

- l) EB-2017-0182 Exhibit I.B NB Staff 29

Question

- a) Please update the table in this Interrogatory Response. In doing so, please quantify the increase in estimated construction cost in each category of risk.

Interrogatory 4

Question

- a) Please provide an update on the current status of NB's application for approval of its Environmental Assessment. Please indicate whether there have been delays in the date for the expected approval and, if so, the reasons for those delays. Should NB not receive approval by Q4 of 2018 or later, please indicate the impact on the construction schedule and costs.

Interrogatory 5

Question

- a) Please identify the amount of the costs arising from
 - i) Indigenous participation agreements; and
 - ii) Any equity interest of Indigenous communities.
- b) Please indicate whether NB will include the costs of i) or ii) or both in its construction costs.

Interrogatory 6

Reference:

In its application to recover Development Costs, NB has said that it has removed some costs from the construction phase and included them in the development phase costs.

Question

- a) Please indicate the amount of the costs that have been moved from the construction to the development phase.
- b) If the OEB does not allow the recovery of those costs in the development phase, will NB seek to recover them in the construction phase? If so, what will be the impact on forecast construction costs?

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