

**Hydro One Networks Inc.**

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Derek Chum  
Vice President, Indigenous Relations

May 15, 2018

Margaret Froh, President  
Métis Nation of Ontario  
500 Old St. Patrick Street  
Unit D  
Ottawa, ON K1N 9G4

Dear Ms Froh:

We acknowledge receipt of a copy of your letter dated May 14, 2018, addressed to David F. Denison and Mayo Schmidt. Messrs. Denison and Schmidt will be responding to your letter at an early date. However, we thought it important to provide this response forthwith.

HONI rejects the suggestion contained in your letter that it has relegated the Métis communities to secondary status and the suggestion that it does not intend to consult with Métis communities or to discuss economic participation with them. On the contrary, HONI intends to do so and accepts your request to meet.

As I am sure you are aware, the Ontario Energy Board (“OEB”) in its 2013 Phase 2 Decision and Order in EB-2011-0140 (the “Designation Decision”), did not decide that NextBridge would build the east-west tie line. The OEB explicitly stated that anyone who wished to build the east-west tie line could seek leave to do so. To put the matter another way, the OEB decided that the actual construction of the east-west tie line could be subject to a competitive process.

NextBridge was successful in its application to do the initial development work on the east-west tie line in part because of its forecast construction cost between \$378-409 million and its forecast development costs of \$22.2 million. Over the course of the four years during which the development work took place, NextBridge did not disclose, to the OEB or anyone else, that both its forecast construction and development cost had almost doubled (\$737M and \$40.2M, respectively). When the substantial increase in total project cost was first disclosed, in the summer of 2017, Hydro One Networks Inc. (“HONI”) decided that, in keeping with the OEB’s Designation Decision, it would make its own application for leave to construct the east-west tie line, naming it Lake Superior Link (LSL). HONI’s decision to make its own application was

consistent with the OEB's direction that the construction of the east-west tie line would be subject to a competitive process.

In keeping with its past practices, and with its legal obligations, HONI has intended to consult with First Nations and Métis communities about all aspects of its proposal to build the LSL, including economic participation. That HONI has been delayed in its ability to undertake these consultations has been a function first, of the timing of its decision to seek leave to construct the LSL and, second, of the fact that its ability to consult has been limited by a variety of exclusivity and non-disclosure agreements NextBridge has entered into with certain First Nation and Métis communities.

Notwithstanding the delay in its ability to embark upon consultations, HONI intends to consult fully with First Nation and Métis communities about all aspects of its proposal, including economic participation.

Sincerely,

A handwritten signature in black ink, appearing to read "Derek Chum", with a long horizontal flourish extending to the right.

Derek Chum  
Vice President, Indigenous Relations  
Hydro One Networks Inc.