

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

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

Reporting Period: April 1, 2021 to June 30, 2021

Date Submitted: July 22, 2021

- 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. 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 Independent Electricity System Operator (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 March 31, 2021	<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 originally identified in the LTC proceedings, specifically in NextBridge's responses to Procedural Order #3, filed May 3, 2018, and updated September 24, 2018. On September 3, 2020, in accordance with Conditions 2 and 3 of the LTC Order, NextBridge notified the OEB of a change in construction schedule to reflect a change to the in-service date from 4Q 2021 to March 31, 2022.</p> <p>This section provides an overview of the updated milestones based on the permitting and approval/authorization requirements as they relate to the updated construction schedule and includes:</p> <ul style="list-style-type: none"> • Project Map; • Updated Table of 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.

1. Summary of the EWT Project Progress During Reporting Period

A. Table of Key Project Statuses

Key Status	Summary
<p>Stage of Construction</p>	<p>Construction activities continued in all WFs</p> <ul style="list-style-type: none"> - Clearing and access activities across the project have been completed. - All work camps remain open on the Project. <ul style="list-style-type: none"> • The Wawa camp is not housing any workers currently due to limited activities taking place on the east end of the Project. - Staffing during 2Q 2021 has involved 350-450 workers. <ul style="list-style-type: none"> • As clearing and access activities have been completed and additional activities continue to wind down over the coming months, the number of workers will continue to decrease. - Stringing activities progressed in WFs 8 and 9. - The 6-structure monopole style dead-end at A002 is in progress. <ul style="list-style-type: none"> • Following completion of this dead-end, the last stringing work in WF 1 will be completed shortly thereafter. - The painted tower at B100 has been assembled and is expected to be erected in July 2021. - Reclamation activities have commenced in WF 1 and will progress through WFs 1, 2, and 3 over the summer. <p>Additional information on this topic can be found in Section 1. B., below.</p>

Key Status	Summary
<p>Costs</p>	<p>NextBridge continues to maintain focus on the budget.</p> <ul style="list-style-type: none"> - Known construction costs for the Project are forecasted to be on budget as compared to the LTC application. - Costs associated with the COVID-19 Global Pandemic have not been estimated in their entirety and will 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
<p>Schedule</p>	<p>Construction activities are ongoing in all WFs</p> <ul style="list-style-type: none"> - All land acquisitions have been completed to allow for the clearing and access activities across the Project. - Attended meetings with HONI to coordinate schedule and conductor/optical ground wire tie-ins to the Lakehead, Marathon, and Wawa transformer stations (TSs). - The majority of activities during 2Q 2021 started in mid-May due to the timing of spring breakup. - Crews remain active in almost all WFs across the Project. - During 2Q 2021, tower assemblies were completed in WFs 3, 4, 5, 7, and 8 while tower erection activities occurred in WFs 4, 7, and 8. <ul style="list-style-type: none"> • Over 100 towers were fully assembled and erected during this period. - Stringing crews have moved to WF 7 after completing the majority of activities in WFs 8 and 9. <ul style="list-style-type: none"> • Upon completion stringing crews will be relocated to WF 1 to complete the A001-A003 pull during a HONI outage. • The execution of this pull will mark the completion of construction activities in WF 1 with the exception of reclamation. - 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, Ministry of Transportation (MTO), Infrastructure Ontario, NAV Canada, Indigenous Services Canada (ISC), Transport Canada, Indigenous engagement, and others, in order to maintain the current schedule. - Additional information on Project schedule can be found throughout this Report.

Key Status	Summary
<p>Emerging Risks</p>	<p>Impacts of COVID-19 Global Pandemic on the Project.</p> <p>Construction Impacts</p> <ul style="list-style-type: none"> - 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. - The Province of Ontario declared a provincewide shutdown to commence on December 26, 2020. <ul style="list-style-type: none"> • Following the identification of COVID-19 cases on the Project in early 1Q 2021, an investigation by the Thunder Bay District Health Unit (TBDHU) was completed to review COVID-19 policies and the related safety measures that were implemented the EWT Project. • The project is in compliance with the resulting orders issued by the TBDHU for construction to continue. • These orders included: <ul style="list-style-type: none"> ○ Additional security and screening at work camps; ○ Prescribing a maximum number of workers that could travel together in a work vehicle; ○ Requiring additional personal protective equipment (PPE) use for workers and implementing further social distancing policies while working; and, ○ Additional cleaning and sanitizing of all work equipment and work camps. - NextBridge has continued taking 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. - Ongoing communication with the construction team to review COVID-19 impacts and discuss the need for potential further mitigation measures on site. - The Project did not record any positive COVID-19 cases during 2Q 2021.

Key Status	Summary
	<ul style="list-style-type: none"> - Vaccination clinics are available in communities across the Project area and the amount of fully vaccinated individuals on the Project continues to increase each month. - Although provincial restrictions are starting to be removed, the Project continues to remain under strict testing and access guidelines to ensure the safety of all workers and the public. - As the COVID-19 Global Pandemic is continually evolving, including the mitigation measures required to continue construction activities, NextBridge is unable to estimate the associated costs related to the Pandemic in their entirety and the total costs will not be known until well after construction is completed and the COVID-19 Global Pandemic is resolved. <p>Permitting and Authorization Impacts</p> <ul style="list-style-type: none"> - NextBridge continued to work with applicable ministries, agencies, and Indigenous communities to acquire the remaining outstanding permits and authorizations. - At this time, many ministries, agencies, and Indigenous communities are also impacted by the COVID-19 Global Pandemic, including office closures, and may not be able to process NextBridge’s requests for permits and authorizations in a timely manner. <ul style="list-style-type: none"> • Impacts due to a delay in permits and authorizations have been considered in the updated construction schedule.

Key Status	Summary
<p>Indigenous Activities</p>	<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, archaeology, provincial parks, and conservation reserve specific permitting, the Indigenous Facilitator Program, ongoing monitoring of COVID-19 developments and discussions, Caribou Species at Risk (SAR) permits, fly yard permits, and Section 28.2 Permits. - Ongoing engagement continues on agreements for communities related to mitigations and capacity. - Fly yard permit application consultation was launched in March 2021 to support applications for various fly yard sites required for facilitating the assembly and installation of structures and stringing of the transmission line. <ul style="list-style-type: none"> • Consultation was completed in early May and all required permits were received by the end of May. - NextBridge and Pic Mobert First Nation have completed an agreement related to the cultural and historic issues raised by the community related to the White Lake and Nursery Lake areas. <ul style="list-style-type: none"> • Ongoing work is being pursued to ensure all contractors are aware of and upholding the commitments in the area. - The Indigenous Facilitator Program ran at full capacity during the majority of 2Q 2021. <ul style="list-style-type: none"> • One facilitator was absent from the field due to health issues, so alternative options were approved by the community to have other facilitators perform monitoring in the traditional territory. - NextBridge continued to work with Supercom Industries Inc. (Supercom) and community partners to ensure ongoing compliance with COVID-19 safety protocols, and discharge the Indigenous Facilitator Program: <ul style="list-style-type: none"> • Indigenous Facilitator Independence Plan was fully implemented in 2Q 2021 and included new reporting mechanisms and daily planning logs.

Key Status	Summary
	<ul style="list-style-type: none"> • NextBridge continued discussions with the communities surrounding the flow of construction activities into summer of 2021 and impending decreased workload for some Indigenous Facilitators. - NextBridge continues to be engaged with the six proximate Bamkushwada Limited Partnership communities in many aspects of the Project, including the COVID-19 decision making process and construction schedule. - Additional information on this topic can be found in Section 1. C. below.
<p>HONI Coordination</p>	<ul style="list-style-type: none"> - NextBridge continued engagement and coordination activities with HONI on multiple fronts, including: <ul style="list-style-type: none"> • Outage Scheduling and Crossings; • Overall Project schedule; • Easement Agreement execution; • Construction and Commissioning coordination; • The latest draft of the Construction Cost Recovery Agreement (CCRA); • The latest draft of the Connection Facilities Agreement (CFA); and, • The expected timing of the execution of the HONI/Supercom Operations and Maintenance Service Level Agreement (SLA). - HONI has completed its stakeholder review of the Wawa TS updated design drawings related to the previously identified demarcation of the Project and expansion of their TS footprint which necessitated design changes. <ul style="list-style-type: none"> • NextBridge finalized outstanding items regarding the Wawa TS lands with HONI in 2Q 2021. - NextBridge continues to coordinate activities with HONI around the updated construction schedule. <ul style="list-style-type: none"> • Monthly coordination meetings continue, and standalone meetings are being held as needed. - Additional information on this topic can be found in Section 1. C. below.

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

Work Front	Environmental Permit Submissions	Land-ROW ¹	Land-Access ²	Clearing Progress ³	Construction
1	<ul style="list-style-type: none"> Detailed Project Plan (DPP) package submitted and 30-day review period has concluded. 	100%	100%	100%	<ul style="list-style-type: none"> 100% access completed. 99% tower assembly completed. 99% tower foundations completed. 99% towers erected. 99% conductor strung. 25% reclamation completed
7	<ul style="list-style-type: none"> DPP package re-submitted⁴ and 30-day review period has concluded. Related permit applications submitted and received. Fly yard applications to support stringing operations submitted. 	100%	100%	100%	<ul style="list-style-type: none"> 100% access completed. 97% tower assembly completed. 99% foundations completed. 87% of towers erected.
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%	100%	<ul style="list-style-type: none"> 100% access completed. 100% tower assembly completed. 100% foundations completed. 100% towers erected. 100% conductor strung.
6	<ul style="list-style-type: none"> DPP Package submitted and 30-day review period has concluded. Related permit applications. 	100%	100%	100%	<ul style="list-style-type: none"> 100% access completed. 93% tower assembly completed.

¹ The activities in this column have been completed and will be removed in the next Reporting Period.

² 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.

³ The activities in this column have been completed and will be removed in the next Reporting Period.

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 ¹	Land-Access ²	Clearing Progress ³	Construction
	<ul style="list-style-type: none"> submitted and received. Fly yard applications to support stringing operations submitted. Received MECP approval for amended OBP to support all season access road construction. 				<ul style="list-style-type: none"> 100% foundations completed. 60% towers erected.
8	<ul style="list-style-type: none"> DPP Package submitted and 30-day review period has concluded. Related permit applications submitted and received. Fly yard applications to support stringing operations submitted. 	100%	100%	100%	<ul style="list-style-type: none"> 100% access completed. 94% tower assembly completed. 99% foundations completed. 90% towers erected.
3	<ul style="list-style-type: none"> DPP Package submitted and 30-day review period has concluded. Kama Cliffs Conservation Reserve DPP has been approved. Related permit applications submitted and received. Fly yard application to support stringing operations submitted. 	100%	100%	100%	<ul style="list-style-type: none"> 100% access completed. 89% tower assembly completed. 99% foundations completed. 79% towers erected. 56% conductor strung.
9	<ul style="list-style-type: none"> DPP Package submitted and 30-day review period has concluded. Related permit applications submitted and received. Fly yard applications to support stringing operations submitted. 	100%	100%	100%	<ul style="list-style-type: none"> 100% access completed. 87% towers assembly completed. 91% foundations completed. 76% of towers erected. 76% of conductor strung.
5	<ul style="list-style-type: none"> DPP Package submitted and 30-day review period has concluded. Related permit applications submitted and received. Fly yard applications to support 	100%	100%	100%	<ul style="list-style-type: none"> 100% access completed. 56% foundations completed. 44% assembly completed.

Work Front	Environmental Permit Submissions	Land-ROW ¹	Land-Access ²	Clearing Progress ³	Construction
	stringing operations submitted.				
4	<ul style="list-style-type: none"> DPP Package submitted and 30-day review period has concluded. Related permit applications submitted and received. Fly yard applications to support stringing operations submitted. 	100%	100%	100%	<ul style="list-style-type: none"> 100% access completed. 99% foundations completed. 92% assembly completed. 4% erection completed.
11	<ul style="list-style-type: none"> DPP Package submitted and 30-day review period has concluded. Related permit applications submitted and received. Fly yard applications to support stringing operations submitted. 	100%	100%	100%	<ul style="list-style-type: none"> 100% access completed. 34% foundations completed. 26% assembly completed. 26% erection completed.
10	<ul style="list-style-type: none"> DPP Package submitted and 30-day review period has concluded. Related permit applications submitted and received. Fly yard applications to support stringing operations submitted. 	100%	100%	100%	<ul style="list-style-type: none"> 100% access completed. 7% foundations completed.

C. Summary of Activities Within Reporting Period

Environment

- 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 received an amendment to allow all season access to be constructed in caribou nursery habitat December 3, 2020.
 - Although NextBridge does not intend to use all season access this winter, the amendment was obtained to mitigate potential other force majeure events (e.g., increased COVID-19 infections) which could jeopardize the Project schedule.
- As a condition of the OBP, NextBridge filed a Caribou Transfer Strategy (CTS) on March 31, 2021 and will continue to develop the strategy in consultation with the MECP, MNRF, and Indigenous communities (including Michipicoten First Nation).
- While the CTS requires the translocation of 8 female caribou and 4 male caribou, multiple factors are impacting the finalization of the plan, such as:
 - Confirmation of potential impacts on the current caribou population if 12 animals were removed through transfer; and,
 - Confirmation that the host island is predator free.
- Ultimately, the CTS will need to balance the regulatory and biological requirements of the government with the biological and spiritual beliefs of Indigenous communities (including Michipicoten First Nation).
- While the transfer plan does not impact the construction schedule, NextBridge requires MECP approval on the final CTS before all the OBP condition requirements are satisfied.
- The federal Species at Risk Act (SARA) Permit has been received.

- 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 have been submitted.
- Permits were issued for all WFs.

- 13 Fly yard permit applications to support stringing operations have been submitted and approved by MNRF for WFs 3 to 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, Fisheries and Oceans Canada (DFO), Canadian Wildlife Service (CWS) and other agencies regarding the Environmental Assessment (EA) and upcoming permitting requirements.
- EA Conditions
 - Internal and contractor resources are ensuring continuous compliance with the conditions of the EA Approval using a comprehensive Construction Compliance Matrix for tracking purposes.
- Environment-Related Indigenous Discussions
 - Continued solicitation and incorporation of feedback and Traditional Ecologic Knowledge information provided by Indigenous communities and agencies.
 - Responded to inquiries received from Indigenous communities with respect to the Project.
- Indigenous Facilitator Program
 - Indigenous Facilitators have been present along the right of way (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.
 - The program was restructured and fully relaunched in September 2020 with all communities' facilitators actively engaged in the field.
 - The newly structured program ensures ongoing compliance with COVID-19 protocols and upholds safety as a top priority.
 - As invasive construction activities have been completed, increased independence of the Indigenous Facilitators in the field has been implemented in collaboration with Supercom and field staff.
 - NextBridge has begun work with Project partners and Indigenous communities to prepare for reclamation activities, upcoming decreased workloads, and the natural evolution of the Indigenous Facilitator Program.

Land

- Privately Held Land
 - NextBridge finalized outstanding land agreements regarding the Wawa TS lands with HONI.
 - NextBridge acquired additional property rights to facilitate the W2C (a HONI transmission line) reroute near the Wawa TS.
 - NextBridge is working to mitigate potential impacts to schedule associated with the requirement of these additional property rights.
- Government Land and Permits
 - Obtained remainder of outstanding work permit approvals from the MNRF for WF 11.
 - NextBridge continues to follow up 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 MNRF has advised the land has been added to the multi-site Land Use Permit and that registration of the land transfer could take up to one year.
 - NextBridge continues to follow up on the progress of the land transfer.
 - This development is not expected to impact the Project schedule.
 - Continued engagement with third party utility and rail companies for permit renewals to support construction activities across the Project.
 - 100% of required third party crossings have been secured.
- Continued working with Mining Leaseholder for revised Consent to Disposition of Surface Rights to support the revisions required due to concerns raised by the community in the White Lake Narrows area.
 - NextBridge had been working with an existing Mining Leaseholder to obtain a revised consent to the Disposition of Surface Rights for this location since August 2020.
 - NextBridge recently became aware of a sale between the existing Mining Leaseholder for the transfer of land rights to a new Mining Leaseholder in late November 2020.
 - NextBridge immediately initiated consultation with the new Mining Leaseholder to obtain a revised consent to the Disposition of Surface Rights to allow construction to proceed.
 - NextBridge continues to work expeditiously to obtain the required consent.
- 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 and reclamation activities.
- Obtained settlements with property owners and Crown interest holders pertaining to damage and disturbance claims as a result of construction activities.
- Supported the acquisition of fly site locations required for construction.

Regulatory

- Rate Case
 - On June 17, 2021, OEB issued its Decision and Order on NextBridge's Application for approval of electricity transmission revenue requirements filed in Docket No. EB-2020-0150.

Indigenous Engagement

- Continued Engagement Activities
 - NextBridge has 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, construction progress and other topics that arise during this phase of the Project.
- Biinjitiwabik Zaaging Anishnabek (BZA) Engagements
 - NextBridge, the Crown, and BZA resolved BZA's appeal and judicial review of the issuance to the LTC and OIC to NextBridge.
 - The appeal and judicial review were subsequently dismissed on June 18, 2021.
- Pic Mobert First Nation Engagement
 - Final negotiations have been completed with Pic Mobert First Nation, NextBridge, and the Federal Government on securing approvals for access requirements over Additions to Reserve (ATR) Lands where the Project requires temporary use.
 - NextBridge and Pic Mobert First Nation have completed an agreement related to the cultural and historic issues which were raised by the community related to the White Lake and Nursery Lake areas.
 - On October 21, 2020, the Pic Mobert First Nation Chief and Council approved the re-routing of the Project and removed the Stop Work Order on the condition that the Project adhered to a list of mitigation measures.
 - A notification letter was sent to the MECP on December 3, 2020, which summarizes the activities leading to this outcome, as well as the agreed mitigation measures.
 - Construction has commenced in the area.

- Clearing and foundation work has been completed.
- Tower assembly began in June 2021.
- Michipicoten First Nation Engagement
 - NextBridge concluded work with Michipicoten First Nation required to secure the Federal permit to traverse the ROW and construction activities commenced on Reserve lands in late-fall 2020.
 - Tower erection was completed on Reserve lands in 1Q 2021 and stringing and reclamation work are the only activities still to be completed.
 - NextBridge has been engaging with Michipicoten First Nation, the MECP, and the MNRF on meeting the requirements of OBP Caribou Transfer Strategy which is expected to balance the regulatory and biological requirements of the government with the biological and spiritual beliefs of Michipicoten First Nation.
- Capacity Funding Agreements
 - Capacity Funding Agreements 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 all agreements, where requested.
 - In some cases, communities were not interested in additional capacity funding.
 - NextBridge continues to provide Project information to communities whether a Capacity Funding Agreement is in place or not.
- Impacts of COVID-19 Global Pandemic on Indigenous Communities
 - NextBridge continues to engage regularly with Indigenous communities on the impacts of COVID-19.
 - Generally, feedback from Indigenous communities continues to be positive related to the protocols NextBridge has implemented to ensure the safety of communities.

Community/Municipal Engagement

- Continued Engagement Activities
 - The Project's Facebook Group continues to grow steadily with approximately 170 members as of the end of Reporting Period.
 - The Project's email address and hotline is monitored for inquiries, and all inquiries have been answered.
- Complaint Resolution Process
 - No formal complaints were submitted during this Reporting Period.

Engineering and Construction

- Materials
 - All conductor, optical ground wire, and overhead shield wire have been delivered.
 - The White Lake Narrows painted towers have been assembled and are awaiting the completion of foundation works before erection can commence.

- Construction
 - Construction activities are continuing in every WF across the Project.
 - Crews returned to site following spring break up approximately mid-May 2021.
 - All Project clearing work was completed as planned during 1Q 2021.
 - The final project access was completed at structure F049 on June 14, 2021.
 - The first reclaimed towers (A018-A020) were completed on June 14, 2021.
 - All activities for WF 1 have been completed with the exceptions of works on structures A001-A002 and reclamation works.
 - These structure activities commenced in 2Q 2021 and should be complete early August 2021.
 - All activities in WF 2 are now complete with the exception of reclamation works.
 - Reclaim activities in WF 2 will start in 3Q 2021.
 - The primary focus of crews during 2Q 2021 was to complete the remaining work in pull segments preceding the stringing crews' activities along with preparing for future pulls.
 - Crews have completed approximately 150 km of conductor installation on over 429 structures.

- Detailed Engineering
 - Transmission line design Issued for Construction Review packages for all WFs have been issued.
 - Issued for Construction packages are being issued as ROW is cleared and ground-truthing is being performed.
 - Approximately 98% of towers have been ground-truthed and Issued for Construction.
 - All towers received Issued for Construction in 2Q 2021.
 - NextBridge is developing a plan to measure the high frequency tower resistance on a sample size of towers in order to validate grounding assumptions.
 - The initial campaign took place in 2Q 2021 and will conclude in early 3Q 2021.
 - Installation of tower lighting started at the end of 1Q 2021 and will continue through 4Q 2021.
 - NextBridge requested and has received rationale from Transport Canada confirming its newly proposed requirements.

- Transport Canada's 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 and install the tower lights prescribed by Transport Canada.
- The majority of these lights 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.
- Most work will be completed early 2Q 2021; however, crews will need to remobilize later in the season as all towers were not able to be erected before spring breakup.
- Bypass of a HONI transmission line (the W2C Line) outside of the Wawa TS was approved.
 - The bypass mitigated the need for an outage of the W2C line.
 - Due to HONI operating constraints, back to back outages are not allowed.

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.
 - Met with HONI regarding overhead transmission line crossing designs and outages.
 - The land agreement associated with the Project's connecting to the Wawa TS was executed.
 - 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 and commissioning scheduling with transmission line termination construction.
 - HONI has asked NextBridge to have its facilities complete and ready for commissioning by February 25, 2022.
 - This date is 5 weeks prior to the anticipated in-service date (ISD).
 - NextBridge continues to seek efficiencies with HONI to shorten this time period if possible.
 - Discussions with HONI regarding the negotiation of the CCRA.
 - NextBridge and HONI continued reviewing feedback and comments on the preliminary draft of the CCRA.
 - The CCRA and associated Terms and Conditions are under internal review and will undergo additional reviews by both parties in by end of August 2021.
 - Continued discussions on CFA.

- NextBridge expects to provide an updated draft CFA to HONI in by end of August 2021.
- September 2021 is the current completion target date for the CFA, as discussed with HONI.
- Discussions continued relating to the HONI/Supercom SLA.
 - HONI/Supercom partnership is expected to become official following approval from their respective Boards of Directors.
 - Execution of SLA expected to be completed following approvals.
- Other Material Developments, Issues, or Risks Related to the Coordination Between NextBridge and HONI

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

Registration Process with IESO

- NextBridge started the entity registration process with IESO as required by the IESO membership rules.
 - Revised target date for completion of registration process is now 3Q 2021.
 - Operating Agreement discussions commenced in 2Q 2021 and are expected to conclude in 4Q 2021.

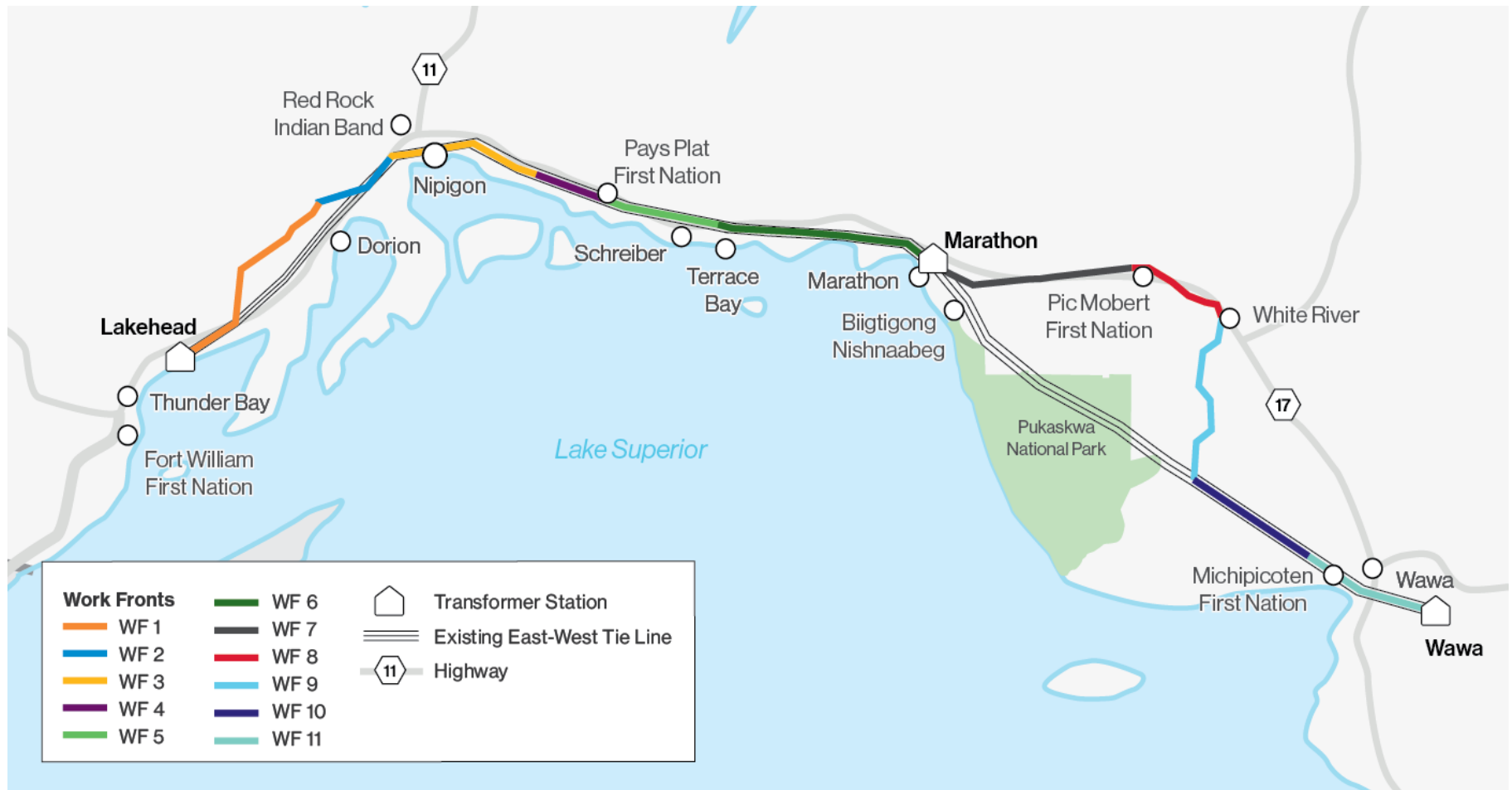
COVID-19 Global Pandemic

- 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.
- 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 the COVID-19 Global Pandemic is continually evolving, including the mitigation measures required to continue construction activities, NextBridge is unable to estimate the associated costs in their entirety and the total costs will not be known until well after construction is completed and the COVID-19 Global Pandemic is resolved
- In accordance with the OEB's Decision and Order on NextBridge's Application for approval of electricity transmission revenue requirements, NextBridge is tracking incremental construction costs related to the COVID-19 Global Pandemic in Account 1509. NextBridge has reclassified COVID-19 incremental construction costs to date out of Account 2055 and into Account 1509. COVID-19 cost prudence and regulatory treatment is deferred by the OEB and will be determined in a separate application to dispose of these costs after ISD.

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

NextBridge undertook an internal scheduling exercise to reflect a new construction schedule based on the new proposed March 31, 2022 ISD.

The following updated construction schedule resulted from this internal scheduling exercise, and was subsequently shared with HONI on October 5, 2020, to support alignment of Project schedules. NextBridge and HONI have continued regular update meetings to ensure that their respective schedules will be aligned to meet the ISD.

Activity	Post-LTC Decision Baseline Target Date	Proposed Revised Dates Based on New ISD	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/Others	December 2019		- Completed in 1Q 2020
Obtain possession of expropriated lands for construction purposes	March 2020		- Completed in 1Q 2020
Environmental⁵			
Approval of the Amended EA	Completed		
Approval by MECP of ECA - Camp Wastewater	2Q 2020		- ECA – Camp Wastewater is no longer required.
Approval by MNR of Water Crossing Permits	3Q 2019 to 1Q 2020		- Completed in 4Q 2020

⁵ 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	Proposed Revised Dates Based on New ISD	Variance Reason/Potential Impact
			-
Approval by MECP of Species at Risk Permits (Bat maternity roosts, Eastern whip-poor-will)	3Q 2019		- Completed in 3Q 2019
Approval by MECP of Species at Risk Permits (Caribou, Bat hibernacula)	4Q 2019		- Completed in 4Q 2019
Approval of ECCC SARA Bat hibernacula and caribou permit	4Q 2019		- Completed in 3Q 2020
Approval of MECP Provincial Park & Conservation Reserve Management Plan Amendments	4Q 2019		- Completed in 4Q 2019
Lakehead Region Conservation Authority Permit	3Q 2019		- Completed in 3Q 2019
Transport Canada Section 67 for Transport Canada Lands	3Q-4Q 2019		- Completed in 4Q 2020
Transport Canada Navigation Protection Act Canada permit	3Q-4Q 2019		- Completed in 3Q 2020.
Fisheries and Oceans Canada Letters of Advice	3Q 2019 to 1Q 2020		- Completed in 3Q 2020.
Indigenous Service Canada Section 67 for Reserve Lands	3Q-4Q 2019		- Completed in 3Q 2020.
Infrastructure Ontario Class Environmental Assessment	4Q 2019		- Completed in 1Q 2020.
MHSTCI– Heritage, Sport, Tourism and Cultural Industries acceptance	4Q 2019	3Q 2021	<ul style="list-style-type: none"> - Archeological monitoring is required in the White Lake Narrows area during construction activities. - Draft report was shared with Indigenous Community in late April and is now expected to be completed in 3Q 2021. - Revised milestone date not anticipated to impact construction schedule.

Activity	Post-LTC Decision Baseline Target Date	Proposed Revised Dates Based on New ISD	Variance Reason/Potential Impact
Land Acquisition			
Substantial completion of signing of option agreements	Completed		
Crown Land Disposition Application filed	3Q-4Q 2019		- Completed in 4Q 2019
Third party Crossing agreements complete	3Q-4Q 2019		- Completed in 3Q 2020.
MNRF approval of Crown Lease/Land Use Permits	3Q 2019 to 1Q 2020		- Completed in 2Q 2020.
MNRF approval of Crown Land Work Permits	3Q 2019 to 1Q 2020		- Completed in 3Q 2020.
MTO approval of Land Use and Building Permits	3Q-4Q 2019		- Completed in 1Q 2020.
MTO approval of Entrance Permits	3Q-4Q 2019		- Completed in 1Q 2020.
MTO approval of Encroachment Permits	3Q-4Q 2019		- Completed in 1Q 2020.
Indigenous Relations			
Indigenous Service Canada (ISC) approval of Land Related Permits	4Q 2019		- Approval received in 4Q 2020.
HONI - Related			
HONI approves Longitudinal Access	3Q 2019		- Completed in 3Q 2019.
HONI Approves Transmission Crossing Application	3Q 2019		- Completed in 4Q 2020.
NextBridge files Sec 101 Application (If not approved by HONI)	4Q 2019		- Section 101 application will likely no longer be required.
HONI Substations commissioned ⁶	4Q 2021	TBD	- The coordination of schedules with HONI is underway.

⁶ Per Exhibit B, Tab 11, Schedule 1 of Hydro One Station work LTC application.

Activity	Post-LTC Decision Baseline Target Date	Proposed Revised Dates Based on New ISD	Variance Reason/Potential Impact
			- The revised date will be populated once it has been confirmed by HONI.
Engineering and 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		- Commenced in 3Q 2020.
Work Front 1 - Commence Clearing & Access	3Q 2019		- Activity completed in 1Q 2021.
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		- Commenced in 3Q 2020.
Work Front 2 - Commence Clearing & Access	1Q 2020		- Activity completed in 1Q 2021.
Work Front 2 - Commence Geotech and Foundations	1Q 2020		- Activity completed in 1Q 2021.
Work Front 2 - Commence Towers Assembly	1Q 2020		- Activity completed in 1Q 2021.
Work Front 2 - Commence Towers Erection	1Q 2020		- Activity completed in 1Q 2021.
Work Front 2 - Commence Conductor Stringing	2Q 2020		- Activity completed in 1Q 2021.
Work Front 3 - Commence Clearing & Access	1Q 2020		- Activity completed in 1Q 2021.
Work Front 3 - Commence Geotech and Foundations	1Q 2020		- Commenced in 2Q 2020.
Work Front 3 - Commence Towers Assembly	2Q 2020		- Commenced in 2Q 2020.
Work Front 3 - Commence Towers Erection	2Q 2020		- Commenced in 3Q 2020.
Work Front 3 - Commence Conductor Stringing	3Q 2020		- Commenced in 4Q 2020.
Work Front 4 - Commence Clearing & Access	2Q 2020		- Activity completed in 1Q 2021.
Work Front 4 - Commence Geotech and Foundations	2Q 2020		- Commenced in 4Q 2020.

Activity	Post-LTC Decision Baseline Target Date	Proposed Revised Dates Based on New ISD	Variance Reason/Potential Impact
Work Front 4 - Commence Towers Assembly	3Q 2020		- Commenced in 4Q 2020.
Work Front 4 - Commence Towers Erection	3Q 2020	3Q 2021	-
Work Front 4 - Commence Conductor Stringing	3Q 2020	4Q 2021	-
Work Front 5 - Commence Clearing & Access	1Q 2020		- Activity completed in 1Q 2021.
Work Front 5 - Commence Geotech and Foundations	1Q 2020		- Commenced in 2Q 2020.
Work Front 5 - Commence Towers Assembly	4Q 2020		- Commenced in 1Q 2021.
Work Front 5 - Commence Towers Erection	1Q 2021	3Q 2021	<ul style="list-style-type: none"> - Work in this area was shifted to 3Q to support sequencing and outages. - No schedule impacts are expected as a result of this adjustment.
Work Front 5 - Commence Conductor Stringing	1Q 2021	4Q 2021	-
Work Front 6 - Commence Clearing & Access	1Q 2020		- Activity completed in 1Q 2021.
Work Front 6 - Commence Geotech and Foundations	1Q 2020		- Activity completed in 1Q 2021.
Work Front 6 - Commence Towers Assembly	1Q 2020		- Commenced in 1Q 2020.
Work Front 6 - Commence Towers Erection	1Q 2020		- Commenced in 1Q 2021.
Work Front 6 - Commence Conductor Stringing	3Q 2020	1Q 2022	-
Work Front 7 - Commence Clearing & Access	1Q 2020		- Activity completed in 1Q 2021.
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		- Commenced in 3Q 2020.
Work Front 7 - Commence Conductor Stringing	4Q 2020	3Q 2021	<ul style="list-style-type: none"> - Work in this area was shifted to 3Q to support sequencing and outages. - No schedule impacts are expected as a result of this adjustment.
Work Front 8 - Commence Clearing & Access	1Q 2020		- Activity completed in 1Q 2021.
Work Front 8 - Commence Geotech and Foundations	3Q 2020		- Commenced in 3Q 2020.

Activity	Post-LTC Decision Baseline Target Date	Proposed Revised Dates Based on New ISD	Variance Reason/Potential Impact
Work Front 8 - Commence Towers Assembly	4Q 2020		- Commenced in 3Q 2020.
Work Front 8 - Commence Towers Erection	4Q 2020		- Commenced in 4Q 2020.
Work Front 8 - Commence Conductor Stringing	1Q 2021		- Commenced in 1Q 2021.
Work Front 9 - Commence Clearing & Access	1Q 2020		- Activity completed in 1Q 2021.
Work Front 9 - Commence Geotech and Foundations	3Q 2020		- Commenced in 3Q 2020.
Work Front 9 - Commence Towers Assembly	4Q 2020		- Commenced in 3Q 2020.
Work Front 9 - Commence Towers Erection	4Q 2020		- Commenced in 4Q 2020.
Work Front 9 - Commence Conductor Stringing	2Q 2021		- Commenced in 1Q 2021.
Work Front 10 - Commence Clearing & Access	3Q 2020		- Activity completed in 1Q 2021.
Work Front 10 - Commence Geotech and Foundations	3Q 2020		- Commenced in 4Q 2020.
Work Front 10 - Commence Towers Assembly	4Q 2020	3Q 2021	-
Work Front 10 - Commence Towers Erection	1Q 2021	4Q 2021	-
Work Front 10 - Commence Conductor Stringing	3Q 2021	4Q 2021	-
Work Front 11 - Commence Clearing & Access	3Q 2020		- Commenced in 3Q 2020
Work Front 11 - Commence Geotech and Foundations	3Q 2020		- Commenced in 1Q 2021.
Work Front 11 - Commence Towers Assembly	1Q 2021		- Commenced in 1Q 2021.
Work Front 11 - Commence Towers Erection	2Q 2021		- Commenced in 1Q 2021.
Work Front 11 - Commence Conductor Stringing	3Q 2021	1Q 2022	-
Project Construction Substantially Complete	4Q 2021	1Q 2022	-
Project Commissioning Commences	4Q 2021	1Q 2022	-
Project Commissioning Complete - In Service	4Q 2021	1Q 2022	-
Final acceptance and release of General Contractor	4Q 2021	1Q 2022	-

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

All major permits and approvals/authorizations needed to construct the Project have been received. As the Project moves towards reclamation, reclamation permits are now being sought and received. This table will be removed in the next Quarterly Report and status of reclamation permits will be tracked in Section B Table of Activities in Work Fronts for the Reporting Period.

Work Front	Remaining Major Permits and Approvals/Authorizations ⁷	Original Target Date Reported in 1 st OEB Quarterly Report	Revised Target Date	Variance Reason/Potential Impact
1	0 SAR 0 Water Body Crossings 0 Overhead Crossings 0 Work Permit and Land Use Permit 0 Access	September 2019		- No major permits or approvals/authorizations outstanding in this WF at this time.
7	0 SAR 0 Water Body Crossings 0 Overhead Crossings 0 Work Permit and Land Use Permit 0 Access	September 2019		- No major permits or approvals/authorizations outstanding in this WF at this time.
2	0 SAR 0 Water Body Crossings 0 Overhead Crossings 0 Work Permit and Land Use Permit 0 Access	September 2019		- No major permits or approvals/authorizations outstanding in this WF at this time.

⁷ The number of Major Permits and Approvals/Authorizations are subject to change as access plans evolve.

Work Front	Remaining Major Permits and Approvals/Authorizations ⁷	Original Target Date Reported in 1 st OEB Quarterly Report	Revised Target Date	Variance Reason/Potential Impact
6	0 SAR Amendment (including Caribou) 0 Water Body Crossings 0 Overhead Crossings 0 Work Permit and Land Use Permit 0 Phase I ESA 0 Access	December 2019		<ul style="list-style-type: none"> - Received agency approval of amended Overall Benefit Permit to allow construction of all-season access roads if needed. - NextBridge does not intend to use all season access this winter. - The amendment was obtained to mitigate against other force majeure events occurring which could jeopardize the Project schedule.
8	0 SAR 0 Water Body Crossings 0 Overhead Crossings 0 Work Permit and Land Use Permit 0 Access	September 2019	January 2021 → 3Q 2021	<ul style="list-style-type: none"> - Awaiting revised consent to Disposition of Surface Rights with new Mining Leaseholder. - Construction activities were permitted to proceed while awaiting revised consent. - Known schedule impacts have been assessed and incorporated into the updated construction schedule.
3	0 SAR 0 Water Body Crossings 0 Overhead Crossings 0 Work Permit and Land Use Permit 0 Phase I ESA 0 Access	September 2019		<ul style="list-style-type: none"> - No major permits or approvals/authorizations outstanding in this WF at this time.

Work Front	Remaining Major Permits and Approvals/Authorizations ⁷	Original Target Date Reported in 1 st OEB Quarterly Report	Revised Target Date	Variance Reason/Potential Impact
9	0 SAR 0 Water Body Crossings 0 Overhead Crossings 0 Work Permit and Land Use Permit 0 Access	September 2019		- No major permits or approvals/authorizations outstanding in this WF at this time.
5	0 SAR 0 Water Body Crossings 0 Overhead Crossings 0 Work Permit and Land Use Permit 0 Access	December 2019		- No major permits or approvals/authorizations outstanding in this WF at this time.
4	0 SAR 0 Water Body Crossings 0 Overhead Crossings 0 Work Permit and Land Use Permit 0 Access	November 2019		- No major permits or approvals/authorizations outstanding in this WF at this time.
11	0 SAR 0 Water Body Crossings 0 Overhead Crossings 0 Work Permit and Land Use Permit 0 Access	December 2019		- No major permits or approvals/authorizations outstanding in this WF at this time.
10	0 SAR 0 Water Body Crossings 0 Overhead Crossings 0 Work Permit and Land Use Permit 0 Access	November 2019		- No major permits or approvals/authorizations outstanding in this WF at this time.

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 total costs related to the COVID-19 Global 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	32,277,727	503,355,823	572,761,388	69,405,566	12%	41,505,901	7%	614,267,289	Revised based on in-service date
1 Engineering, Design and Procurement	264,180	7,953,171	19,342,245	11,389,074	59%	(10,808,892)	-56%	8,533,353	
2 Materials and Equipment	(2,081,581)	66,932,466	89,408,231	22,475,765	25%	(22,538,717)	-25%	66,869,514	
8 Site Clearing, Access	588,715	136,179,209	107,463,339	(28,715,870)	-27%	33,169,524	31%	140,632,863	
9 Construction	33,506,414	292,290,977	356,547,573	64,256,596	18%	41,683,986	12%	398,231,559	
Environmental & Remediation Activities	759,058	18,868,066	26,929,260	8,061,194	30%	4,620,902	17%	31,550,162	Revised based on in-service date
3 Environmental and Regulatory Approvals	739,088	18,048,063	13,030,561	(5,017,502)	-39%	6,066,463	47%	19,097,024	
10 Site Remediation	19,970	820,003	13,898,699	13,078,697	94%	(1,445,561)	-10%	12,453,138	
Indigenous Activities	1,594,211	19,994,987	20,211,000	216,013	1%	3,442,555	17%	23,653,555	Revised based on in-service date
5 Indigenous Economic Participation	365,079	8,276,860	7,000,000	(1,276,860)	-18%	2,730,452	39%	9,730,452	
6 Indigenous Consultation	1,229,133	11,718,127	13,211,000	1,492,873	11%	712,103	5%	13,923,103	
4 Land Rights (excludes Aboriginal)	409,533	18,560,766	23,830,512	5,269,746	22%	0	0%	23,830,512	
7 Other Consultation	104,922	1,387,471	2,530,194	1,142,723	45%	0	0%	2,530,194	
11 Contingency	-	-	49,399,445	49,399,445	100%	(49,399,445)	-100%	-	Allocation of Contingency
12 Regulatory	419,420	4,962,280	5,405,078	442,798	8%	(0)	0%	5,405,078	
13 EWT Management	128,789	4,510,318	4,900,644	390,326	8%	(0)	0%	4,900,644	
Total Project Spend	35,693,661	571,639,711	705,967,521	134,327,810	19%	169,913	0%	706,137,434	
14 Interest During Construction (IDC) ¹	3,312,336	19,000,320	31,003,000	12,002,680	39%	-	0%	31,003,000	
Total Construction Costs^{2,3,4}	39,005,996	590,640,030	736,970,521	146,330,491	20%	169,913	0%	737,140,434	

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

2 On the record (EB-2020-0150)

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

4 Construction related costs due to COVID-19 are not included in the table above; as of Q2 2021, \$0.9M has been incurred and is recorded in Account 1509

C. Project Cost Update Summary by Department

Engineering and Construction (E and C)

- The Project cost forecast for this department has not changed since the last Reporting Period.

Environment and 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 March 25, 2020, the OEB issued an accounting order establishing a generic COVID Account 1509 with three sub-accounts to record impacts arising from COVID-19. One of the three sub-accounts established in the letter is sub-account “Other Costs” to record the other incremental identifiable costs beyond the costs recorded in the billing and system changes sub-account and lost revenue sub-account.
- On April 13, 2021, NextBridge received a letter from the OEB regarding the applicability of the COVID-19 deferral account guidelines to certain utilities.
 - In the letter the OEB clarified that the OEB panel from NextBridge’s ongoing application for 2022-2031 transmission revenue requirements will determine whether and how to address any pandemic-related issues.
- On June 17, 2021, the OEB issued a Decision and Order in NextBridge’s rate case proceeding. In accordance with this decision, NextBridge is tracking incremental construction costs related to the COVID-19 Global Pandemic in Account 1509. COVID-19 cost prudence and regulatory treatment is deferred by the OEB and will be determined in a separate application to dispose of these costs after ISD.

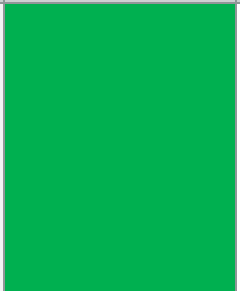
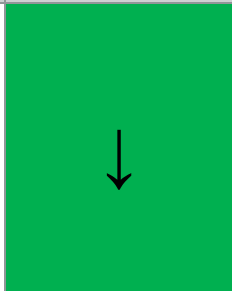
4. Risk Management

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"> Recent office closures and remote work environments due to the COVID-19 global pandemic has slowed permit issuance. 		<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, tower assembly, and reclamation progress. Delays experienced to date were analyzed as part of the scheduling exercise to determine if there were any schedule impacts to the updated construction schedule. The updated construction schedule can be found in Section 2.B.

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	High	<ul style="list-style-type: none"> If lands not accessible in time for construction commencement date, it 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. 	High ↓	<ul style="list-style-type: none"> Pursue regulatory avenues available (e.g., expropriation with OEB, provincial mining recorder order) where access is not granted. Established work around/ accommodation plans for “no access” parcels in construction planning. Work with government on public and federal land access.
3	Delay in HONI station work	High	<ul style="list-style-type: none"> If stations are not ready for energization, it will delay Project in-service date. 	High	<ul style="list-style-type: none"> Communication and coordination with HONI during construction. Updated construction schedule and shared with HONI in 4Q 2020. Schedule coordination with HONI continues. HONI will report to the OEB on any updates to its station work schedule.

*Change in colour level from previous Report is denoted with arrows where “↑” indicates an increase in risk and “↓” indicates a decrease in risk.

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
4	<p>Delay in accessing HONI's crossings of access roads and transmission lines</p>		<ul style="list-style-type: none"> If significant portions of lands not accessible in time for remaining Project activities, it will affect Project schedule. 		<ul style="list-style-type: none"> Continue to work with HONI and IESO to resolve crossing and access issues. 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.

*Change in colour level from previous Report is denoted with arrows where "↑" indicates an increase in risk and "↓" indicates a decrease in risk.

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 and been mitigated by the dismissal of BZA First Nation’s 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 Project schedule 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, so there is not a premature closure of work camps and temporary suspension of construction and continue to have NextBridge viewed favourably by local

*Change in colour level from previous Report is denoted with arrows where “↑” indicates an increase in risk and “↓” indicates a decrease in risk.

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
					<p>communities.</p> <ul style="list-style-type: none"> • Detailed Management Plan developed by Valard coupled with consultation with the Thunder Bay Public Health Unit and Algoma Public Health and local Indigenous and non-Indigenous communities along the Project route which provided confidence that appropriate measures being taken to protect communities and workers. • Effective communication with local municipal departments and elected officials in proximate communities.
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

*Change in colour level from previous Report is denoted with arrows where “↑” indicates an increase in risk and “↓” indicates a decrease in risk.

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
					appropriate.
8	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. The Global Pandemic is ongoing, and duration is unknown. Potential for workers testing positive for COVID-19, while working in communities where health facilities are limited. Communities make decisions specific to their conditions which could impact the workers available for Project construction and also impact Project schedule. 		<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. All construction activities continued through 2Q 2021. Working with tower vendor to mitigate potential delivery delay impacts. Indigenous and stakeholder engagement continues in order to address concerns as they arise. The risk to the construction schedule is expected to be mitigated through the updated ISD; however, the duration and total associated impacts of the COVID-19 Global Pandemic, including costs, are unknown at this time.

*Change in colour level from previous Report is denoted with arrows where “↑” indicates an increase in risk and “↓” indicates a decrease in risk.

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
9	Difficulty to obtain timely outages to cross existing transmission lines	Medium	<ul style="list-style-type: none"> The Project crosses several existing transmission lines, some of which require outages in order to perform construction works. The remaining outages include the A21L/A22L and T1M lines. IESO may not be able to provide scheduled outages due to system requirements. New IESO outage constraints, paired with low water levels in the region contribute to this risk. 	High	<ul style="list-style-type: none"> Working closely with HONI to obtain outage coordination information and schedules. NextBridge is working with the IESO through HONI to coordinate these critical outages. Not obtaining scheduled outages could jeopardize Project schedule and costs.

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