

OEB Staff Interrogatories
EB-2017-0182
New East-West Tie Line Project

Interrogatory #1

Ref: EB-2011-0140 OPA letter of September 30, 2014 proposing delay, and NextBridge's responses on May 15 and June 24, 2015.

Questions:

- a) How frequently were construction cost estimates prepared between the date of designation of UCT and the date of filing of the leave to construct application?
- b) How often were construction cost estimates presented to and discussed by senior project managers at NextBridge?
- c) Please describe in detail how the delay of the in-service date affected the estimates of construction costs.
- d) Please provide the construction cost estimates that NextBridge was using for planning at each of the following dates:
 - January 31, 2014
 - June 30, 2014
 - September 15, 2014
 - June 15, 2015
 - December 31, 2015
 - July 31, 2016
 - December 31, 2016
 - April 30, 2017
 - June 30, 2017

Interrogatory # 2

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1 page 10, lines 13-27: “Development Phase Refinements”

Preamble:

The New EWT Line design, according to NextBridge, anticipates fewer Guyed-Y tangent towers (about 65% of the total structures) compared to pre-Designation design (90% of the total structures). NextBridge states that the extensive use of Guyed-Y tangent towers results in total project savings of approximately \$ 90 million.

Questions:

- a) Please provide the cost of developing (including designing and testing) the Guyed-Y tangent tower.
- b) Please provide details of how any costs of developing the Guyed-Y tangent tower is offset to arrive at total project savings of approximately \$90 million.
- c) Does this choice of tower design have any impact on the estimated O&M costs? If so, please quantify what that impact will be.
- d) Please provide examples of where Guyed-Y towers have been used in constructing 230 kV circuits of comparable length with similar climatic and geographical conditions. What has been the operating and maintenance experience of the Guyed-Y towers for these locations?

Interrogatory # 3

Ref: Evidence EB-2017-0182, Exhibit C, Tab 2, Schedule 1, pages 8-9 and Exhibit C, Tab 2, Schedule 1, page 4

Preamble:

NextBridge states that it has developed preliminary foundation designs and anchor options based on the results of preliminary geotechnical investigation and that its findings will be finalized after NextBridge performs additional geotechnical investigation during construction.

NextBridge further indicates that it has developed 10 different types of steel towers that can be used in the project depending upon a number of factors including soil conditions.

Questions:

- a) Please advise as to whether any additional geotechnical investigation has been undertaken since the filing of this application in July 2017.
- b) How likely is it that further geotechnical investigation will impact construction cost estimates or the in service date for the project?
- c) Would any additional costs arising from the results of further geotechnical investigation be covered by the project contingency?

Interrogatory # 4

Ref: EB-2011-0140, Letter from NextBridge to the OEB dated May 15, 2015

Preamble:

NextBridge described a “phase shift” that would move \$1 million in construction costs from the construction phase of the project to the development phase. In that letter, NextBridge indicated that “advancing project development activity earlier rather than later can also serve to increase cost certainty and potentially reduce overall project risks”.

Questions:

- a) Please indicate where in this leave to construct application that shift of costs is reflected.
- b) Please describe in detail how advancing project development activity for this project increased cost certainty and reduced overall project risk.

Interrogatory # 5

Ref: EB-2011-0140, UCT’s Application for Designation to Develop the East-West Tie Line, section 4.4, pages 61-62.

Preamble:

NextBridge indicated that the established supplier networks and scale of purchasing conducted by NextEra and Enbridge would allow procurement of materials, equipment and services at preferred prices.

Question:

Please quantify the cost savings achieved, provide examples of savings and indicate where in this application those savings are reflected.

Interrogatory # 6

Ref: EB-2011-0140, UCT's Application for Designation to Develop the East-West Tie Line, Section 5, pages 72-74 (filed January 4, 2013)

Preamble:

NextBridge indicated that it would assume some risk for the construction cost forecast through performance-based ratemaking. At the time of the designation application, NextBridge planned to present this proposal as part of the leave to construct process.

Questions:

- a) Why is NextBridge not ready to present this proposal now?
- b) What assurance can NextBridge provide that it will assume some risk with respect to construction costs?
- c) What percentage of the risk is NextBridge prepared to assume?

Interrogatory # 7

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1, page 2, lines 17-26 and page 3, lines 1-8

Preamble:

NextBridge describes its competitive process to select a general contractor. NextBridge states that the final RFP process was initiated in 2016, and that it is currently evaluating the bids received through the RFP process with the objective of selecting the most cost and schedule effective bidder.

Questions:

- a) Please provide copies of the documents that NextBridge provided to parties as part of the Expression of Interest and Request for Proposal processes.

- b) Please provide an update on the status of NextBridge's evaluation of the bids received through the RFP process. Has a successful bidder been chosen for the general contractor role?
- c) Please advise as to responsibilities for any cost overruns as between NextBridge and the general contractor.
- d) Please advise as to whether the selection of the general contractor has, or is expected to change (i) any cost estimates that have been filed in this application or (ii) the proposed in service date. Please provide monetary values of anticipated impacts.
- e) Are there any aspects of the project costs (including construction and consulting services) that NextBridge did not competitively tender? If so, why?

Interrogatory # 8

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1, page 3, lines 10-12

NextBridge indicated that the construction and equipment procurement plans provided by the potential general contractors included recognition of the risks associated with reasonable escalation rates over the life cycle of the New EWT Line Project.

Question:

Please advise as to how the construction and equipment procurement plans of the successful bidder account for these risks.

Interrogatory # 9

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1, page 2, lines 4-8 and EB-2011-0140, UCT Response to Board Interrogatory 26, Attachment 1

Preamble:

Since 2012, the New EWT Line Project has progressed through the development phase, which included stakeholder consultation and resulting refinements to the project, which have impacted the total project cost estimates. To develop the total project cost estimate, NextBridge:

- a) compared the New EWT Line Project against similar projects;

- b) received external cost estimates from competitive procurements involving Requests for Proposals (“RFP”); and
- c) estimated and revised costs due to new project scope requirements, the extension in the New EWT Line’s in-service date to 2020, cost of imported materials, and other project refinements that are subject to change over the course of the development of the New EWT Line.

Questions:

- a) Please describe each of the three factors above and how it affected the total project cost estimate as compared to the cost estimate filed in the answer to IR 26 in the designation proceeding.
- b) Please specifically describe the new project scope refinements and related cost estimate variances for the project.
- c) Please provide details of the similar projects that were used to develop construction cost estimates, including in-service year of the comparator projects and similarities/differences in terms of voltage level, length of line, cost, location, type of towers, type of terrain, etc. Please also provide details of any cost overruns in those projects.

Interrogatory # 10

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1, page 1, Table 2 and page 3, lines 17-19

Preamble:

NextBridge states that it has examined the current project definition and, based on experience from previous projects, calculated its construction contingency amount of \$49,399,000.

Questions:

- a) Please show how this amount was calculated and what previous projects were considered to arrive at this number.
- b) Have there been any changes to the contingency estimate filed in NextBridge’s July 2017 application?

- c) Explain how the construction contingency estimate has changed since NextBridge's estimate at designation. Were any of the increases in the cost estimate covered by that contingency?
- d) Does NextBridge believe that the current contingency of approximately 6.7% of total construction budget is reasonable given the size and complexity of the project?
- e) How does the current contingency compare to contingencies in other projects of similar size and complexity undertaken by NextBridge related entities?

Interrogatory # 11

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1, page 11, lines 5-7

Preamble:

NextBridge states that the contingency does not address certain systemic and unpredictable project risks that could cause substantial delays to the project and increases in cost.

Questions:

- a) Please provide a list of the systemic and unpredictable project risks that are not addressed in the contingency, explain the likelihood of such risks occurring and estimate the potential impact of such events on cost and the in-service date.
- b) Please explain the steps that NextBridge has taken or will take to mitigate these risks.

Interrogatory # 12

Ref: Evidence EB-2017-0182 Exhibit C, Tab 1, Schedule 1, page 5 and Exhibit C, Tab 2, Schedule 1, attachment 4

Preamble:

NextBridge notes that it is working with Hydro One to address the feasibility of crossing Hydro One transmission infrastructure in certain locations, or, in the alternative, moving the Hydro One transmission structures. NextBridge notes that there are no costs associated with the relocation of existing Hydro One infrastructure in its application since there has not been a final determination on the scope of the relocations and discussion with Hydro One is ongoing.

Also included in the evidence is an email from Hydro One to NextBridge expressing its concern over the number of crossing and the impact on reliability of the transmission system and connected customers.

Questions:

- a) Please advise as to the current status of discussions with Hydro One on this issue.
- b) Please describe the potential cost impacts of relocating existing Hydro One infrastructure.
- c) How does NextBridge intend to treat these costs? Would they be covered by the project contingency?
- d) Please explain why crossings at eleven locations cannot be avoided in Hydro One/NextBridge's view. Could changing the routing (and potentially acquiring additional land) impact the number of crossings required? If so, please explain why this option was rejected.
- e) Please describe the reliability impacts for customers and anything Hydro One/NextBridge intends to do to mitigate these impacts.
- f) Has NextBridge agreed with Hydro One to relocate two short sections of circuit T1M? Why or why not?

Interrogatory # 13

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1, page 3, lines 21-23

Preamble:

NextBridge states that it reduced controllable project risk by applying its knowledge learned through the development phase.

Question:

Please provide specifics in support of this statement.

Interrogatory # 14

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1, page 1, Table 2

Preamble:

NextBridge estimates interest during construction (IDC) costs of \$31,003,000.

Question:

Please explain how this number was calculated and any assumptions on which this amount is based.

Interrogatory # 15

Ref: EB-2011-0140, UCT Response to Board Interrogatories 26 and 28 and Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1, page 1, Table 2

Preamble:

In its answer to IR 28 in the designation proceeding, UCT indicated that the construction phase estimates were arrived at by NextEra in consultation with its external engineering and construction advisors. The 2012 estimates differ, in some cases significantly, from estimates filed in July 2017.

Questions:

- a) Please provided a detailed explanation as to the reasons for the increased cost estimates for each of:
 - Engineering Design and Procurement Activity
 - Materials and Equipment (other than the reasons already outlined in the July 2017 application)
 - Environmental and Regulatory Approvals (including Permits and Licenses)
 - Land rights
 - FN & M consultation
 - other consultations
 - site clearing and preparation (other than the reasons already outlined in the July 2017 application)
 - construction (other than the reasons already outlined in the July 2017 application)
 - site remediation

- contingency
 - regulatory
 - project management
- b) What steps has NextBridge taken to mitigate and/or contain cost increases for these categories?
- c) What was the result of those mitigation efforts?
- d) Have there been any changes to these estimates since the filing of the July 2017 application?

Interrogatory # 16

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1, page 1, Table 2

Questions:

- a) What are NextBridge's actual construction costs to date broken down by category listed in Table 2?
- b) Does NextBridge have monthly or quarterly construction cost estimates including major components? Please provide those current estimates and, if different, the estimates as of the July 2017 application.
- c) Please provide a project spend curve up to the in-service date of the project.
- d) Please identify any anticipated costs during construction that are not currently accounted for in the \$737 million total construction estimate.

Interrogatory # 17

Ref: Evidence EB-2017-0182 Exhibit B, Tab 13, Schedule 1

Preamble:

NextBridge states that if the OEB grants the leave to construct application, NextBridge proposes the establishment of a CWIP account for the recording of capital costs related to the EW Tie line.

Questions:

- a) Why is NextBridge proposing a CWIP account? What are the benefits of a CWIP account to NextBridge, and to transmission ratepayers?
- b) How is a CWIP account different than a deferral account in NextBridge's view?
- c) When and how would NextBridge expect to test the prudence of costs tracked in the CWIP account?
- d) How would NextBridge propose to report its progress, as well as any changes to scope or costs during construction to the OEB? What metrics does NextBridge propose to track?
- e) Does NextBridge believe a cap on the CWIP amount allowed is appropriate? Why or why not?

Interrogatory # 18

Ref: Evidence EB-2017-0182 Exhibit B Tab 13, Schedule 1

Preamble:

It appears to OEB staff that NextBridge has not filed evidence in this application to support an examination of the prudence all of the development costs recorded by NextBridge in the Development Cost Deferral Account.

Questions:

- a) Please confirm that NextBridge, as part of this leave to construct proceeding, is not asking the OEB to review the prudence of the development costs, and not seeking approval to recover development costs from ratepayers at this time.
- b) If its application for leave to construct is approved, at what time will NextBridge seek to recover development costs from ratepayers?
- c) When will NextBridge present the evidence for an in-depth review of the prudence of actual development costs?

Interrogatory # 19

Ref: Evidence EB-2017-0182 Exhibit B Tab 13, Schedule 1

Please explain the statement at page one of this Exhibit: “It is important to ensure that there is no uncertainty about future consideration by the Board of amounts recorded in the CWIP account.” What uncertainty is NextBridge referring to?

Interrogatory # 20

Exhibit B Tab 13 Schedule 1, Exhibit B Tab 13 Schedule 1 Attachment 1

The OEB approved NextBridge’s request for a development cost deferral account (DCDA) in a prior proceeding¹. In the current proceeding, NextBridge requested that if the OEB approves the leave to construct application, the OEB establish a new CWIP Account 2055. NextBridge also asked that the existing development expenditures and interest currently recorded in Account 1508.001 and Account 1508.002 be transferred to the new CWIP Account, so that the costs will ultimately become part of the electricity transmission assets.

- a) As NextBridge is proposing to clear the balances of the DCDA to zero please confirm that if NextBridge’s leave to construct application is approved that the company will no longer require the use of the DCDA.
- b) If NextBridge’s application is approved, please confirm that the Company will no longer require deferral accounts, as it will commence recording capital costs relating to the new EWT Line to CWIP Account 2055 and subsequently transfer the amounts recorded to appropriate capital accounts when the assets have been put into service.
- c) Please confirm that if NextBridge’s application is approved that it will list development costs in sub-accounts of Account 2055 equivalent to the sub-accounts that were approved in NextBridge’s prior proceeding when the OEB approved the use of Accounts 1508.001 and Account 1508.002.
- d) Please provide a list by USoA account of the types of capital expenditures that NextBridge plans to incur to construct the new EWT Line. Please provide a proposal for sub accounts to be tracked in Account 2055 and in the capital accounts to enable the

¹ EB-2011-0140 DESIGNATION: EAST-WEST TIE LINE, Appendix 2 - ACCOUNTING ORDER DEVELOPMENT COST DEFERRAL ACCOUNT

OEB at a future proceeding to conduct a prudence review of NextBridge’s capital expenditures.

Interrogatory # 21

Ref: EB-2011-0140, Letter from NextBridge to the OEB dated June 24, 2015, Schedule C.

Preamble:

In its letter to the OEB, NextBridge provided a breakdown of incremental Extended Development Period activities and corresponding costs in Schedule C.

Questions:

For each increase in development costs that is attributed to a “scope change” or “budget variance”, please provide the following information:

- Why was NextBridge unable to anticipate this additional expenditure at the time of its application for designation?
- What alternatives did NextBridge consider when the need for additional expenditure was proposed?
- Why was the additional expenditure the preferred alternative?

Interrogatory # 22

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1, page 6-7

In its application, NextBridge sets out certain costs that were unbudgeted at designation including (i) First Nation and Metis Participation and Land Acquisition, (ii) interest during construction, and (iii) Pic River appeal.

Questions:

- a) How do these costs compare to costs for similar work on similar projects? Please provide relevant examples.
- b) How did NextBridge satisfy itself that the level of costs in each category of unbudgeted costs is reasonable?
- c) Please break down the total costs into the three categories described.

Interrogatory # 23

Ref: Evidence EB-2017-0182, Exhibit B, Tab 9

Questions:

- a) Please describe the cost management and control measures used by NextBridge during the development phase of the project.
- b) Please quantify the development costs avoided through these cost control measures.
- c) Is NextBridge proposing to use the same cost management strategy during the construction phase of the project?
- d) What refinements to the strategy are needed?

Interrogatory # 24

Ref: Evidence EB-2017-0182, Exhibit B, Tab 9, Schedule 1, page 6, Table 5 Cost Estimate Change

Preamble:

NextBridge indicated a total of \$358,121,000 increase in cost estimates which include cost increases as follows:

- (i) 11.9% - unbudgeted at designation (e.g. First Nation and Metis participation and land acquisition)
- (ii) 28.9% - new scope requirements (e.g. deviations from the Reference Route)
- (iii) 25.0% - other unforeseeable factors (e.g. delay of the in-service date to 2020)
- (iv) 34.2% - development phase project refinements (e.g. revised compensation to landowners)

Questions:

- a) Please provide an itemized monetary value of the cost increases, broken down by component, in each of the four cost categories above.
- b) In the event that further increases in construction cost estimates have been identified since filing the application, please provide updates of these cost increases, and an explanation for the increases.

Interrogatory # 25

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1, page 7, lines 14-16 and page 8, lines 10 – 14 and lines 25-27: “New Scope Requirements”

Preamble:

At Exhibit B-9-1, page 7, NextBridge describes how new scope requirements have resulted in cost variances between the present estimates and estimates given in the Designation proceeding.

Questions:

- a) Please provide the cost variances from the designation estimates for the items below in both monetary terms and percentages:
 - Increased length of the line
 - Deviations from the Reference Route at Pukaskwa National Park and moving the line north of Loon Lake and west of Ouimet Canyon
 - Processing and stacking timber at the edge of the ROW
 - Construction refinements near conservation reserves (e.g. Using self-supporting towers near the Kwinkwaga Ground Moraine Uplands Conservation Reserve)
 - Increasing the strength parameters of the New EWT Line to withstand a 1 in 100 year weather event
 - Design work on crossings of the New EWT Line with existing infrastructure of Hydro One.

- b) In addition, for each category, please explain:
 - Why was NextBridge unable to anticipate this additional expenditure at the time of its application for designation?
 - What alternatives did NextBridge consider when the need for additional expenditure was proposed?
 - Why was the additional expenditure the preferred alternative?

- c) Please provide the cost per kilometre for the original 400 km route and for the additional 50 km resulting from route refinements. Please also provide the cost per kilometre of the total 450 kilometre line.

Interrogatory # 26

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1, pages 9-10

Preamble:

NextBridge states that other unforeseeable factors contributed to the increase in development and construction cost estimates over the estimate provided at the time of designation.

Questions:

- a) What other unforeseeable factors contributed to the increase besides the delay of the in-service date?
- b) Please quantify the cost increases driven by the delay of the in-service date for each of the following categories:
 - Labour costs
 - Materials costs, excluding the change in the value of the Canadian dollar
 - The change in the value of the Canadian dollar

Interrogatory # 27

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1 page 11, lines 9 – 17:
“Development Phase Refinements”

Preamble:

Construction execution and access plans developed during the development phase increased the number of access roads from the conceptual plan assumed in the Designation cost estimate. NextBridge states that these updated plans greatly minimize potential aerial construction and associated costs, which also mitigates many risk elements, including safety and project delays.

Questions:

- a) Please quantify the costs savings resulting from the reduced use of aerial construction.
- b) Please quantify the cost increases resulting from the increased use of access roads (e.g. land acquisition, permits etc.).
- c) What prompted NextBridge to increase its use of access roads?

- d) How did NextBridge evaluate an option to require more land against a reduction in costs and risks?

Interrogatory # 28

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1, page 8, line 25-28 and page 9, lines 1-5.

Preamble:

NextBridge indicates that using a 100 year return period for structural design will cost approximately 1-1.5% of the total project cost.

Question:

Please explain how this amount was arrived at and what will the extra dollars be used for?

Interrogatory # 29

Ref: UCT's designation application EB-2011-0140, section 7.2, page 103-110 (filed January 4, 2013) and Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1, page 4

Preamble:

In its designation application, NextBridge provided a risk matrix for risks that could affect both schedule and cost for both development and construction of the line. In its current application, NextBridge provides a matrix of key risks for construction.

Questions:

- a) Please indicate which risks on the matrix filed in the designation application have increased the actual cost of development and the estimated cost of construction. For each such risk, please describe why the mitigation plan was not successful.
- b) Please indicate which other risks included in the matrix provided in the designation application are still relevant to the construction of the project.

Interrogatory # 30

Ref: EB-2011-0140, UCT Response to Board Interrogatory 26 Evidence EB-2017-0182 Exhibit B, Tab 12, Schedule 1, page 1, lines 17-18.

Preamble

The original O&M cost was estimated at \$4.4M per annum. The present estimate is close to \$7.4M.

Questions:

- a) What has changed about maintaining the line since 2012?
- b) OEB Staff understands that the O&M estimate is derived as a multiplier of the capital cost of the line. Why does an increase in construction costs cause an increase in the amount of O&M work that will be necessary every year (other than as a result of increased line length)?

Interrogatory # 31

Ref: Evidence EB-2017-0182 Exhibit D, Tab 1, Schedule 1, page 1.

NextBridge states that it is proposing to locate a maintenance facility in close proximity to the project.

Questions:

- a) Please provide locational details of the maintenance facility NextBridge is proposing.
- b) Please provide estimated response time for outages and how this complies with NERC and IESO reliability standards.

Interrogatory # 32

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1 page 11, lines 17 – 21:
“Development Phase Refinements”

Preamble:

NextBridge notes that the compensation package was revised to include incentive payments for acquisition of land rights in line with amounts of incentives in other transmission projects in Ontario.

Questions:

- a) Please provide the Land Acquisition Policy that NextBridge is using to acquire all the various forms of land agreements it requires to construct the EWT line. Such Policy should include the standard compensation formulas.
- b) Please explain why the compensation packages were revised.
- c) Please provide details of the “incentive payment” that was offered.
- d) Please explain how this payment was determined, including details of other projects that were used to come up with this payment.
- e) Please compare the revised incentive payments to the previously estimated land rights costs.

Interrogatory # 33**Preamble:**

At Exhibit C-1-1, page 2, NextBridge notes that the structure locations identified are proposed, and are subject to change based on numerous factors, including final engineering and design considerations, environmental constraints, construction learning, and continued landowner consultation.

Questions:

Please describe how NextBridge intends to notify the OEB of any changes to the structure locations.

Interrogatory # 34

Ref: Evidence EB-2011-0140 page 119, paragraph 8.8; Evidence EB-2017-0182: Exhibit B, Tab 2, Schedule 1, Attachment 1, page 2: “New East-West Tie Line Project Route”; Exhibit B, Tab 9, Schedule 1, page 7, lines 14-23: “New Scope Requirements”; Exhibit C, Tab 1, Schedule 1: “The Route”; Exhibit H, Tab 1, Schedule 1, page 6, lines 13-18: “Land Acquisition”; Exhibit I, Tab 1, Schedule 1, page 3, lines 16-24 and page 4, lines 1-4: “3.1 Dorion Public Town Hall and Special Meetings

Preamble:

NextBridge’s plan outlined in the Designation Application noted that it may become necessary that the Reference Route be varied and that variants may include bypasses of Pukaskwa Park and/or Pays Plat or Michipicoten First Nation Reserves. NextBridge indicated that these potential variants may cause additional costs to be incurred as a result of increasing the length of the EWT Line. These route variants, according to the Designation Application would add approximately: (i) 30.5 km around Pukaskwa Park, (ii) 0.35 km around Pays Plat, and (iii) 12.5 km around Michipicoten. This cumulatively adds 43.35 km to the 400 km total length of the Reference Route.

According to the New EWT Line route maps, the route for which NextBridge is seeking approval is about 450 km long and deviates from the Reference Route at the following locations: (i) Pukaskwa Park and (ii) north of Loon Lake and west of Ouimet Canyon Provincial Park.

NextBridge also noted that the proposed route crosses two First Nation reserves: Michipicoten and Pays Plat First Nation and that additional land acquisition permits are required for crossing these lands.

At the public meetings with the Township of Dorion local residents suggested that NextBridge evaluate three alternate routes in and around the community of Dorion. After considering the three alternatives NextBridge selected one of the alternatives and included that one in the New EWT Line preferred route.

Questions:

- a) What is the length of each variant in the New EWT Transmission Line route?
- b) Please provide the incremental development costs associated with each of the two route variants, alternative routing in and around the community of Dorion and additional land acquisition for crossing Michipicoten and Pays Plat reserves. Identify specific incremental cost incurred related to:
 - i. Land acquisition process

- ii. First Nations and Metis engagement
 - iii. Community and stakeholder consultation
 - iv. Environmental assessment and impact mitigation
- c) Please provide a detailed rationale for each of the variants. Include the reasons related to:
- i. Land acquisition process
 - ii. First Nations and Metis engagement
 - iii. Community and stakeholder consultation
 - iv. Environmental assessment and impact mitigation
- d) How is each variant influencing the type of tower to be used and the estimated cost of construction?

Interrogatory # 35

Ref: Evidence EB-2017-0182 Exhibit E, Tab 5, Schedule 1, page 1, Attachments 1-8

Preamble:

Section 97 of the *Ontario Energy Board Act, 1998* (OEB Act) stipulates the following:

In an application under section 90, 91 or 92, leave to construct shall not be granted until the applicant satisfies the Board that it has offered or will offer to each owner of land affected by the approved route or location an agreement in a form approved by the Board.

NextBridge filed the following forms of agreement it has to obtain to acquire land rights to locate, construct, own, operate and maintain the New EWT Line:

- Transmission Easement Option Agreement
- Transmission Easement Agreement
- Road Use Easement Option Agreement
- Road Use Agreement
- Fixed Term Road Use Easement Agreement
- Fixed Term Road Use Easement Option Agreement
- Ground Lease Agreement
- Ground Lease Option Agreement

NextBridge stated that the clauses identified in Appendix A to the OEB Filing Requirements for Electricity Transmission Applications have been incorporated in the forms of agreement filed in its evidence.

Questions:

- a) Which of the forms NextBridge filed in its evidence has been previously approved by the OEB? If so, in which proceedings?
- b) Please confirm that NextBridge offered the same forms of agreement to each owner of the land affected by the route of the New EWT Line and confirm the agreements are in the form specified in Appendix A of the OEB’s Chapter 4 filing requirements.
- c) Please update the status of negotiations between NextBridge and parties from which the land rights need to be acquired for each of the noted forms of agreement listed in Exhibit E, Tab 5, Schedule 1, page 1 in the form of the following tables below:

Summary of Easement Agreements

Type of Easement	Privately Owned		Municipally Owned		Agency and Utility		Aboriginal	
	Required	Complete	Required	Complete	Required	Complete	Required	Complete
Tx Option Agreement								
Tx Agreement								
Road Use Option Agreement								
Road Use Agreement								
Fixed Term Road Use Option Agreement								
Fixed Road Term Road Use Agreement								

Summary of Lease Agreements

Type of Lease	Privately Owned		Municipally Owned		Agency and Utility		Aboriginal	
	Required	Complete	Required	Complete	Required	Complete	Required	Complete
Ground Lease Agreement								
Ground Lease Option Agreement								

- d) Please provide an update in respect to any private land expropriation rights that may be required.
- e) In its May 15, 2015 letter to the OEB, at page 11, NextBridge indicated that the 35 months of additional development activity offers a valuable opportunity to negotiate with land rights holders, with the aim of eliminating the need for expropriation. Has the need for expropriation been eliminated? Please explain.
- f) What impact would expropriation requirements have on project costs and construction timelines?
- g) Please provide any documents indicating support of local landowners along the proposed transmission line route.

Interrogatory # 36

Ref: Evidence EB-2017-0182 Exhibit E, Tab 4, Schedule 1, page 5,

Preamble:

“NextBridge has engaged with representatives from the municipalities of Shuniah and Wawa, the Townships of Dorion, Nipigon, Red Rock, Schreiber, and Terrace Bay, the Town of Marathon, and the Ministry of Transportation in relation to use of and location of structures and related facilities over, under or on public streets and highways”.

Questions:

- a) Please provide an update on all consultations with the municipalities along the proposed transmission line route and any documents pertaining to any discussions with municipal councils including minutes of council meetings related to the proposed transmission line route.

- b) Please provide an update on all consultations with Provincial Crown Agencies in respect to land rights (Ministry of Transportation, Ministry of Economic Development, Employment and Infrastructure and lands managed by Infrastructure Ontario. Please provide any supporting documents pertaining to any discussions with these agencies including minutes of meetings related to the proposed transmission line route.

Interrogatory # 37

Ref: Evidence EB-2017-0182 Exhibit E, Tab 1, Schedule 1, page 3,

Preamble:

3.0 Use of Public Roads and Highways

“NextBridge intends to utilize existing roads where possible for the construction, operation, and maintenance of the New EWT Line Project and related facilities. The New EWT Line project facilities in certain instances will be located over, under, or on public streets or highways as permitted by s.41 of the *Electricity Act*. Specifically, Line Project infrastructure will be located over, under or on public streets or highways in unorganized territories; in the municipalities of Shuniah and Wawa; within the Townships of Dorion, Nipigon, Red Rock, Schreiber, and Terrace Bay; and in the Town of Marathon. NextBridge has engaged with community representatives regarding use of public roads and highways and is not aware of any disagreements related to public road crossings. NextBridge does not anticipate any impact to adjacent properties resulting in building restrictions. Public roads and highways on, under or over which New EWT Line Project infrastructure is planned to be located are identified in the maps at Exhibit C”,

Questions:

- a) Will NextBridge also be applying under section 101 of the OEB Act: “for authority to construct a work upon, under or over a highway, utility line or ditch”?
- b) Will any portion of the spans of the proposed transmission line between the poles to be located on Municipal Road allowances or Provincial Highways sag or swing under certain weather conditions (E.g. heavy winds, ice buildup) over Municipal Roads, Provincial Highways or nearby private properties?
- c) What ESA, CSA or other standards has NextBridge relied on to address lateral swing of its transmission lines in the proximity of Municipal Roads, Provincial Highways or nearby private properties?

- d) Are there any municipal bylaws, zoning or other requirements regarding the placement of transmission towers within the proposed municipal road allowance and / or the setback from private property?
- e) Is the proposed transmission line running along any provincial highway corridor, in compliance with the MTO current Building and Land Use Policy (MTO – Policy)? Please provide evidence that the MTO has no concerns with the proposed routing in respect to its Policy.

Interrogatory # 38

Ref: Evidence EB-2017-0182 Exhibit C, Tab 2, Schedule 1, pages 1-9, Attachment 1, 2

Preamble

“ The design of the New EWT Line is in accordance with good utility practice and meets the requirements of the *Transmission System Code* for licensed transmitters in Ontario”.

Questions:

- a) Please confirm that all engineering calculations used in the design of the EWT line have been completed by a Licenced Professional Engineer of the province of Ontario.
- b) Please confirm all electrical single line, tower structural engineering drawings and civil engineering drawings used in the design of the EWT line have been prepared by a Licenced Professional Engineer of the province of Ontario and all final drawings will be stamped.
- c) What engineering disciplines were involved in the preparation of all these drawings?

Interrogatory # 39

Ref: Evidence EB-2017-0182 Exhibit B, Tab 9, Schedule 1, page 8,

Preamble:

“In the designation phase, NextBridge committed to investigate increasing the strength parameters of the New EWT Line Project to be able to withstand a 1 in 100 year weather event due to severe weather and reliability concerns raised by stakeholders.

During the structure selection phase, NextBridge confirmed that the increase in strength parameters could be accomplished for limited additional 1 cost (approximately 1 to 1.5% of total project cost). Based on this estimate, a 100-year return period (a statistical measurement to assess extreme ice and wind events that have a 1% probability of occurring in any one year in Northern Ontario) was used in the tower design instead of the 50-year return period”.

Question:

Please confirm that NextBridge has taken into account in the above analysis the potential impact of global warming will have on the weather patterns and thus the increased severity and frequency of severe weather events in the future along the proposed transmission route.

Interrogatory # 40

Ref: Evidence EB-2017-0182, Exhibit H, Tab 1, Schedule 1, Attachment 2, Page 1-8:
“Statement of Consultation and Support”

Preamble:

NextBridge filed a Statement of Consultation and Support (Statement), signed on June 15, 2017 by NextBridge and Fort William First Nation, Michipicoten First Nation, Red Rock Indian Band, Biigtigong Nishnaabeg, Pays Plat First Nation and Pic Moberg First Nation.

The Statement refers to “...a proposed 400 kilometre electricity transmission line...”. The route filed for approval in this proceeding is 450 kilometre long and in two locations deviates from the 400 kilometre route NextBridge filed in the designation proceeding.

Question:

Has NextBridge obtained an updated Statement, or other form of formal support from these First Nations, for the 450 kilometre route? Please explain and provide copies of any supporting documentation.

Interrogatory # 41

Ref: Evidence EB-2017-0182 Exhibit H, Tab 1, Schedule 1, page 1, lines 9-11

Preamble:

“Extensive engagement with FNM communities has occurred in order to understand,

identify, record, and mitigate identified impacts to or within FNM traditional lands and activities arising out of the New EWT Line project”.

Question:

Please provide an update on the consultations that have occurred to-date including the First Nations that have executed the “Statement of Consultation and Support”.

Interrogatory # 42

Ref: Evidence EB-2017-0182 Exhibit H, Tab 1, Schedule 1, page 6, lines 14-18

Preamble:

“In order to cross First Nations reserves, authorization pursuant to the *Indian Act* is required. NextBridge is working with both Michipicoten First Nation and Pays Plat First Nation representatives, as well as INAC, with respect to the issuance of the requisite permits.”

Questions:

- a) Please provide a status of the land negotiations with Michipicoten and Pays Plat First Nation.
- b) Please confirm whether NextBridge intends to commence construction routing on the transmission outside of these two reserves prior to completion of the above land negotiations?
- c) Please provide the status of any authorization or permit, including any EA, that is required to cross these two reserves.

Interrogatory # 43

Ref: Evidence EB-2017-0182 Exhibit J, Tab 1, Schedule 1, page 1,

Preamble:

“The final EA was submitted to MOECC on July 5, 2017 and will be available for public review and comment and on NextBridge’s website on July 25, 2017”.

Questions:

- a) Please provide an update on the status of the final EA and anticipated approval date.
- b) Please discuss if there are any anticipated delays of the EA approval that would affect the proposed in-service date of December 2020?
- c) Does NextBridge anticipate any appeals of its EA and the impact of such an appeal on the construction schedule?

Interrogatory # 44

Ref: Evidence EB-2017-0192 Exhibit E, Tab 3, Schedule 1, page 1

Preamble:

NextBridge requires early access to land to conduct surveys and other activities and studies necessary for preparing site of the Project for work. According to the evidence NextBridge acquired about two thirds of private access land it needs. The negotiations have been ongoing, however NextBridge stated that if it is not able to obtain early access to remaining private properties or encumbered Crown lands it would apply under subsection 98(1.1)(a) of the OEB Act for an interim order prior to receiving approval under section 92 of the OEB Act.

Question:

Please update the status and prospects of NextBridge's negotiations with private landowners and with Crown land encumberers for early access to land. Does NextBridge still anticipate a need for early access applications?