

NextBridge's East-West Tie Project Progress Report Requirements for Reporting under sections 13.3 and 14.1 of Transmission Licence ET-2011-0222

The East-West Tie Project (EWT Project) Progress Report shall be filed with the Ontario Energy Board (OEB) on a quarterly basis:

- January 1 to March 31 for reporting in April
- April 1 to June 30 for reporting in July
- July 1 to September 30 for reporting in October
- October 1 to December 31 for reporting in January

All quarterly reports are to be filed by the 15th business day of the month following the end of each quarter, with the exception of the first quarterly report. Reporting shall continue until the EWT Project is in-service and land restoration activities have been completed. For the first quarterly report, NextBridge should report on the period since the issuance of Leave to Construct approval by the OEB on February 11, 2019. The first quarterly report can be filed by August 30, 2019, for the period ending June 2019.

The EWT Project Progress Report shall cover the following sections:

1. Summary of the EWT Project Progress to Date
2. Construction Schedule Update
3. Construction Costs Update
4. Risk Management

1. Summary of the EWT Project Progress to Date

This section is a detailed explanation of the status of the EWT Project and should describe the work that has been completed in the last quarter, as well as how the overall EWT Project is progressing. Included in the summary should be a description of any construction schedule updates, construction costs updates, changes in risks¹, and any other concerns or issues encountered in the reporting period. Any impacts resulting from changes to Hydro One Network Inc.'s (Hydro One) station work should be clearly indicated.

¹ The discussion of risks should include (but is not limited to) events and activities that are anticipated to impact the project schedule and in-service date. Examples are delays in major approvals or delays in completion of work on Hydro One's stations.

2. Construction Schedule Update

This section provides a detailed schedule of all major milestones, including major approvals². The first quarterly report should explain all changes to the schedule from the “Detailed Project Schedule for East West Tie in Response to OEB Procedural Order # 3”³ up to the establishment of the new schedule at the time of Leave to Construct approval by the OEB, per condition 4 of the OEB’s Order on Leave to Construct⁴. The new schedule that reflects condition 4 of the OEB’s Order on Leave to Construct will act as the baseline schedule for comparison purposes moving forward. In subsequent quarterly reports, the schedule should show the baseline for all milestones, as well as the current estimated completion for all milestones, and should illustrate any delays for the milestones.

The schedules should clearly show the beginning and completion dates, and estimated duration for all milestones, and should identify any interactions or dependencies between EWT Project milestones. The reasons for any delays should be identified, and any effect on schedule, in-service date or costs should be described. Any impacts resulting from changes to Hydro One’s station work should be clearly indicated.

3. Construction Costs Update

This section shall include the following table that summarizes budgeted vs. actual expenditures to date, as well as any forecast changes in budget. Amounts in the costs table should be rounded to one dollar level. Percentage values in the costs table should be to 2 decimal places.

² A listing or summary of all other approvals which are required for the completion of the EWT Project but are not reported as milestones should be provided.

³ EB-2017-0182, Detailed Project Schedule for East West Tie in Response to OEB Procedural Order #3, filed May 3, 2018 and updated on September 24, 2018.

⁴ Condition 4 of the OEB’s February 11, 2019 Order on Leave to Construct in EB-2017-0182/EB-2017-0194/EB-2017-0364 states that “NextBridge shall coordinate with Hydro One to align the in-service date of the NextBridge-EWT Project with the in-service date for the Hydro One-Station Upgrades Project.”

East-West Tie Project Reporting Costs Table

COST CATEGORIES FOR NEXTBRIDGE'S CONSTRUCTION COSTS REPORTING		ACTUALS SPENT		BUDGET			FORECAST BUDGET VARIANCE		
		A SPENT THIS REPORTING PERIOD \$	B TOTAL SPENT TO DATE \$	C BUDGET PER LTC APPLICATION \$	D=C-B BUDGET REMAINING \$	E=D/C*100 BUDGET REMAINING %	F FORECAST BUDGET CHANGE \$	G FORECAST BUDGET CHANGE %	REASONS FOR CHANGE
1	Engineering, Design and Procurement			19,342,245					
2	Materials and Equipment			89,408,231					
3	Environmental and Regulatory Approvals			13,030,561					
4	Land Rights (excludes Aboriginal)			23,830,512					
5	Indigenous Economic Participation			7,000,000					
6	Indigenous Consultation			13,211,000					
7	Other Consultation			2,530,194					
8	Site Clearing, Access			107,463,339					
9	Construction			356,547,573					
10	Site Remediation			13,898,699					
11	Contingency			49,339,445					
12	Regulatory			5,405,078					
13	EWT Management			4,900,644					
14	Interest During Construction			31,003,000					
TOTAL CONSTRUCTION COSTS				736,970,521 ⁵					

Notes on the East-West Tie Project Reporting Costs Table:

- Column 'A' should reflect expenditures since the last quarter.
- Column 'B' should reflect all expenditures to date, including all construction costs incurred prior to Leave to Construct approval on February 11, 2019.
- Budgeted construction costs in column 'C' shall be the same as the costs shown in "OEB Staff Summary of the Evidence on Costs" filed on October 4, 2018 in EB-2017-0182. These costs are to be held fixed.
- Column 'F' should reflect any expected change (either increase or decrease) in the forecast budget that is known at the time of reporting. For example, if NextBridge expects that a change in the scope of work or a schedule delay will increase the overall (final) costs of a certain category, those costs should be indicated in column 'F'.

⁵ On the record (EB-2017-0182).

NextBridge is to include in the above table (or in a separate document if that is easier to follow) the reasons for any variances or changes. NextBridge should also describe any measures it is employing to mitigate cost increases.

4. Risk Management

This section summarizes any risks and issues that have arisen during construction work. The summary should describe the potential impact of any material risks or issues on the EWT Project schedule, cost, or scope, as well as any options employed to mitigate or eliminate the risk or issue. This section should also provide an update on any previously identified risks or issues.

The following matrix shall be used to report information required in this section of the report.

Risk Description	Likelihood of Risk Occurring <i>(High, Medium, Low)</i>	Description of Impact of the Risk on the Project	Impact of the Risk on the Project <i>(High, Medium, Low)</i>	Mitigation of Risk and/or Impact