

**UPPER CANADA TRANSMISSION, INC.
(d/b/a NextBridge Infrastructure)**

**East-West Tie Line
Quarterly Construction Progress Report**

Reporting Period: April 1, 2020 to June 30, 2020

Date Submitted: July 22, 2020

- In its Decision and Order dated August 7, 2013 (Designation Decision), the Ontario Energy Board (OEB or Board) named Upper Canada Transmission, Inc. (UCT), doing business as NextBridge Infrastructure (NextBridge), as the designated transmitter for the development of the East-West Tie transmission line (EWT Project or Project).
- On July 31, 2017, NextBridge submitted an application for leave to construct (LTC) the EWT Project, pursuant to section 92 of the Ontario Energy Board Act (OEB Act). On February 11, 2019, the OEB issued a Decision and Order approving the LTC application and amending the conditions of UCT's Electricity Transmission Licence to authorize it to proceed to the construction, expansion, or reinforcement of the transmission system for the EWT Project, pursuant to a directive to the OEB issued by the Minister of Energy, Northern Development and Mines and approved by Order in Council 52/2019 (OIC), dated January 30, 2019.
- On February 11, 2019, the OEB amended NextBridge's Electricity Transmission Licence to include conditions requiring NextBridge to report to the IESO on the progress, timeliness, and cost-effectiveness of the EWT Project and provide such information that the OEB may from time to time require.
- On July 29, 2019, the OEB issued a letter outlining NextBridge's reporting requirements pursuant to sections 14.1 and 13.3 of its Electricity Transmission Licence.
- In accordance with the OEB's letter dated July 29, 2019, NextBridge is required to report quarterly on the 15th business day of each January, April, July, and October. NextBridge will continue to file such quarterly reports until the EWT Project is in-service and land restoration activities have been completed.

This report is organized as follows:

1	Summary of the EWT Project Progress to June 30, 2020	<p>A detailed summary of the status of the EWT Project, including work completed during the reporting period, overall progress, cost and construction schedule updates, and emerging risks. Where applicable, impacts from changes to Hydro One Network Inc.'s (HONI's) station work will be noted. This section includes:</p> <ul style="list-style-type: none"> • Table of Key Project Statuses; • Table of Activities in the Work Fronts (WFs) for the Reporting Period; and • Summary of Activities within the Reporting Period.
2	Construction Schedule Update	<p>Construction milestones for the Project were identified in NextBridge's responses to Procedural Order #3, filed May 3, 2018 and updated September 24, 2018. This section provides an overview of the permitting and approval/authorization requirements as they relate to the Construction Schedule and includes:</p> <ul style="list-style-type: none"> • Project Map • Table Milestone Updates; and • Permit and Approval/Authorization Requirements by WF. <p>Where applicable, impacts from changes to HONI's station work will be noted.</p>
3	Construction Cost Update	<p>Period-specific cost summaries providing details for each cost category in NextBridge's Project cost budget, including:</p> <ul style="list-style-type: none"> • Actual spent; • Percentage of budgeted costs spent to date; • Updated forecast; and • Material forecast variance (if applicable). <p>This section also includes a Project Cost Update Summary and associated rationale for forecast variance and associated mitigating measures for negative forecast variances.</p>
4	Risk Management	<p>A summary of risks that have occurred or could potentially occur during construction, including a discussion of potential impacts on schedule, cost, or scope, and potential options for mitigating or eliminating the risk. This section includes:</p> <ul style="list-style-type: none"> • Risk Management Issues, Potential Impacts, and Mitigation Measures Table.
5	Reference Materials	<p>This report includes references to a letter provided to the OEB.</p> <ul style="list-style-type: none"> • A copy of this letter can be found in this section.

1. Summary of the EWT Project Progress During Reporting Period

A. Table of Key Project Statuses

Key Status	Summary
Stage of Construction	<p>Construction activities have resumed in WFs 1, 2, 3, 5, 6, 7, 8 and 9.</p> <ul style="list-style-type: none"> • Access road construction resumed May 19, 2020, after being temporarily suspended on March 29, 2020. • Foundation construction resumed May 30, 2020, after being temporarily suspended on March 28, 2020. • Tower assembly resumed May 26, 2020, after being temporarily suspended on March 21, 2020. • Tower Erection resumed June 28, 2020, after being temporarily suspended on March 19, 2020. • Stringing activities are expected to start in the last week of July 2020. • Additional information on this topic can be found in Section 1. B. below.
Costs	<p>NextBridge continues to maintain focus on the budget and tracks updates monthly.</p> <ul style="list-style-type: none"> • Construction costs for the EWT Project are forecasted to be on budget as compared to the LTC application. • Costs associated with the COVID-19 temporary work suspension have not been estimated and may not be known until well after construction is completed and the COVID-19 Global Pandemic is resolved. • Additional information on this topic can be found in Section 3. below.

Key Status	Summary
Schedule	<p>Construction activities have resumed in WFs 1, 2, 3, 5, 6, 7, 8 and 9.</p> <ul style="list-style-type: none"> • Sufficient permits have been released so that crews are able to work in a linear fashion. • No clearing activities are able to resume until September 1, 2020, due to permitting restrictions on clearing. • NextBridge is making continuous efforts with the applicable parties and governmental agencies, including Ministry of the Environment, Conservation, and Parks (MECP), Ministry of Natural Resources and Forestry (MNR), Ministry of Energy, Northern Development and Mines (MENDM), Ministry of Transportation (MTO), Infrastructure Ontario (IO), Fisheries and Oceans Canada (DFO), Canada Wildlife Service (CWS), Environment and Climate Change Canada (ECCC), NAV Canada, Indigenous Services Canada (ISC), Transport Canada (TC), Indigenous engagement, and others, in order to maintain the current schedule. • Construction WF startup delays due to a lag in permitting, and an inability to recover this time during the winter period due to the temporary suspension of construction activities on the Project as a result of the COVID-19 Global Pandemic, have resulted in less construction activities completed during the 2019-2020 winter season than were originally planned. <ul style="list-style-type: none"> – The delay in the release of the overall benefits permit (OBP) has prevented the completion of work in the Caribou Zone during the winter season. – Crews will have to re-mobilize to these areas in the fall of 2020 when the permit allows. – Inability to access federal reserve and Additions to Reserve (ATR) lands has resulted in a modification of schedule and numerous construction skips to work around unpermitted tower locations. • Due to the recent temporary suspension of the construction of the Project due to COVID-19 precautions, the Project execution schedule will be evaluated as construction progresses for impacts. In the event project schedule or construction costs are impacted, NextBridge will explain them in their quarterly report(s). • Additional information on this topic can be found throughout this Report.

Key Status	Summary
Emerging Risks	<p data-bbox="431 386 1175 422">Impacts of COVID-19 Global Pandemic on the Project.</p> <p data-bbox="431 453 732 489">Construction Impacts</p> <ul data-bbox="431 525 1495 1564" style="list-style-type: none"> <li data-bbox="431 525 1495 594">• NextBridge and its Indigenous and local partners consider the health and safety of their employees, contractors and the general public to be their top priority. <li data-bbox="431 630 1495 772">• NextBridge has taken additional steps to monitor the daily safety of workers on site, including screening new workers and workers who have recently travelled, modifying accommodations and travel of workers, providing additional cleaning and PPE resources, and daily temperature checks of everyone on site. <li data-bbox="431 808 1495 877">• Weekly calls are held with the construction team to review COVID-19 impacts and discuss the need for further mitigation measures on site. <li data-bbox="431 913 1495 1020">• NextBridge recognizes the unique challenges faced by Northern communities and their local health and access to resources amidst the COVID-19 Global Pandemic. <li data-bbox="431 1056 1495 1199">• On March 23, 2020, NextBridge provided an Intermediate Notice to the Board that in order to help contain the spread of COVID-19, NextBridge was temporarily closing the work camps associated with the construction of the East-West Tie for the safety and health of the workers. <li data-bbox="431 1234 1495 1419">• After additional discussions with the local municipalities and Indigenous communities in Northwestern Ontario regarding the possible spread of COVID-19 and its potential impact on the safety and health of its workers and communities, NextBridge decided to temporarily suspend all construction activities as of April 3, 2020. <li data-bbox="431 1455 1495 1564">• NextBridge, in consultation with local municipalities and Indigenous communities and under the advisement of local health authorities, began slowly resuming construction activities in mid-May 2020. <p data-bbox="431 1600 951 1635">Permitting and Authorization Impacts</p> <ul data-bbox="431 1671 1495 1778" style="list-style-type: none"> <li data-bbox="431 1671 1495 1778">• During the temporary suspension of construction activities, NextBridge continued to work with applicable ministries, agencies, and Indigenous communities to acquire remaining outstanding permits and authorizations.

Key Status	Summary
	<ul style="list-style-type: none"> At this time, many ministries, agencies, and Indigenous communities are also facing impacts due to the COVID-19 Global Pandemic, including office closures, and may not be able to process NextBridge's requests in a timely manner. <ul style="list-style-type: none"> NextBridge has encountered circumstances with MNRF, ECCC and ISC where NextBridge has been informed that responses to requests could be delayed due to the COVID-19 Global Pandemic.
Indigenous Activities	<p>Engagement Continuing.</p> <ul style="list-style-type: none"> NextBridge continues to engage with the 18 identified Indigenous communities in the Project area. Engagement highlights include robust consultations on emerging information associated with culturally significant sites, provincial park, and conservation reserve specific permitting, COVID-19 discussions and Section 28.2 Permits. Ongoing engagement continues on capacity funding agreement for several communities to retain third party experts, where required. Section 28.2 Permit process has concluded with one First Nation and negotiations are continuing with the one remaining community in which the Project crosses First Nations lands and progressing well towards conclusion. Final negotiations are taking place among Pic Mobert First Nation, NextBridge, and the Federal Government and progressing well to secure approvals for access requirements over ATR Lands where the Project requires temporary use. <ul style="list-style-type: none"> NextBridge and Pic Mobert First Nation also continue to work through a process to minimize potential for cultural impacts related to construction activities in the White Lake area. NextBridge and its partners suspended the Indigenous Facilitator Program in mid-March as a result of the COVID-19 Global Pandemic and is working with Indigenous communities and Supercom Industries to get the program ready for relaunch safely in alignment with COVID-19 safety protocols. NextBridge continues to be engaged with the six proximate Bamkushwada Limited Partnership (BLP) communities during the COVID-19 decision making process.

Key Status	Summary
	<ul style="list-style-type: none"> • Additional information on this topic can be found in Section 1. C. below.
HONI Coordination	<ul style="list-style-type: none"> • NextBridge continued engagement and coordination activities with HONI on multiple fronts. <ul style="list-style-type: none"> – HONI and NextBridge finalized Grant of Easement documents pertaining to NextBridge's land rights at HONI's Transformer Station (TS) lands. – HONI identified an issue related to the demarcation of the Project and expansions of their TS footprint that necessitated design changes. – NextBridge submitted revised drawings for the TS lands to HONI. <ul style="list-style-type: none"> ○ These drawings are currently under review by HONI stakeholders. – NextBridge expects to finalize outstanding items regarding the TS lands, including one remaining overhead crossing at the Lakehead TS, with HONI in 3Q 2020. – NextBridge continued discussions with HONI regarding; <ul style="list-style-type: none"> ○ The preliminary draft of the Construction Cost Recovery Agreement; and, ○ The associated terms and conditions. – Additional information on this topic can be found in Section 1. C. below.

B. Table of Activities In Work Fronts¹ for the Reporting Period

Work Front	Environmental Permit Submissions	Land-ROW ²	Land-Access ³	Clearing Progress	Construction
1	<ul style="list-style-type: none"> Detailed Project Plan (DPP) package submitted and 30-day review period has concluded. All related permit applications submitted and received. 	99%	100%	99%	<ul style="list-style-type: none"> 95% tower assembly completed. 96% tower foundations completed. 41% of towers erected.
7	<ul style="list-style-type: none"> DPP package re-submitted⁴ and 30-day review period has concluded. Related permit applications submitted and received. 	92%	95%	48%	<ul style="list-style-type: none"> 36% tower assembly completed. 3% foundations completed. 39% access completed. Awaiting agreements to be finalized with two mining leaseholders.
2	<ul style="list-style-type: none"> DPP Package submitted and 30-day review period has concluded. Related permit applications submitted and received. 	100%	100%	89%	<ul style="list-style-type: none"> 65% tower assembly completed. 40% foundations completed. 81% access completed.
6	<ul style="list-style-type: none"> DPP Package submitted and 30-day review period has concluded. All related permit applications have been received. Seasonal crossing applications to support next year's winter crossings to be submitted in 	99.8%	100%	90%	<ul style="list-style-type: none"> 32% structures assembled. 36% foundations installed. 89% access completed.

¹ This is the currently proposed order of strategic WF execution and is subject to change.

² Percentage of linear distance of route acquired in kilometers. Unencumbered Provincial Crown Land (Unpatented Land, Conservation Reserves, Parks) are assumed secured, but are still subject to receiving Provincial Government approvals.

³ Percentage of parcels with construction access requirements acquired. Construction access requirements on unencumbered Provincial Crown Land (Unpatented Land, Conservation Reserves, Parks) are subject to receiving Provincial Government approvals.

⁴ Comments were received from the MNRF in regards to the submission of the DPP for WF 7 and the DPP package was re-submitted based on this feedback.

Work Front	Environmental Permit Submissions	Land-ROW ²	Land-Access ³	Clearing Progress	Construction
	3Q 2020.				
8	<ul style="list-style-type: none"> DPP Package submitted and 30-day review period has concluded. All related permit applications have been received. 	100%	100%	27%	<ul style="list-style-type: none"> No access to Pic Moberg ATR lands. 18% access completed.
3	<ul style="list-style-type: none"> DPP Package submitted and 30-day review period has concluded. Kama Cliffs Conservation Reserve is under review by MECP. Received partial permits for Gravel River Provincial Park. All other related permit applications received. 	95%	91%	53%	<ul style="list-style-type: none"> Nipigon camp re-opened in June 2020. 6% tower assembly completed. 81% access completed.
9	<ul style="list-style-type: none"> DPP Package submitted and 30-day review period has concluded. All related permit applications received. 	100%	100%	30%	<ul style="list-style-type: none"> MTO encroachment permit received. 21% access completed
5	<ul style="list-style-type: none"> DPP Package submitted and 30-day review period has concluded. All permit applications have been received. All season crossing applications to amend last year's winter crossings to be submitted in 3Q 2020 	96%	100%	5%	<ul style="list-style-type: none"> Further site plan changes required to approve MNRF aggregate site permit No access to Pays Plat Reserve lands.
10	<ul style="list-style-type: none"> DPP Package submitted and 30-day review period has concluded. 	100%	100%	-	

Work Front	Environmental Permit Submissions	Land-ROW ²	Land-Access ³	Clearing Progress	Construction
	<ul style="list-style-type: none"> • We have received partial work permits for Nimoosh Provincial Park DPP. • Permit applications have been submitted, however revised water crossing applications are being prepared for submission in Q3 2020. • Permit applications have been partially received. 				
4	<ul style="list-style-type: none"> • DPP Package submitted and 30-day review period has concluded. • We have received partial work permits for Gravel River PP DPP. • All MNRF permit applications have been submitted and partial approvals have been received. 	100%	100%	-	
11	<ul style="list-style-type: none"> • DPP Package submitted and 30-day review period has concluded. • Permit applications have been submitted, however revised water crossing applications are being prepared for submission in Q3 2020. • Permit applications have been partially received. 	73%	91%	-	<ul style="list-style-type: none"> • Longitudinal access approval received from HONI.

C. Summary of Activities Within Reporting Period

Environment

- Species at Risk (SAR)
 - Received Overall Benefits Permit (OBP) for SAR from the MECP on December 24, 2019.
 - The OBP included multiple conditions requiring actions to avoid impact to SAR and mitigate for impacts to habitat.
 - The pre-construction conditions are being met and the post construction activities are in the process of being reviewed to understand the scope of the requirements.
 - NextBridge is seeking an amendment to allow all season access to be constructed in Caribou nursery habitat with an anticipated approval of 3Q 2020.
 - The federal SARA Permit review process is nearing completion with permit issuance is now anticipated shortly in conjunction with the Section 28.2 Permit.
 - The federal SARA Permit issuance was originally expected to be received in 2Q 2020 in the previous East-West Tie Line Quarterly Construction Report and is now anticipated to be received at the beginning of 3Q 2020.
 - This change is not expected to impact the Project schedule.
- DPPs
 - DPPs have been submitted on all WFs.
 - All DPPs for Provincial Parks and Conservation Reserves have been submitted.
- WF Packages
 - Permit applications for all WFs were submitted.
 - Permits were issued for WFs 1, 2, 3, 5, 6, 7, 8 and 9.
 - Partial issuance of permits for WFs 4, 10 and 11.
 - Continued productive discussions with:
 - MECP on Provincial Parks and Conservation Reserves work and land use permits, etc.; and,
 - MNRF on work and land use permits, etc.
- Permitting Requirements
 - Continued consultation with MECP, MNRF, DFO, CWS, and other agencies regarding the Environmental Assessment (EA) and upcoming permitting requirements.
- EA Conditions

- Internal and contractor resources have been deployed to ensure continuous compliance with the conditions of the EA Approval using a comprehensive Construction Compliance Matrix for tracking purposes.
- NextBridge submitted an annual compliance report outlining the results of the 2019 compliance monitoring program on May 27, 2020, to the Director of the Environmental Assessment and Permissions Branch of the MECP.
- Environment-Related Indigenous Discussions
 - Continued solicitation and incorporation of feedback and Traditional Ecologic Knowledge information provided by Indigenous communities and agencies.
 - Documented and responded to inquiries received from Indigenous communities with respect to the Project.
- Indigenous Facilitator Program
 - Indigenous Facilitators have been present along the ROW since the commencement of construction, up until the temporary suspension of the Indigenous Facilitator Program on March 24, 2020.
 - This measure was taken in response to the evolving COVID-19 Global Pandemic and requirements for social distancing. Planning is underway to relaunch the program in a modified fashion that takes into consideration COVID-19 protocols and upholds safety as a top priority.
 - NextBridge continues to work with Project partners and Indigenous communities to improve the Indigenous Facilitator Program structure and delivery.

Land

- Privately Held Land
 - Corresponded with the Township of Nipigon to finalize easement agreements on affected Township owned lands.
 - Township administration is satisfied with the forms of easement agreements and NextBridge now expects to receive Council approval in early 3Q 2020.
 - Council approval was originally expected to be received in 2Q 2020 and is now anticipated to be received in 3Q 2020.
 - This change is not expected to impact the Project schedule.
- Government Land and Permits
 - NextBridge resolved an outstanding crossing issue with a private company where the private company holds a land use permit issued by MNRF for Crown land on which the company owns and operates an existing hydroelectric transmission line.

- NextBridge was able to reach a mutually agreeable outcome with the private company for the crossing agreement.
- Accordingly, an application to the OEB pursuant to section 101 of the *Ontario Energy Board Act* for authority to construct the Project over the existing transmission line will not be required.
- Obtained Crown land use permit and work permit approvals from the MNRF for WFs 4, 10 and 11.
 - Approvals of some work permits for WF 11 and WF 10 are still pending and expected to be issued by the MNRF in 3Q 2020.
 - NextBridge continues to work with the MNRF to amend site plans of permitted aggregate pits on Crown land in WF 5 to allow for the crossing of the Project.
 - NextBridge continues to work with the MNRF to support the surrender of certain lands administered by Transport Canada and held by Her Majesty the Queen, in the Right of Canada to the Province of Ontario.
 - The lands are in WF 11 and are needed for the Project.
 - The MNRF expects to complete this process by the end of 3Q 2020.
- Continued engagement with third party utility and rail companies to secure required access and overhead crossing approvals.
- Agreements securing approximately 99% of required third party crossings have been completed.
- NextBridge anticipates completing the remaining third-party crossing agreements in 3Q 2020.
 - Remaining third party crossing agreements were originally expected to be received in 2Q 2020 and is now anticipated to be received in 3Q 2020.
 - This change is not expected to impact the Project schedule.
- Delay in Finalizing Acquisition with Outstanding Mining Leaseholders
 - NextBridge continues to work towards mutually acceptable agreements to obtain required consent agreements and easements.
 - NextBridge has substantially completed negotiations with all outstanding mining leaseholders and is in the process of receiving final acknowledgements of completion by the leaseholders for execution and now anticipates resolution by early 3Q 2020.
 - Acquisition of rights with outstanding mining leaseholders was originally expected to be received in 2Q 2020 and is now anticipated to be received in 3Q 2020.
 - This change is not expected to impact the Project schedule.
 - Delay of finalizing acquisition with mining leaseholders in WF 7 may require construction to skip certain areas.
 - While the construction contract anticipated skipping certain areas for potential issues, the length of delay may result in increased cost to NextBridge.

- These conditions place uncertainty in the timing of permitting approvals, which could impact construction execution plans.
- The Project team is working on mitigating the realization of this risk by continuing engagement with the impacted rights holders and relevant Government agencies to ensure timely approval of the required permits and evaluating construction execution plans in impacted areas.
- General Updates
 - Continued legal surveys to support the land acquisition and permitting programs.
 - Responded to and tracked directly affected property owner and Crown interest holder inquiries and complaints regarding construction activities.
 - Obtained settlements with property owners and Crown interest holders pertaining to damage and disturbance claims as a result of construction activities.

Regulatory

- Mining and Land Tribunal (MLT) Proceedings
 - Since the last quarterly report, all outstanding issues with mining claim holders have been resolved.
 - The final mining claim holder provided consent to grant NextBridge's application and on April 30, 2020, the MLT issued a decision granting the application without the need for a hearing.

Indigenous Engagement

- Continued Engagement Activities
 - NextBridge has documented and responded to inquiries and questions received from Indigenous communities with respect to the Project.
 - Ongoing engagement has promoted open dialogue with communities.
 - NextBridge is regularly engaged with interested communities consulting on Project permitting.
 - Biinjitiwabik Zaaging Anishnabek (BZA) Engagements
 - BZA continues to pursue an appeal and judicial review on the issuance of the LTC and OIC to NextBridge. NextBridge, Ontario and BZA are in negotiations related to the withdrawal of the proceedings.
 - Pic Mobert Engagements
 - NextBridge remains engaged with Pic Mobert on the development of a mitigation plan for construction in the area of White Lake and Nursery Lake to ensure risk of impacts to cultural/traditional resources is minimized.
 - NextBridge and Pic Mobert are working through a process whereby an alternative crossing option will be engineered to avoid the placement of any structures on the island in White

Lake in an effort to avoid cultural impacts up to and including the potential for burials on the sacred island.

- While the construction contract anticipated skipping certain areas for potential cultural issues, the length of delay and potential design changes for crossing of White Lake may result in increased cost to NextBridge.
- NextBridge concluded work with Michipicoten First Nation (MFN) required to secure the Federal permit to traverse the ROW.
 - NextBridge, MFN and the Federal government fully executed the permit on June 30, 2020.
- Notifications to the 18 identified First Nation and Métis Communities
 - January 20, 2020 - Notification that the final Provincial Parks & Conservation Reserves DPPs documentation would be uploaded to the SharePoint site for community access.
 - May 14, 2020 - Notification that all Provincial Parks & Conservation Reserves DPP documentation had been uploaded to the public project website and that the SharePoint site had been deactivated.
- Capacity Funding Agreements (CFAs)
 - CFAs had previously been offered to the 18 identified Indigenous communities to ensure adequate resources to continue with engagement on the Project during the construction phase.
 - Progress has been made on finalizing more than half of the agreements.
 - Completed the execution of the CFA with Pic River, including the provision of an electronic Band Council Resolution.
 - In some cases, communities were not interested in additional capacity funding.
 - NextBridge continues to provide project information whether a CFA is in place or not.
- Impacts of COVID-19 Global Pandemic on Indigenous Communities
 - The evolving risk of COVID-19 was discussed during numerous conversations with Chiefs and Indigenous community representatives during the Reporting Period.
 - Although most communities have begun easing their COVID-19 restrictions, the majority still have some form of restrictions in place to protect their populations from the potential introduction and spread of COVID-19 within their communities.
 - These restrictions have limited NextBridge's ability to engage directly, and in some cases, have created additional challenges accessing worksites that are on Reserve lands.
 - NextBridge engaged directly BLP community leadership, when possible, to discuss the plan to resume construction activities and a potential date for recommencement.
 - NextBridge also sought multiple opportunities to outline and explain the COVID-19 safety protocols being pursued on the Project.

- NextBridge and Red Rock Indian Band (RRIB) worked through an extensive process to gain community support for re-opening the Nipigon worker camp which is located on Reserve lands.
 - Given the location of the camp which is adjacent to the Reserve, and the fact RRIB remains on lock down, significant efforts were directed at building the community trust in re-opening, which included extensive pandemic safety measures.

Community/Municipal Engagement

- Continued Engagement Activities
 - Contacted Mayors of ROW communities the week of April 6, 2020, to inform them that construction was temporarily suspended due to COVID-19.
 - Consulted with Thunder Bay Public Health Unit and Algoma Public Health regarding Valard's COVID-19 Management Plan including safe return to work measures.
 - Contacted Mayors of ROW communities the week of May 11, 2020, to inform that construction was recommencing in a slow and safe manner.
 - Provided statement to and conducted interview with Dougall Media reporters on May 15, and May 22, 2020, respectively, regarding construction recommencement.
 - Held discussions with Mayor and CAO of the Township of Nipigon regarding the proposed crossing height across the Nipigon River.
 - Transport Canada informed the community the proposed crossing clearance was lower than the existing HONI crossing.
 - The community expressed concerns to Transport Canada.
 - Discussions with the community resulted in a commitment to match the HONI crossing height.
 - Received calls and emails from Picnic Lake seasonal and permanent residents regarding concerns about the proposed White River temporary work camp near the lake.
 - Held discussions with the Mayor and CAO of White River regarding community concerns and the likelihood of a challenge to a proposed temporary re-zoning of the site to accommodate the temporary work camp.
 - Hosted a virtual forum on the Zoom online platform on June 18, 2020, with community members who provided comments to the Township and NextBridge, both in support and opposed to the temporary work camp location.
 - After the forum, it was recognized that opposing community members would likely appeal the temporary re-zoning and an appeal process could not be accommodated in the construction schedule.
 - The decision was made to abandon the site as a temporary work camp and continue to search for alternative locations within the Township of White River.

- A potential new work camp site has been identified and preliminary discussions with Township of White River were initiated regarding zoning and connection to municipal services.
- Construction awareness signs continue to be posted on the ROW as construction crews progress and gain access.
- Posted Kama Cliffs Conservation Reserve DPP to the Project website on May 11, 2020.
- Project Facebook Group continued to grow steadily with approximately 95 members as of the end of Reporting Period.
- Monitored the Project email address and hotline for Project inquiries.
- Complaint Resolution Process
 - No formal complaints were submitted during this Reporting Period.

Engineering & Construction

- Materials
 - Deliveries of conductor, Optical Ground Wire (OPGW), and Overhead Ground Wire (OHGW) continued to both the Thunder Bay and Marathon laydown yards.
 - Deliveries of towers had been slowed due to the CN rail blockades which occurred in February 2020, but delivery issues have since been resolved.
 - NextBridge was able to work with the tower vendor to unload containers at the Port of Montreal and truck towers directly to site to avoid delays from transportation by rail.
 - The last tower delivery to the Thunder Bay laydown yard is expected to arrive in early July 2020.
 - OPGW, OHGW and conductor deliveries are ongoing.
 - At least one of every tower type has now been delivered to site.
- Construction
 - Due to dry and hot conditions on site, labour activities have slowed.
 - Additional mitigations have been put in place to reduce the risk of forest fires on site.
 - Road construction and site access has improved significantly as the spring thaw finishes.
 - Erection activities resumed in the last week of June and are expected to progress very rapidly in 3Q 2020.
 - Stringing activities are anticipated to begin towards the end of July 2020.
- Detailed Engineering

- Transmission line design Issued for Construction Review (IFCR) packages for all WFs have been issued and Issued for Construction (IFC) packages are being issued as ROW is cleared and ground-truthing is being performed.
- NextBridge is developing a plan to measure the high frequency tower resistance on a sample size of towers in order to validate grounding assumptions.
- Working with vendors to supply lighting and marking for 35 towers which has been prescribed by Transport Canada.
 - NextBridge received rationale from Transport Canada to confirm their newly-proposed requirements.
 - These newly-proposed requirements are related to the installation of lights and application of safety paint on a selection of towers.
 - Through a competitive bidding process Drake lighting has been selected to supply the tower lights prescribed by Transport Canada.
 - The majority of the lights prescribed by Transport Canada fall under the Canadian Aviation Regulations SOR/96-433 Part VI General Operating and Flight Rules- 601.25 and are required at the discretion of the minister who has determined these towers to be hazardous to air navigation.
- Conducting a feasibility study of a potential bypass of a HONI transmission line outside of the Wawa TS to mitigate the need for an extended outage period.

Coordination Efforts with HONI

- Status and Changes to Access Road and Transmission Line Crossings
 - Continued engagement with HONI to acquire necessary land rights and/or obtain permits.
 - Obtained amended approvals from HONI for longitudinal (land) access associated with all WFs.
 - Met with HONI and IESO regarding overhead transmission line crossing designs.
 - The land agreements associated with the Lakehead, Marathon and Wawa TSs are outstanding.
 - NextBridge revised design drawings to incorporate HONI feedback for the Lakehead, Marathon, and Wawa TSs which has delayed the approval of these land agreements.
 - Expect to execute the agreements by the end of 3Q 2020.
 - Work sequence has been adjusted to address timing of land agreements and no schedule impacts are expected as a result of this outcome.
- Overview of Key Negotiations, Agreements, and Coordination Efforts Between NextBridge and HONI
 - Continued discussions related to HONI's Staging Plan which includes the coordination of facility upgrades with cable connections and outage requirements.
 - Discussions with HONI regarding the negotiation of the Construction Cost Recovery Agreement.

- NextBridge and HONI reviewed feedback and comments on the preliminary draft of the Construction Cost Recovery Agreement (CCRA) in 2Q 2020.
- The CCRA and associated Terms and Conditions are under internal review and will undergo a subsequent review by HONI and NextBridge in 3Q 2020.
- Other Material Developments, Issues, or Risks Related to the Coordination Between NextBridge and HONI
 - NextBridge expects to conclude Grant of Easements by the end of 3Q 2020.
 - HONI identified an issue related to the demarcation of the Project and expansions of HONI's TS footprints that necessitated design changes at the TS lands.
 - NextBridge has submitted revised drawings for the TS lands to HONI which are currently under HONI stakeholder review.
 - This issue has delayed the finalization of land rights for the EWT Project on HONI TS lands, but is not expected to impact Project schedule at this time.

Risks related to the Coordination efforts between NextBridge and HONI can be found below in Section 4. A.

COVID-19 Global Pandemic

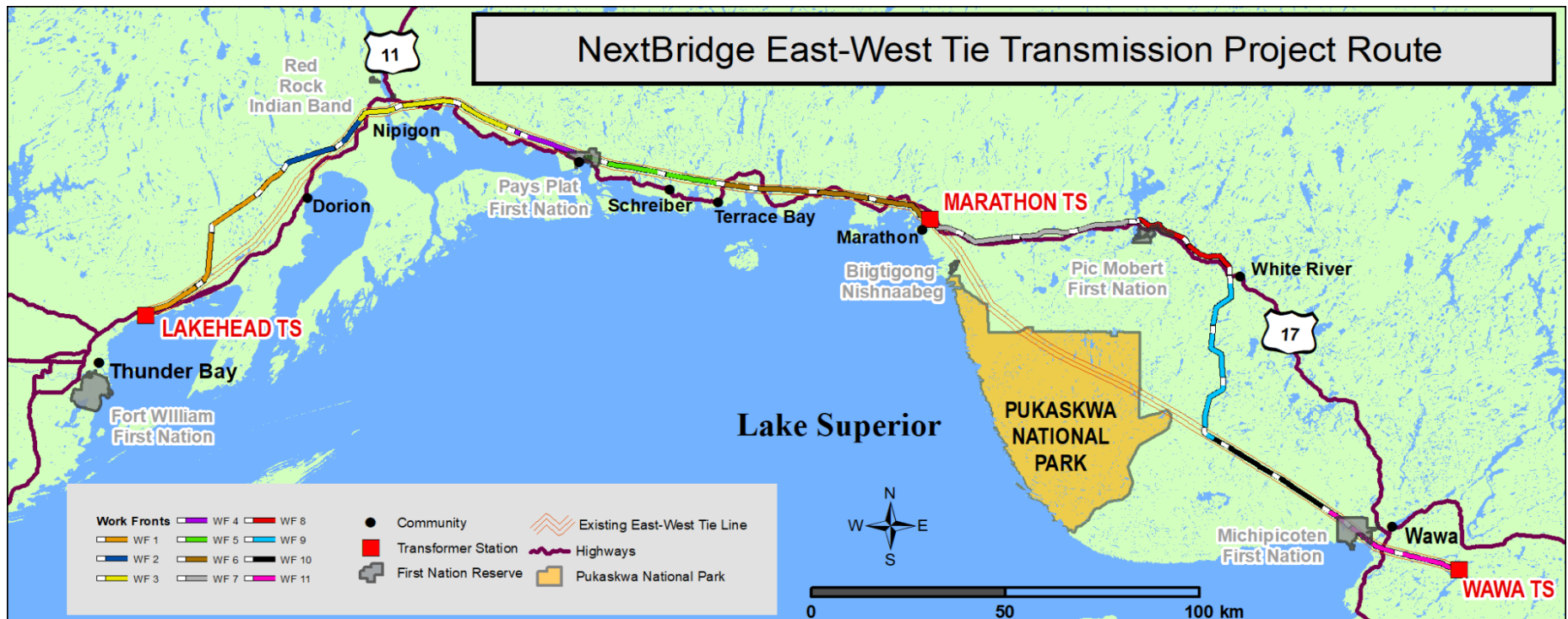
- On March 23, 2020, NextBridge provided an Intermediate Notice to the Board that, in order to help contain the spread of COVID-19, NextBridge was temporarily closing the work camps associated with the construction of the Project for the safety and health of the workers.
- At the time, NextBridge committed to provide a more detailed explanation of the cost and schedule impacts, if any, to the Project resulting from the closure of the work camps due to COVID-19 in its next OEB Quarterly Construction Progress Report.
- After additional discussions with the local municipalities and Indigenous communities in Northwestern Ontario regarding the possible spread of COVID-19 and its potential impact on the safety and health of its workers and communities, NextBridge decided to temporarily suspend all construction activities as of April 3, 2020.
- NextBridge, in consultation with local municipalities and Indigenous communities and under the advisement of local health authorities, resumed limited construction activities on May 19, 2020.
- As previously noted, NextBridge has recently begun to return to full production on the Project.
- At this time, NextBridge cannot determine what, if any, the schedule and/or cost impact(s) are due to COVID-19.

- NextBridge will track any incremental construction costs related to the COVID-19 Global Pandemic and requests the Board approve the creation of a subaccount of Account 2055 to do so, consistent with its April 22, 2020, request to the Board.

Risks related to the COVID-19 Global Pandemic can be found below in Section 4. A.

2. Construction Schedule Update

A. Project Map



B. Milestone Updates Table

Following the OEB Decision and Order approving the LTC application, the February 11, 2019, milestone dates were revised to meet a new construction schedule based on the new in-service date. Updates on the progress of these milestones are found in the table below.

Activity	Post-LTC Decision Baseline Target Date ⁵	Revised Date	Variance Reason/Potential Impact
Regulatory			
Oral Hearing Start	Completed		
OEB LTC Decision and Order	Completed		
OEB approval of authority to expropriate	September 2019		• Completed in 3Q 2019
Register approved Plan of Expropriation and issue relevant Expropriation Act Notices/Offer	December 2019	1Q 2020	• Completed in 1Q 2020
Obtain possession of expropriated lands for construction purposes	March 2020		• Completed in 1Q 2020
Environmental⁶			
Approval of the Amended EA	Completed		
Approval by MECP of ECA - Camp Wastewater	2Q 2020		
Approval by MNRF of Water Crossing Permits	3Q 2019 to Q1 2020	2Q 2020 → 3Q 2020	<ul style="list-style-type: none"> • Some re-permitting is required based on a move to all-season access in WFs 5, 6, 8, 9 and 10. • Permit applications are being prepared for WF 11 to support winter access.

⁵ Schedule dates were revised to meet a new construction schedule following the Leave to Construct award based on the new in-service date.

⁶ Apart from the EA which has been issued, based on the WF approach to construction, not all permits are needed at start of construction on the Project as some WFs will have all necessary permits to start construction.

Activity	Post-LTC Decision Baseline Target Date ⁵	Revised Date	Variance Reason/Potential Impact
			<ul style="list-style-type: none"> Delays experienced to date will be analyzed to determine if there are any cost and/or schedule impacts.
Approval by MECP of Species at Risk Permits (Bat maternity roosts, Eastern whip-poor-will)	3Q 2019		<ul style="list-style-type: none"> Completed in 3Q 2019
Approval by MECP of Species at Risk Permits (Caribou, Bat hibernacula)	4Q 2019		<ul style="list-style-type: none"> Completed in 4Q 2019
Approval of ECCC SARA Bat hibernacula and caribou permit	4Q 2019	2Q 2020 → 3Q 2020	<ul style="list-style-type: none"> Awaiting review by ECCC. Delay due to ECCC office closures caused by COVID-19. Delays experienced to date will be analyzed to determine if there are any cost and/or schedule impacts.
Approval of MECP Provincial Park & Conservation Reserve Management Plan Amendments	4Q 2019		<ul style="list-style-type: none"> Completed in 4Q 2019
Lakehead Region Conservation Authority Permit	3Q 2019		<ul style="list-style-type: none"> Completed in 3Q 2019
Transport Canada Section 67 for Transport Canada Lands	3Q-4Q 2019	N/A	<ul style="list-style-type: none"> Land is in the process of being surrendered to the Province. Section 67 will no longer be applicable.
Transport Canada Navigation Protection Act Canada permit	3Q-4Q 2019	2Q 2020 → 3Q 2020	<ul style="list-style-type: none"> Partially completed; <ul style="list-style-type: none"> Lake Superior crossings approved; and, Public consultation complete. Nipigon River crossing is undergoing a proposed design change and updated design is being reviewed with the local municipality.

Activity	Post-LTC Decision Baseline Target Date ⁵	Revised Date	Variance Reason/Potential Impact
Fisheries and Oceans Canada Letters of Advice	3Q 2019 to 1Q 2020	2Q 2020 → 3Q 2020	<ul style="list-style-type: none"> • Delay in referrals and protracted review process has delayed approvals into 3Q 2020 • 9 of the 11 reviews are complete.
Indigenous Service Canada Section 67 for Reserve Lands	3Q-4Q 2019	1Q 2020 → 3Q 2020	<ul style="list-style-type: none"> • Environmental Review Process by ECCC ongoing. • Delay due to ECCC office closures caused by COVID-19.
Infrastructure Ontario Class Environmental Assessment	4Q 2019	1Q 2020	<ul style="list-style-type: none"> • Completed in 1Q 2020
MHSTCI– Heritage, Sport, Tourism and Cultural Industries acceptance	4Q 2019	2Q-3Q 2020	<ul style="list-style-type: none"> • Additional archeological field work will now be required in the 2020 Spring field season. • Revised milestone date not anticipated to impact construction schedule.
Land Acquisition			
Substantial completion of signing of option agreements	Completed		
Crown Land Disposition Application filed	3Q-4Q 2019		<ul style="list-style-type: none"> • Completed in 4Q 2019
Third party Crossing agreements complete	3Q-4Q 2019	2Q 2020 → 3Q 2020	<ul style="list-style-type: none"> • Additional time required to finalize agreements with remaining third-party owners. • Milestone substantially complete. • Revised milestone date not anticipated to impact construction schedule.
MNRF approval of Crown Lease/Land Use Permits	3Q 2019 to 1Q 2020	2Q 2020	<ul style="list-style-type: none"> • Completed in 2Q 2020.
MNRF approval of Crown Land Work Permits	3Q 2019 to 1Q 2020	2Q 2020 → 3Q 2020	<ul style="list-style-type: none"> • Work Permits for portions of WF 10 and WF 11 outstanding.

Activity	Post-LTC Decision Baseline Target Date ⁵	Revised Date	Variance Reason/Potential Impact
			<ul style="list-style-type: none"> • Additional time required for MNRF to process remaining WF 11 and WF 10 applications. • Revised milestone date not anticipated to impact construction schedule.
MTO approval of Land Use and Building Permits	3Q-4Q 2019	1Q 2020	• Completed in 1Q 2020.
MTO approval of Entrance Permits	3Q-4Q 2019	1Q 2020	• Completed in 1Q 2020.
MTO approval of Encroachment Permits	3Q-4Q 2019	1Q 2020	• Completed in 1Q 2020.
Indigenous Relations			
Indigenous Service Canada (ISC) approval of Land Related Permits	4Q 2019	2Q 2020	<ul style="list-style-type: none"> • The first of two required Section 28.2 Permits required for the ROW was finalised June 30, 2020. • In relation to the second of the two required Section 28.2 Permits, NextBridge is finalising negotiations with the First Nation and the Federal government and anticipates approvals in 3Q 2020. • Revised milestone date is not anticipated to impact the construction schedule.
HONI - Related			
HONI approves Longitudinal Access	3Q 2019		• Completed in 3Q 2019.
HONI Approves Transmission Crossing Application	3Q 2019	2Q 2020 → 3Q 2020	<ul style="list-style-type: none"> • Additional time required to finalize agreement at Lakehead TS. • Milestone substantially complete. • Revised milestone date not anticipated to impact construction schedule.

Activity	Post-LTC Decision Baseline Target Date ⁵	Revised Date	Variance Reason/Potential Impact
NextBridge files Sec 101 Application (If not approved by HONI)	4Q 2019	N/A	<ul style="list-style-type: none"> HONI has approved the majority of the HONI line crossings including the crossing of the T1M lines. NextBridge continues to work with HONI regarding one outstanding overhead crossing agreement at the Lakehead TS and expects to receive this agreement in 3Q 2020. Accordingly, a Section 101 application will likely not be required.
HONI Substations commissioned ⁷	4Q 2021		
Engineering & Construction			
Commence Clearing & Access	3Q 2019		• Commenced in 3Q 2019
Commence Geotech and Foundations	4Q 2019		• Commenced in 4Q 2019.
Commence Towers Assembly	4Q 2019		• Commenced in 4Q 2019.
Commence Towers Erection	1Q 2020		• Commenced in 1Q 2020.
Commence Conductor Stringing	2Q 2020	3Q 2020	• Delayed due to COVID-19 temporary suspension of construction activities.
Work Front 1 - Commence Clearing & Access	3Q 2019		• Commenced in 3Q 2019.
Work Front 1 - Commence Geotech and Foundations	4Q 2019		• Commenced in 4Q 2019.
Work Front 1 - Commence Towers Assembly	4Q 2019		• Commenced in 4Q 2019.
Work Front 1 - Commence Towers Erection	1Q 2020		• Commenced in 1Q 2020.
Work Front 1 - Commence Conductor Stringing	1Q 2020	3Q 2020	• Delayed due to COVID-19 temporary suspension of construction activities.

⁷ Per Exhibit B, Tab 11, Schedule 1 of Hydro One Station work LTC application.

Activity	Post-LTC Decision Baseline Target Date ⁵	Revised Date	Variance Reason/Potential Impact
Work Front 2 - Commence Clearing & Access	1Q 2020		• Commenced in 1Q 2020.
Work Front 2 - Commence Geotech and Foundations	1Q 2020	2Q 2020	• Foundations were started in alternate WFs.
Work Front 2 - Commence Towers Assembly	1Q 2020	2Q 2020	• Assembly was started in alternate WFs.
Work Front 2 - Commence Towers Erection	1Q 2020	3Q 2020	• Delay in start of erection activities in WF 1.
Work Front 2 - Commence Conductor Stringing	2Q 2020	3Q 2020	• To start following WF1 stringing completion.
Work Front 3 - Commence Clearing & Access	1Q 2020		• Commenced in 1Q 2020.
Work Front 3 - Commence Geotech and Foundations	1Q 2020	2Q 2020	• Commenced 2Q 2020.
Work Front 3 - Commence Towers Assembly	2Q 2020		• Commenced 2Q 2020.
Work Front 3 - Commence Towers Erection	2Q 2020	3Q 2020	• Delayed due to COVID-19 temporary suspension of construction activities.
Work Front 3 - Commence Conductor Stringing	3Q 2020		
Work Front 4 - Commence Clearing & Access	2Q 2020	3Q 2020	• Unable to clear until September due to environmental restrictions.
Work Front 4 - Commence Geotech and Foundations	2Q 2020	3Q 2020	• To commence following clearing in WF 4.
Work Front 4 - Commence Towers Assembly	3Q 2020		
Work Front 4 - Commence Towers Erection	3Q 2020		
Work Front 4 - Commence Conductor Stringing	3Q 2020		
Work Front 5 - Commence Clearing & Access	1Q 2020		• Commenced in 1Q 2020.
Work Front 5 - Commence Geotech and Foundations	1Q 2020	2Q 2020	• Commenced in 2Q 2020.
Work Front 5 - Commence Towers Assembly	4Q 2020		
Work Front 5 - Commence Towers Erection	1Q 2021		
Work Front 5 - Commence Conductor Stringing	1Q 2021		
Work Front 6 - Commence Clearing & Access	1Q 2020		• Commenced in 1Q 2020.
Work Front 6 - Commence Geotech and Foundations	1Q 2020		• Commenced in 1Q 2020.

Activity	Post-LTC Decision Baseline Target Date ⁵	Revised Date	Variance Reason/Potential Impact
Work Front 6 - Commence Towers Assembly	1Q 2020		• Commenced in 1Q 2020.
Work Front 6 - Commence Towers Erection	1Q 2020	4Q 2020	<ul style="list-style-type: none"> • Delay in start of erection activities in WF 1 due to COVID-19 temporary suspension of construction activities. • Commencement of task will take place once winter access conditions are available.
Work Front 6 - Commence Conductor Stringing	3Q 2020		
Work Front 7 - Commence Clearing & Access	1Q 2020		• Commenced in 4Q 2019.
Work Front 7 - Commence Geotech and Foundations	2Q 2020		• Commenced in 1Q 2020.
Work Front 7 - Commence Towers Assembly	3Q 2020		• Commenced in 1Q 2020.
Work Front 7 - Commence Towers Erection	3Q 2020		
Work Front 7 - Commence Conductor Stringing	4Q 2020		
Work Front 8 - Commence Clearing & Access	1Q 2020		• Commenced in 1Q 2020.
Work Front 8 - Commence Geotech and Foundations	3Q 2020		
Work Front 8 - Commence Towers Assembly	4Q 2020		
Work Front 8 - Commence Towers Erection	4Q 2020		
Work Front 8 - Commence Conductor Stringing	1Q 2021		
Work Front 9 - Commence Clearing & Access	1Q 2020		• Commenced in 1Q 2020.
Work Front 9 - Commence Geotech and Foundations	3Q 2020		
Work Front 9 - Commence Towers Assembly	4Q 2020		
Work Front 9 - Commence Towers Erection	4Q 2020		
Work Front 9 - Commence Conductor Stringing	2Q 2021		
Work Front 10 - Commence Clearing & Access	3Q 2020		
Work Front 10 - Commence Geotech and Foundations	3Q 2020		
Work Front 10 - Commence Towers Assembly	4Q 2020		
Work Front 10 - Commence Towers Erection	1Q 2021		
Work Front 10 - Commence Conductor Stringing	3Q 2021		

Activity	Post-LTC Decision Baseline Target Date ⁵	Revised Date	Variance Reason/Potential Impact
Work Front 11 - Commence Clearing & Access	3Q 2020		
Work Front 11 - Commence Geotech and Foundations	3Q 2020		
Work Front 11 - Commence Towers Assembly	1Q 2021		
Work Front 11 - Commence Towers Erection	2Q 2021		
Work Front 11 - Commence Conductor Stringing	3Q 2021		
Project Construction Substantially Complete	4Q 2021		
Project Commissioning Commences	4Q 2021		
Project Commissioning Complete - In Service	4Q 2021		
Final acceptance and release of General Contractor	4Q 2021		

C. Permit and Approval/Authorization Requirements by Work Front Table

Work Front	Remaining Major Permits and Approvals/Authorizations ⁸	Original Target Date Reported in 1 st OEB Quarterly Report	Revised Target Date	Variance Reason/Potential Impact
1	0 Species at Risk 0 Water Body Crossings 1 Overhead Crossings 0 Work Permit and Land Use Permit 0 Access	September 2019		<ul style="list-style-type: none"> NextBridge continues to work with HONI regarding one outstanding overhead crossing agreement at the Lakehead TS and expects to receive this agreement in 3Q 2020. Delays experienced to date will be analyzed to determine if there are any cost and/or schedule impacts.
7	0 Species at Risk 0 Water Body Crossings 3 Overhead Crossings 0 Work Permit and Land Use Permit 0 Access	September 2019	May 2020 → August 2020	<ul style="list-style-type: none"> Awaiting overhead crossings tied to leasehold negotiations which are anticipated to be received in 3Q 2020. Awaiting resolution of mining leaseholders' interests, anticipated to be received in 3Q 2020. Delays experienced to date will be analyzed to determine if there are any cost and/or schedule impacts.
2	0 Species at Risk 0 Water Body Crossings 0 Overhead Crossings 0 Work Permit and Land Use Permit 0 Access	September 2019	January 2020	<ul style="list-style-type: none"> Delays experienced to date will be analyzed to determine if there are any cost and/or schedule impacts.

⁸ The number of Major Permits and Approvals/Authorizations are subject to change as access plans evolve.

Work Front	Remaining Major Permits and Approvals/Authorizations ⁸	Original Target Date Reported in 1 st OEB Quarterly Report	Revised Target Date	Variance Reason/Potential Impact
6	0 Species at Risk (including Caribou) 14 Water Body Crossings 0 Overhead Crossings 2 Work Permit and Land Use Permit 1 Phase I ESA 0 Access	December 2019	May 2020 → August 2020	<ul style="list-style-type: none"> • Awaiting necessary renewals of provincial permits and approvals. • Delays experienced to date will be analyzed to determine if there are any cost and/or schedule impacts.
8	0 Species at Risk 0 Water Body Crossings 0 Overhead Crossings 1 Work Permit and Land Use Permit 0 Access	September 2019	May 2020 → September 2020	<ul style="list-style-type: none"> • Awaiting necessary federal permits and approvals on Pic Mobert ATR lands as mentioned earlier in the Report. • Awaiting approval for Pic Mobert ATR Land from ISC in order to apply for necessary work permit. • Delays experienced to date will be analyzed to determine if there are any cost and/or schedule impacts.
3	0 Species at Risk 8 Water Body Crossings (Including 1 Federal Permit) 1 Overhead Crossings 3 Work Permit and Land Use Permit 1 Phase I ESA 5 Access	September 2019	May 2020 → September 2020	<ul style="list-style-type: none"> • Awaiting necessary federal and provincial permits and approvals. • Awaiting Township of Nipigon Council approval of easement and road use agreements expected in July 2020. • Kama Cliffs DPP is currently under review by MECP and associated land use permit and work permits will not be issued until the DPP is approved.

Work Front	Remaining Major Permits and Approvals/Authorizations ⁸	Original Target Date Reported in 1 st OEB Quarterly Report	Revised Target Date	Variance Reason/Potential Impact
				<ul style="list-style-type: none"> Delays experienced to date will be analyzed to determine if there are any cost and/or schedule impacts.
9	0 Species at Risk 0 Water Body Crossings 0 Overhead Crossings 0 Work Permit and Land Use Permit 0 Access	September 2019	February 2020	<ul style="list-style-type: none"> Delays experienced to date will be analyzed to determine if there are any cost and/or schedule impacts.
5	1 Species at Risk 38 Water Body Crossings 0 Overhead Crossings 0 Work Permit and Land Use Permit 1 Access	December 2019	May 2020 → August 2020	<ul style="list-style-type: none"> Awaiting necessary federal and provincial permits and approvals. Delays experienced to date will be analyzed to determine if there are any cost and/or schedule impacts.
10	0 Species at Risk 31 Water Body Crossings 0 Overhead Crossings 6 Work Permit and Land Use Permit 0 Access	November 2019	May 2020 → August 2020	<ul style="list-style-type: none"> Awaiting necessary federal and provincial permits and approvals. Delays experienced to date will be analyzed to determine if there are any cost and/or schedule impacts.
4	0 Species at Risk 12 Water Body Crossings 0 Overhead Crossings 6 Work Permit and Land Use Permit 0 Access	November 2019	May 2020 → July 2020	<ul style="list-style-type: none"> Awaiting necessary federal and provincial permits and approvals. Remaining permits expected in 3Q 2020. Gravel River DPP has been revised and is under review by MECP.

Work Front	Remaining Major Permits and Approvals/Authorizations ⁸	Original Target Date Reported in 1 st OEB Quarterly Report	Revised Target Date	Variance Reason/Potential Impact
				<ul style="list-style-type: none"> • Associated land use permit and work permits will not be issued until the DPP has been approved. • Delays experienced to date will be analyzed to determine if there are any cost and/or schedule impacts.
11	1 Species at Risk 18 Water Body Crossings 1 Overhead Crossings 2 Work Permit and Land Use Permit 20 Access	December 2019	May 2020 → August 2020	<ul style="list-style-type: none"> • Awaiting necessary provincial permits and approvals. • The federal SARA permit will not be released until ISC approval is received. • Remaining overhead crossings and permits expected in August 2020. • Additional time required for MNRF to process remaining WF 11 and WF 10 applications. • Delays experienced to date will be analyzed to determine if there are any cost and/or schedule impacts.

3. Construction Cost Update

A. Project Cost Update Summary

Construction costs for the EWT Project are forecasted to be on budget when compared to the LTC application budget. While increases have been identified in certain budget areas, the use of the previously-budgeted value for contingency allows for sufficient allocation of funds to address areas where budget increases were identified. However, at this point in time the costs related to the pandemic are unknown.

B. Project Cost Update Table

Cost Categories for NextBridge's Construction Costs Reporting		Actuals Spent		Budget			Forecast Budget Variance			Reasons For Change
		A Spent This Reporting Period \$	B Total Spent To Date \$	C Budget Per LTC Application \$	D=C-B Budget Remaining	E=D/C*100 Budget Remaining %	F Forecast Budget Change \$	G Forecast Budget Change %	H Revised Total Budget	
Engineering & Construction		34,901,420	210,912,690	572,761,388	361,848,698	63%	41,505,901	7%	614,267,289	Revised based on in-service date
1	Engineering, Design and Procurement	1,040,393	5,874,334	19,342,245	13,467,911	70%	(10,808,892)	-56%	8,533,353	
2	Materials and Equipment	13,401,782	33,605,245	89,408,231	55,802,986	62%	(22,538,717)	-25%	66,869,514	
8	Site Clearing, Access	6,899,195	55,324,700	107,463,339	52,138,639	49%	33,828,145	31%	141,291,484	
9	Construction	13,560,050	116,108,410	356,547,573	240,439,163	67%	41,025,365	12%	397,572,938	
Environmental & Remediation Activities		1,231,307	14,434,209	26,929,260	12,495,051	46%	4,348,606	16%	31,277,866	Revised based on in-service date
3	Environmental and Regulatory Approvals	1,197,591	14,400,493	13,030,561	(1,369,932)	-11%	5,894,505	45%	18,925,066	
10	Site Remediation	33,716	33,716	13,898,699	13,864,983	100%	(1,545,899)	-11%	12,352,800	
Indigenous Activities		1,275,623	13,256,714	20,211,000	6,954,286	34%	3,442,555	17%	23,653,555	Revised based on in-service date
5	Indigenous Economic Participation	363,591	5,732,053	7,000,000	1,267,947	18%	2,730,362	39%	9,730,362	
6	Indigenous Consultation	912,032	7,524,662	13,211,000	5,686,338	43%	712,193	5%	13,923,193	
4	Land Rights (excludes Aboriginal)	1,958,654	15,649,362	23,830,512	8,181,150	34%	-	0%	23,830,512	
7	Other Consultation	105,737	1,022,038	2,530,194	1,508,156	60%	-	0%	2,530,194	
11	Contingency	-	-	49,399,445	49,399,445	100%	(49,297,062)	-100%	102,383	Allocation of Contingency
12	Regulatory	448,835	3,612,970	5,405,078	1,792,108	33%	-	0%	5,405,078	
13	EWT Management	262,831	3,832,950	4,900,644	1,067,694	22%	-	0%	4,900,644	
Total Project Spend		40,184,408	262,720,932	705,967,521	443,246,589	63%	-	0%	705,967,521	
14	Interest During Construction (IDC) ¹	1,652,937	8,769,739	31,003,000	22,233,261	72%	-	0%	31,003,000	
Total Construction Costs^{2,3}		41,837,345	271,490,671	736,970,521	465,479,850	63%	-	0%	736,970,521	

¹ IDC has not been reforecasted as interest rates will vary based on the OEB prescribed rates

² On the record (EB-2017-0182)

³ Development Costs eligible for consideration as construction costs of \$5.3 MM not reflected in column B. (OEB Decision, December 20, 2018)

C. Project Cost Update Summary by Department

Engineering & Construction (E&C)

- The Project cost forecast for this department has not changed since the last reporting period.

Environment & Remediation Activities

- The Project cost forecast for this department has not changed since the last reporting period.

Indigenous Activities

- The Project cost forecast for this department has not changed since the last reporting period.

Land Rights (Excludes Aboriginal Engagement)

- The Project cost forecast for this department has not changed since the last reporting period.

Other Consultation

- The Project cost forecast for this department has not changed since the last reporting period.

Regulatory

- The Project cost forecast for this department has not changed since the last reporting period.

EWT Management

- The Project cost forecast for this department has not changed since the last reporting period.

D. OEB Consultation on the Deferral Account – Impacts Arising from the COVID-19 Emergency

- On April 22, 2020, in a separate submittal, NextBridge requested that the OEB issue an order approving a subaccount to Construction Work in Progress – Electric (CWIP) account 2055 to track COVID-19 costs.
- NextBridge has requested that the subaccount be made effective March 23, 2020 when NextBridge first notified the Board of the impact of COVID-19 on construction.
- On May 28, 2020, NextBridge participated in the preliminary stakeholder meeting hosted by the OEB.
- On June 11, 2020, NextBridge submitted written comments on the draft issues list, specifically, requesting that an issue be added regarding what account should be used for distributors and transmitters currently constructing capital projects.
 - The written comments submitted on June 11, 2020, is attached in Appendix A below.

4. Risk Management

A. Risk Management Issues, Potential Impacts and Mitigation Measures

Risk Item #	Risk Description	Likelihood of Risk Occurring (High, Medium, Low)	Description of Impact of the Risk on the Project	Risk on the Project (High, Medium, Low)	Mitigation of Risk and/or Impact
1	Agency delay in issuance of other environmental permit(s)		<ul style="list-style-type: none"> Delay in issuance of required approvals listed in table 2.C. to start clearing in new WFs would increase cost due to schedule compression required to mitigate schedule slip. Recent office closures and remote work environments due to the COVID-19 global pandemic has slowed permit issuance. Kama Cliffs DPP was submitted March 18, 2020, and is currently under review by MECP and associated land use permit and work permits will not be issued until the DPP is approved. 		<ul style="list-style-type: none"> WF approach is designed to allow staggered issuance of permit approvals to facilitate staging of the start of construction in multiple segments simultaneously. Modified work sequence to maintain clearing activities, foundation installation, and tower assembly progress. Delays experienced to date will be analyzed to determine if there are any cost and/or schedule impacts.

Low

Medium /
Moderate

High

Unknown

Risk Item #	Risk Description	Likelihood of Risk Occurring (High, Medium, Low)	Description of Impact of the Risk on the Project	Risk on the Project (High, Medium, Low)	Mitigation of Risk and/or Impact
2	Delay in access to private, provincial, and federal lands		<ul style="list-style-type: none"> Lands not accessible in time for construction commencement date will affect Project schedule. <ul style="list-style-type: none"> Private lands not accessible through expropriation. Public lands not accessible through MNRF process. Federal lands not accessible through reserve crossing permits. 		<ul style="list-style-type: none"> Pursue regulatory avenues available (e.g. expropriation with OEB, provincial mining recorder order) where access is not granted. Establish work around/ accommodation plan for “no access” parcels in construction planning. Work with government on public and federal land access.
3	Delay in HONI station work		<ul style="list-style-type: none"> If stations are not ready for energization it will delay Project in-service date. 		<ul style="list-style-type: none"> Communication and coordination with HONI during construction.
4	Delay in accessing HONI’s crossings of access roads and transmission lines		<ul style="list-style-type: none"> Significant portions of lands not accessible in time for access road construction and stringing across HONI ROW lands will affect Project schedule. 		<ul style="list-style-type: none"> Continue to work with HONI to resolve crossing and access issues. HONI has approved the bulk of the HONI line crossings including the crossing of the T1M lines.

Low

Medium /
Moderate

High

Unknown

Risk Item #	Risk Description	Likelihood of Risk Occurring (High, Medium, Low)	Description of Impact of the Risk on the Project	Risk on the Project (High, Medium, Low)	Mitigation of Risk and/or Impact
					<ul style="list-style-type: none"> NextBridge continues to work with HONI regarding one outstanding overhead crossing agreement at the Lakehead TS and expect to receive this agreement in 3Q 2020. While a Section 101 application will likely not be required, this option remains in the event that NextBridge is unable to reach agreement on all required crossings.

Low

Medium /
Moderate

High

Unknown

Risk Item #	Risk Description	Likelihood of Risk Occurring (High, Medium, Low)	Description of Impact of the Risk on the Project	Risk on the Project (High, Medium, Low)	Mitigation of Risk and/or Impact
5	Legal challenges		<ul style="list-style-type: none"> Parties may file applications for judicial review or appeal of OEB decisions or other permit approvals and seek to stay construction. Risk has materialized, as BZA First Nation has filed both a judicial review of the Jan 30, 2019 Order in Council and an appeal of the Dec 20, 2018 and Feb 11, 2019 OEB decisions. There may be some cost risk involved with defending these legal challenges. 		<ul style="list-style-type: none"> Continue to proactively engage with First Nation and Métis communities, landowners and all other stakeholders in order to identify and address concerns. Actively engaged in continued negotiations with BZA related to the judicial review and appeal. Commit to addressing concerns at any point, even post issuance of permits and engage communities on an issue by issue basis.
6	Public protests and/or displays of Project opposition		<ul style="list-style-type: none"> Potential for reputational impacts but is unlikely to prevent forward progress given provincial approvals have been obtained. Potential for reputation impact of continuing construction activities during COVID-19 		<ul style="list-style-type: none"> Additional discussion and attempts to satisfy concerns. Attentive and responsive to local needs related to COVID-19, such as premature closure of work camps and temporary suspension of construction

Low

Medium /
Moderate

High

Unknown

Risk Item #	Risk Description	Likelihood of Risk Occurring (High, Medium, Low)	Description of Impact of the Risk on the Project	Risk on the Project (High, Medium, Low)	Mitigation of Risk and/or Impact
			<ul style="list-style-type: none"> Potential for reputation impact related to burning of wood on ROW. Community concerns related to initially-proposed location of White River Work Camp. 		<p>viewed favourably by local communities.</p> <ul style="list-style-type: none"> Detailed Management Plan developed by Valard coupled with consultation with Local Health Units and communities provided confidence that appropriate measures being taken to protect communities and workers. Timely and effective response to wood burning concerns through media statements and direct communication with communities. Host a community forum to listen to community and further dialogue. Identify alternative locations and move work camp site to another property in White River if possible.

Low

Medium /
Moderate

High

Unknown

Risk Item #	Risk Description	Likelihood of Risk Occurring (High, Medium, Low)	Description of Impact of the Risk on the Project	Risk on the Project (High, Medium, Low)	Mitigation of Risk and/or Impact
7	Labour strikes		<ul style="list-style-type: none"> Potential for labour actions and disruption/shutdown of construction activities, which could lead to cost and schedule impacts. Potential for media coverage and undesirable project optics. 		<ul style="list-style-type: none"> Follow Project labour protocols as per master agreement with Canadian Union of Skilled Workers (CUSW). Foster and maintain good relations and communication with CUSW and its members. Be cognizant of and manage potential for other unions to approach and recruit any non-CUSW members. Media response would be developed to provide public response as appropriate.

Low

Medium /
Moderate

High

Unknown

Risk Item #	Risk Description	Likelihood of Risk Occurring (High, Medium, Low)	Description of Impact of the Risk on the Project	Risk on the Project (High, Medium, Low)	Mitigation of Risk and/or Impact
8	Delays in acquisition/resolution of mining leaseholders' interests		<ul style="list-style-type: none"> Impacts to schedule and costs associated with timely acquisition/resolution of required interests. 		<ul style="list-style-type: none"> NextBridge developed an approach to compensate for these types of interests and continues to work towards obtaining required mutual agreements and easements where required. Construction skips may be required in order to maintain construction activity progress. NextBridge anticipates resolution of mining leaseholders' rights in 3Q 2020.
9	Delay in finalizing acquisition with outstanding mining claim holders		<ul style="list-style-type: none"> Delayed access to the subject lands for construction, which may result in increased cost to NextBridge. 		<ul style="list-style-type: none"> Outstanding acquisition with mining claim holder was resolved in 2Q 2020 and this risk item will be removed in the next Reporting Period.

Low

Medium /
Moderate

High

Unknown

Risk Item #	Risk Description	Likelihood of Risk Occurring (High, Medium, Low)	Description of Impact of the Risk on the Project	Risk on the Project (High, Medium, Low)	Mitigation of Risk and/or Impact
10	Delay in resolution of overhead crossing agreement for existing utility		<ul style="list-style-type: none"> Impacts to schedule and costs associated with timely acquisition/resolution of required interests. 		<ul style="list-style-type: none"> NextBridge continues to work with private utility owner regarding one outstanding overhead crossing agreement and expect to resolve this agreement in 3Q 2020. While a Section 101 application will likely not be required, this option remains in the event that NextBridge is unable to reach agreement on required crossings.
11	COVID-19 Global Pandemic		<ul style="list-style-type: none"> Global pandemic caused the shutdown of work camps and temporary suspension of construction activities which are expected to lead to cost and schedule impacts. Potential for workers testing positive for COVID-19, while working in communities where health facilities are 		<ul style="list-style-type: none"> Developed COVID-19 Task Force to ensure the safety of staff, contractors, subcontractors, partners, and the general public and mitigate the impacts of the pandemic on the Project. Temporarily closed both active work camps impacting 219 workers and temporarily

Low

Medium /
Moderate

High

Unknown

Risk Item #	Risk Description	Likelihood of Risk Occurring (High, Medium, Low)	Description of Impact of the Risk on the Project	Risk on the Project (High, Medium, Low)	Mitigation of Risk and/or Impact
			limited.		<p>suspending construction activities.</p> <ul style="list-style-type: none"> • Material receipt is still taking place to ensure product availability once construction activities resume. • Working with tower vendor to mitigate potential delivery delay impacts. • Indigenous and stakeholder engagement continues in order to address concerns as they arise. • Schedule risk may be mitigated through acceleration of construction activities in 2020-2021; however, the duration and associated impacts of the COVID-19 Global Pandemic are unknown at this time.

Low

Medium /
Moderate

High

Unknown

Risk Item #	Risk Description	Likelihood of Risk Occurring (High, Medium, Low)	Description of Impact of the Risk on the Project	Risk on the Project (High, Medium, Low)	Mitigation of Risk and/or Impact
12	Difficulty to obtain timely outages to cross existing transmission lines		<ul style="list-style-type: none"> The Project crosses several existing transmission lines, some of which require outages in order to perform construction works. Timing and duration of outages may not align with construction schedule activities. 		<ul style="list-style-type: none"> Working closely with HONI to obtain outage coordination information and schedules. Conducting a feasibility study of a potential bypass of an existing HONI line which may mitigate this risk.

Low

Medium /
Moderate

High

Unknown

5. Reference Materials

APPENDIX A

- **Written Comments in Response to Consultation on the deferral Account – Impacts Arising from the COVID-19 Emergency**



June 11, 2020

BY EMAIL AND RESS

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: Consultation on the Deferral Account – Impacts Arising from the COVID-19
Emergency
Ontario Energy Board File Number: EB-2020-0133
NextBridge's Written Comments on Draft Issues List**

As required by the Board's May 14, 2020 letter in the above-referenced Docket, Upper Canada Transmission, Inc. operating as NextBridge Infrastructure ("NextBridge"), an electricity transmitter, hereby submits comments on Board's Draft Issues List. Specifically, NextBridge requests that the OEB add an issue addressing whether incremental capital costs, and associated interest, related to COVID-19 for projects currently under construction should be tracked separately, and if so whether the tracking should occur in (1) a subaccount of Account 1509 – Impacts Arising from the COVID-19 Emergency or (2) a subaccount of the existing Uniform System of Accounts number 2055 "Construction Work in Progress – Electric" ("CWIP").

The construction of the 450-kilometer East-West Tie Line in Northwestern Ontario began in the fall of 2019 and has been impacted by the COVID-19 pandemic, as described in NextBridge's April 22, 2020 Quarterly Report submitted in EB-2017-0182. NextBridge is a new regulated transmitter with no active rates in place and has no existing assets; therefore, any incremental costs only reflect the actual cost of construction related to the asset.

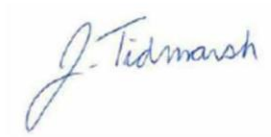
In its February 11, 2019 decision in EB-2017-0182, the Board directed NextBridge to use CWIP Account 2055 to record construction costs incurred after July 31, 2017. NextBridge believes it is appropriate to continue to track the incremental construction work in progress and interest costs related to the COVID-19 emergency in a new subaccount of Account 2055. Alternatively, in line with the Board's letter of March 25, 2020 outlining the establishment of deferral accounts to record impacts arising from the COVID-19 emergency, capital costs, and associated interest, these costs could be captured for projects currently under construction in a subaccount of Account 1509. However, NextBridge's interpretation of proper GAAP accounting treatment would be to classify these costs as a CWIP asset. Conversely, classifying the costs as a non-current asset (deferral account 1509) is not reflective of NextBridge's current construction phase.

While NextBridge's situation of not having existing rates is unique, there are undoubtedly other transmitters or distributors that have construction-related impacts from COVID-19. Therefore, NextBridge requests that the Board add the following issues under subcategory C "Accounting Matters":

- What account should be used for distributors and transmitters currently constructing capital projects?

Please contact me with any questions.

Sincerely,

A handwritten signature in blue ink that reads "J. Tidmarsh". The signature is written in a cursive, flowing style.

Jennifer Tidmarsh
Project Director, NextBridge