



McCarthy Tétrault LLP  
PO Box 48, Suite 5300  
Toronto-Dominion Bank Tower  
Toronto ON M5K 1E6  
Canada  
Office Phone  
Fax: 416-868-0673

**George Vegh**  
Counsel  
Direct Line: (416) 601-7709  
Direct Fax: (416) 868-0673  
Email: gvegh@mccarthy.ca

*Assistant: Thomas, Michelle*  
*Direct Line: (416) 601-8200 x542186*  
*Email: mthomas@mccarthy.ca*

March 31, 2021

**Via RESS & EMAIL**

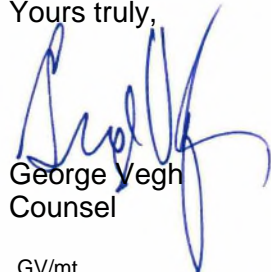
Ms. Christine E. Long  
Board Secretary  
Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
P.O. Box 2319  
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: Upper Canada Transmission, Inc.'s ("NextBridge"), EB-2020-0150,  
Undertaking Responses of NextBridge for JT 1.1, JT 2.1 and JT 2.2**

Please find enclosed responses to undertakings JT1.1, JT 2.1 and JT2.2 for the Oral Hearing held on March 29, 2021 and March 30, 2021 in regards to the above-noted proceeding.

Yours truly,



George Vegh  
Counsel

GV/mt

cc. All Parties in EB-2020-0150

UNDERTAKING JT1.1

UNDERTAKING

TO ADVISE OF THE 4.94 MILLION DOLLARS HOW MUCH IS COVERED BY THE NEET AGREEMENT.

RESPONSE:

Of the entire OM&A budget of \$4.94 million dollars, \$1.7 million dollars are covered as part of the NEET service level agreement.

UNDERTAKING JT2.1

UNDERTAKING

TO TAKE THE 3.926 MILLION AND PUT IT IN THE CATEGORIES IN THE APPLICATION TODAY, WHICH ARE O&M REGULATORY, COMPLIANCE AND ADMIN, INDIGENOUS PARTICIPATION, COMPLIANCE, AND THEN PROPERTY TAXES AND RATES PAYMENTS, THOSE SIX LINE ITEMS, TO PUT THIS 3.9 INTO THOSE SIX.

RESPONSE:

<b>\$ Millions</b>	<b>LTC Budget</b>	<b>Application Exhibit F, Tab 4, Schedule 1, Table 1</b>	<b>Delta</b>	<b>Variance Explanation</b>
Operations & Maintenance	1.27	1.27	0.00	None
Regulatory	0.21	0.07	(0.14)	Reduced regulatory labour expense
Compliance & Administration	1.45	1.67	0.22	Broke out Indigenous costs and Property Taxes & Rights Payments into new categories Additional costs from land rental fees (Property Owner Relations) All other Compliance & Administration fees are unchanged (Staff #30)
Indigenous Participation	0.50	0.89	0.39	Exhibit F, Tab 4, Schedule 2, Page 7/ Staff #32c
Indigenous Compliance	-	0.44	0.44	Exhibit F, Tab 4, Schedule 2, Page 7/ Staff #32c
Property Taxes & Rights Payments	0.50	0.60	0.10	Exhibit F, Tab 4, Schedule 2, Page 8/ Staff #32c
<b>Total OM&amp;A</b>	<b>3.93</b>	<b>4.94</b>	<b>1.01</b>	

UNDERTAKING JT2.2

UNDERTAKING

TO CALCULATE THE AVERAGE COST PER KILOMETRE USED FOR NEXTBRIDGE IF IT HAD BEEN USED FOR THE NIAGARA PROJECT; WOULD IT HAVE BEEN HIGHER OR LOWER THAN \$1.64.

RESPONSE:

On behalf of NextBridge, CRA was asked to calculate the construction cost per km for the NRLP transmission line if it had the same proportion of material costs to construction costs as NextBridge's East West Tie line.

The NRLP rate filing indicated that 99.2% of the costs were materials, and 0.8% were construction. The East West Tie has 90% construction costs, and 10% materials costs. If the same ratio were applied to the NRLP, the cost per km would change from \$1.66 /km to \$1.64 / km. Despite the reduction in cost per km by \$0.02/km, the overall conclusion of the study remains the same and the cost of the East West Tie is reasonable and comparable to NRLP despite being constructed in considerably more challenging terrain.

Fundamentally however CRA disagrees the rationale for making this change, since the proportion of construction to materials costs originally used in the benchmarking study came directly from the NRLP filing, so there was no new information provided in this ratio and no need to make this change.