

May 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 May 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

May 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 April 30, 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 and the EWT Project is on schedule.
- 5. In respect of engineering work:
 - (a) Detailed engineering of the lattice tower structures is in progress in support of the fabrication and testing of the prototypes and on schedule; and
 - (b) Preparations continue for land surveying and geotechnical testing activity to be initiated as conditions allow.
- 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) continued responses to and tracking stakeholder inquiries, including queries in connection with the Terms of Reference (the "ToR");

- (ii) initiation of Round Two public open houses tentatively scheduled for this summer and notification material preparation, including planning and logistic matters; and
 - (iii) interactions with Dorion Township Council in relation to a Deputation to Township Council dated May 6th, 2014 by a Dorion-area citizens group proposing alternative routes for consideration, initiation of review of such route alternatives, and consideration of a corresponding Dorion Township Council resolution dated May 20th, 2014 seeking to prohibit new transmission infrastructure within the township.
 - (b) Activities in respect of route selection, land/ROW acquisition included:
 - (i) establishment of a process for providing survey notification and obtaining consent for geotechnical studies and environmental assessment activity from directly affected landowners and mining claim holders along the route;
 - (ii) continued responses to landowner queries as received, including queries in connection with the ToR, and the proposed preferred route;
 - (iii) completion of data collection for market valuation and pattern of dealings report;
 - (iv) all parcel ownership has been identified including the miscellaneous PINS along the Reference Route; and
 - (v) continued outreach to landowners on the routes currently under consideration.
7. In respect of Aboriginal engagement, consultation and participation, activities included:
- (a) a participation term sheet has been executed with the Bamkushwada group of First Nations (Fort William, Red Rock Indian Band, Pays Plat, Pic Moberg, Ojibways of Pic River and Michipicoten);
 - (b) execution of an agreement with the Métis Nation of Ontario to provide consultation capacity funding to three Métis communities to support activities related to the Environmental Assessment (EA) process. Activities funded also relate to the designated Duty to Consult, such as community meetings to provide project information and gather traditional land use data;

- (c) capacity funding agreements have been offered to six individual First Nations, and NextBridge is in the process of finalizing negotiations in relation to four of these agreements. Activities funded relate to supporting the EA process and the designated Duty to Consult, such as community meetings to provide project information and gather traditional land use data;
 - (d) meetings were held with Long Lake #58 First Nation on May 2nd to discuss the scope of their traditional territory in relation to the EWT Project, and with the leadership of the Ojibways of Garden River on May 9th to discuss the overall EWT Project and update on upcoming activities; and
 - (e) further discussions are continuing 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) initiation of wildlife, aquatics and early season vegetation assessments in accordance with the revised forecast date for milestone 23;
 - (b) submission of the additional responses to comments received by the Ministry of Environment on the ToR;
 - (c) continued consultation with the Ministries of Environment and Natural Resources in support of the EA;
 - (d) continued discussions with the Ministry of Natural Resources (MNR) to discuss data collected to date, data requested from MNR and detailed work plans;
 - (e) continued background review and compilation of available data and planning of field work as part of the EA;
 - (f) execution of a data sharing agreement with MNR to obtain technical data from MNR; and
 - (g) continued evaluation of the Parks Canada decision regarding the routing through Pukaskwa National Park.

Cost Summary

9. 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.

10. There are no further development cost forecast changes arising from work to date.

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	\$1,669,908	15.8%	\$10,553,292	\$10,553,292	-	0%
Permitting and Licensing	-	0.0%	47,320	47,320	-	0%
Environmental and Regulatory Approvals	1,196,786	33.3%	3,592,680	3,592,680	-	0%
Land Rights (Acquisitions or options)	810,665	40.7%	1,746,000	1,991,000	245,000 ³	12.3%
First Nation and Métis Consultation	520,259	30.2%	1,724,000	1,724,000	-	0%
Other Consultation	454,019	91.5%	741,001	496,001	(245,000) ³	(49.4)%
Regulatory (legal support, rate case and LTC filings)	499,954	50.8%	985,000	985,000	-	0%
Interconnection Studies	43,148	24.1%	179,000	179,000	-	0%
Project Management	843,207	64.9%	1,300,000	1,300,000	-	0%
Contingency (Engineering, Design and Procurement)	-	0.0%	1,529,708	1,529,708	-	0%
Total	\$6,037,946	27.0%	\$22,398,001	\$22,398,001	-	0%

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

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

³ As reported in the EWT Project March 21, 2014 Monthly Report.

11. 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).
12. 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 Actual ⁴	Prior month project to date Actual ⁴
Not Budgeted		
First Nation and Métis Land Acquisition	\$ -	\$ -
First Nation and Métis Participation	409,350	388,239
Other Costs Not included in Budgeted Categories ⁵	134,867	251,363
Carrying Cost	7,017	4,707
Taxes and Duties	-	-
Total Not Budgeted	\$ 551,234	\$ 644,309

Development Milestone Summary

13. 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).

⁴ “Actual” refers to actual costs plus estimated accruals.

⁵ Change in estimate provided by one vendor resulted in a lower accrual amount for the month of April. Costs to be reported in May will be reflective of actual amounts invoiced.

14. 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.

15. NextBridge has focussed, 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 focussed, and which are of most immediate relevance to project progress and status. At this stage in project development, but for this approach all milestones would indicate “On schedule”, but such information would be of limited use to the Board given that the relevant milestones are currently far out in time. As the development work progresses, the status column will be completed for more of the milestones.

16. 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	On schedule	
8	Complete aerial surveys	14 Oct 2014		
9	Receive final SIA from the IESO	21 Nov 2014		

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	On schedule	May 30, 2014 as per EWT Project April 22, 2014 Monthly Report
13	Finalize proposed route and obtain senior management approval	1 Jul 2014	On schedule	

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	On schedule	
25	Complete Environmental Assessment Consultation Report	27 Jan 2015		
26	Submit Environmental Assessment to Ministry of Environment	27 Jan 2015		

Leave to Construct Milestone

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

17. In respect of the milestone achieved during this reporting period:
- (a) **Milestone 23: Initiate wildlife, aquatics and early season vegetation assessments.** Attached at Schedule A is a copy of Environmental Field Program Overview as proof of completion of this milestone.
18. In respect of the outstanding milestones, activity is currently on track to achieve the relevant milestones in accordance with the Board approved target dates.

Issues/Risks/Mitigation Summary

19. 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.
20. There are no risks or issues that have arisen during development work to date in respect of which NextBridge has identified an impact on its development schedule, cost or scope of work.

Attachments to NextBridge Monthly Report

Schedule A

Milestone 23: Initiate wildlife, aquatics and early season vegetation assessments – proof of completion

2014 EWT Project Environmental Field Program Overview

2014 EWT Project Environmental Field Program Overview

WHO:

- 3 two person teams of biologists (one aquatic and one terrestrial specialist) on all-terrain vehicles

ACTIVITIES:

- Spring field surveys on flora (e.g., wetlands, rare plants), fauna (e.g., breeding birds) and species at risk.
- Summer and fall field surveys will include similar flora and fauna based on an ecological land classification system to identify and survey land units demonstrating significant diversity.
- Winter field surveys included caribou and stick nest (e.g., eagle, hawk and other raptors) surveys.

TIMING:

Anticipated Field Work Timing:

- Mobilization to the Project Area: May 20 through May 23
- Thunder Bay to Dorion area: May 24 through to June 16
- Dorion to Nipigon: June 21 through to June 30
- Nipigon to Pays Plat & alternative: July 4 through to July 20
- Pays Plat to Marathon (transformer station): July 24 through to August 15
- Marathon to east of Pukaskwa National Park: August 18 to September 8
- East end of Pukaskwa to Wawa: September 10 through to October 30

Note that the locations and timing of where and when we propose to conduct surveys is subject to change based on a number of factors, such as access information (i.e., private land access information received from the land agents, Aboriginal groups' land access permission, park/research permit approval, physical barriers to land access) and based on what we observe while in the field.

DATA COLLECTION:

- Information is collected and recorded using visual and auditory (bird/wildlife calls) observation.
- Will also be taking soil cores using a hand auger (up to 120 cm deep, very narrow) while conducting Ecological Land Classification. Soil would be replaced in the hole.
- Data will be recorded using a tablet which will include detailed information and GPS location of any significant features and/or sightings.
- This data will be uploaded to a central database and be recorded on GIS maps.
- Photographs will be taken of significant features such as watercourse crossings and species at risk habitat.
- Surveys will be undertaken according to established field protocols for the various species that are being surveyed.
- NextBridge is working with the Ministry of Natural Resources (MNR) to ensure that the data being collected is sufficient to meet MNR requirements.