

BY E-MAIL

February 5, 2020

Christine E. Long
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Long:

Re: Upper Canada Transmission, Inc., operating as NextBridge Infrastructure LP
Application for approval of electricity transmission revenue requirements
for the period from April 1, 2022 to December 31, 2031
Ontario Energy Board File Number: EB-2020-0150

In accordance with Procedural Order No. 2, OEB staff advises the OEB that parties have come to an agreement regarding an issues list for NextBridge Infrastructure LP's electricity transmission revenue requirements application. The proposed issues list is attached.

Yours truly,

Original Signed By

Michael Price
Project Advisor, Generation & Transmission

Attach.

**PROPOSED ISSUES LIST
EB-2020-0150**

Upper Canada Transmission, Inc. (operating as NextBridge Infrastructure LP)

1. GENERAL
 - Has NextBridge responded appropriately to all relevant OEB directions from previous proceedings?
 - Are all elements of the proposed revenue requirement and their associated total bill impacts reasonable?
 - Is the proposed effective date of April 1, 2022 and proposed timing for inclusion in the UTRs appropriate?

2. REVENUE CAP APPLICATION
 - Is the proposed Incentive Rate methodology appropriate?
 - Are the proposed inflation factor and the proposed productivity factor appropriate?
 - Are the proposed annual updates appropriate?
 - Should there be an earnings sharing mechanism? If so, how should it be implemented?
 - Is the proposed 9 year and 9-month length of the IRM plan appropriate?

3. TRANSMISSION SYSTEM PLAN
 - Have investment planning processes been appropriately carried out?
 - Does the 2021-2031 Transmission System Plan adequately address the condition of the transmission system assets?

4. PERFORMANCE
 - Is the proposed monitoring and reporting of performance adequate?

5. OPERATIONS, MAINTENANCE, & ADMINISTRATION Costs
 - Are the proposed spending levels for OM&A appropriate, including consideration of factors such as system reliability and asset condition?

- Are the amounts proposed to be included in the revenue requirement for income taxes appropriate?
- Is the proposed depreciation expense appropriate?
- Are the services to be provided by third-parties, and their associated costs, appropriate?

6. RATE BASE & COST of CAPITAL

- Are the \$737 M construction costs and \$5.3M Phase Shift costs prudent for recovery?
- Are the amounts proposed for rate base appropriate?
- Is the proposed cost of capital, including the current forecast of long-term debt and the proposed 2023 update of the cost of long-term debt, appropriate?
- Is NextBridge's response to COVID-19 appropriate? Is NextBridge's proposed treatment of COVID-19 related costs appropriate?

7. DEFERRAL & VARIANCE ACCOUNTS

- Are the proposed deferral and variance accounts, and the proposed scope and timing for disposition of these accounts appropriate?

8. COST ALLOCATION

- Is the proposed cost allocation appropriate?