

April 22, 2014

VIA COURIER, EMAIL, RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4

Dear Ms. Walli:

**Re: EB-2011-0140: East-West Tie Line Designation
Monthly Report April 22, 2014**

Enclosed for filing is the monthly report for Upper Canada Transmission, Inc. ("NextBridge"), a copy of which was filed through RESS earlier today.

Yours truly,

(Original Signed)

Tania Persad
Senior Legal Counsel, Enbridge Gas Distribution Inc.

ONTARIO ENERGY BOARD

IN THE MATTER OF sections 70 and 78 of the *Ontario Energy Board Act, 1998*;

AND IN THE MATTER OF a Board-initiated proceeding to designate an electricity transmitter to undertake development work for a new electricity transmission line between Northeast and Northwest Ontario: the East-West Tie Line.

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

Monthly Report

April 22, 2014

1. By the *Decision and Order* dated August 7, 2013 (Decision), the Ontario Energy Board (OEB or Board) decided that the designated transmitter for the development phase of the proposed East-West Tie Line (EWT Project) is NextBridge Infrastructure (NextBridge).
2. In accordance with Ordering Paragraph 2 (page 42) of the Decision and the Board's September 26, 2013 *Decision and Order regarding Reporting by Designated Transmitter*, NextBridge provides this monthly report. This report reflects the financial status of development work on the EWT Project through March 31, 2014. Other aspects of this report are current as of the close of business on the last business day prior to the filing date.
3. This report is organized as follows:
 - (a) A summary report on overall EWT Project progress.
 - (b) A cost summary providing details for each cost category included in NextBridge's Board approved development cost budget of: i) actual costs to date; ii) percentage of budgeted costs spent to date; iii) updated budget forecast (if applicable); and iv) forecast variance. Reasons for any forecast

variance and associated mitigating measures for negative forecast variances are also provided.

- (c) A summary of the status of NextBridge's Board approved development milestones, indicating those that are complete and the status (i.e. on schedule, ahead of schedule or delay/potential delay) of those in progress. If any delay or potential delay in achievement of any of the milestones has been identified, the reasons for the delay, the magnitude and impact of the delay on the broader development schedule and cost, and mitigating steps that have been or will be taken, are reviewed.
- (d) A summary of risks and issues that have arisen during development work, including discussion of potential impact of any such developments on schedule, cost or scope, and discussion of options for mitigating or eliminating the risk or issue. This section also provides an update on any previously identified risks or issues.

Overall Project Progress

- 4. Overall during this period, work towards all milestones continued to progress and the EWT Project is on schedule.
- 5. In respect of engineering work:
 - (a) The status report on progress toward finalization of structure choice was completed in accord with milestone 6;
 - (b) In response to the steel tower manufacturer RFP process completed, an agreement for the detailed engineering, testing and supply of the steel towers has been executed with Jyoti Americas LLC and coordinated efforts on detailed structure design have commenced; and
 - (c) Preparations continue for land surveying and geotechnical testing activity to be initiated as conditions allow.
- 6. In respect of route selection, land/ROW acquisition and community/municipal consultation activities, discussions with landowners, permitting agencies and other stakeholders have continued.
 - (a) Activities within the community/municipal consultation area included:

- (i) continued development of the record of consultation and responding to and tracking stakeholder inquiries, including queries in connection with the Terms of Reference (the “ToR”); and
 - (ii) attendance at a specifically convened town hall meeting hosted by the Township of Dorion on March 31, 2014.
 - (b) Activities in respect of route selection, land/ROW acquisition included:
 - (i) re-mobilization of land agents into the field, including initiation of a process for providing survey notification and obtaining consent for geotechnical studies and environmental assessment activity from directly affected landowners and mining claim holders along the route;
 - (ii) continued response to landowner queries as received, including queries in connection with the ToR;
 - (iii) line list address verification/updating activities as further described below;
 - (iv) establishment of a process to address returned mail;
 - (v) continued investigation in relation to the previously identified Miscellaneous Properties as further described below; and
 - (vi) attendance at a specifically convened town hall meeting hosted by the Township of Dorion.
7. In respect of Aboriginal engagement, consultation and participation, activities included:
- (a) discussions with respect to capacity funding for consultation activities with multiple Aboriginal groups;
 - (b) negotiation of two agreements with the Métis Nation of Ontario with respect to capacity funding for consultation and for economic participation;
 - (c) meeting with the Missanabie Cree on April 16, 2014 to further discuss the EWT Project and gather traditional land use data; and
 - (d) further discussions on ways Aboriginal communities can commercially participate in the EWT Project, as outlined in the Aboriginal Participation Plan (Schedule C) submitted as part of the EWT Project January 22, 2014 Monthly Report.

8. In respect of environmental assessment activities, work included:
- (a) finalization and submission of responses to comments received by the Ministry of Environment in respect of the ToR;
 - (b) continued consultation with the Ministries of Environment, Mining and Northern Development, Natural Resources (MNR), and Tourism, and Culture and Sport in support of the Environmental Assessment (EA);
 - (c) background review of available data and planning of field work as part of the EA; and
 - (d) continued evaluation of the Parks Canada decision regarding the routing through Pukaskwa National Park.
9. Additional general updates for the reporting period include:
- (a) On April 2, 2014 the Ontario Divisional Court ordered the appeal by the Ojibways of Pic River First Nation of the Board's designation decision abandoned pursuant to Rule 61.14 of the Ontario *Rules of Civil Procedure*, on a without costs basis.

Cost Summary

10. Table 1, below, details for each cost category included in NextBridge's Board approved development cost budget: i) actual costs to date; ii) percentage of budgeted costs spent to date; iii) updated budget forecast (if applicable); and iv) forecast variance.
11. There are no further development cost forecast changes arising from work to date beyond that reported in the EWT Project March 21, 2014 Monthly Report.

Table 1: Budgeted Costs Status

Cost Category	PROJECT TO DATE		TOTAL PROJECT ESTIMATE			
	Actual ¹	% of total budget	Forecast	Budget ²	Variance \$	Variance %
Budgeted						
Engineering, Design and Procurement Activity	\$1,428,621	13.5%	\$10,553,292	\$10,553,292	-	0%
Permitting and Licensing	-	0.0%	47,320	47,320	-	0%
Environmental and Regulatory Approvals	914,556	25.5%	3,592,680	3,592,680	-	0%
Land Rights (Acquisitions or options)	715,656	35.9%	1,746,000	1,991,000	245,000 ³	12.3%
First Nation and Métis Consultation	437,822	25.4%	1,724,000	1,724,000	-	0%
Other Consultation	455,894	91.9%	741,001	496,001	(245,000) ³	(49.4)%
Regulatory (legal support, rate case and LTC filings)	416,644	42.3%	985,000	985,000	-	0%
Interconnection Studies	43,523	24.3%	179,000	179,000	-	0%
Project Management	612,986	47.2%	1,300,000	1,300,000	-	0%
Contingency (Engineering, Design and Procurement)	-	0.0%	1,529,708	1,529,708	-	0%
Total	\$5,025,702	22.4%	\$22,398,001	\$22,398,001	-	0%

¹ "Actual" refers to actual costs plus estimated accruals.

² "Budget" refers to the budgeted amount as approved by the Board in file EB-2011-0140 Phase 2 Decision and Order dated August 7, 2013.

³ As reported in the EWT Project March 21, 2014 Monthly Report.

12. Table 2, below, details costs to date not included in NextBridge’s Board approved development cost budget. This table includes two categories of cost expressly excluded from the development cost budget filed by NextBridge: First Nation and Métis land acquisition costs and First Nation and Métis participation costs (see NextBridge Response to Interrogatory 26 to all applicants, attachment 1).

13. The “Other” category on Table 2 records unbudgeted costs that are, to date, for the most part related to the Notice of Appeal filed by Pic River in the Ontario Divisional Court in respect of the Decision.

Table 2: Unbudgeted Costs

Cost Category	Project to Date Actual⁴
Not Budgeted	
First Nation and Métis Land Acquisition	\$ -
First Nation and Métis Participation	388,239
Other Costs Not included in Budgeted Categories	251,363
Carrying Cost	4,707
Taxes and Duties	-
Total Not Budgeted	<u><u>\$644,309</u></u>

Development Milestone Summary

14. Table 3, below, provides a summary of the status of NextBridge’s Board approved development milestones, indicating those that are complete and the status of those in progress (i.e. on schedule, ahead of schedule or delay/potential delay).

15. For each of the Board approved milestones, Table 3 provides:

⁴ “Actual” refers to actual costs plus estimated accruals.

- (a) The Board approved milestone date.
 - (b) The status of those milestones due within 3 months of the reporting date.
 - (c) A “revised forecast date” if applicable, indicating NextBridge’s current forecast of the date for completion of the relevant milestone if the current forecast differs from the Board approved date.
16. NextBridge has focussed, for the purposes of this reporting, on the status of those milestones due within 3 months of the reporting date in order to highlight the development activities in respect of which efforts are primarily focussed, and which are of most immediate relevance to project progress and status. At this stage in project development, but for this approach all milestones would indicate “On schedule”, but such information would be of limited use to the Board given that the relevant milestones are currently far out in time. As the development work progresses, the status column will be completed for more of the milestones.
17. NextBridge does review its development schedule on a monthly basis, in conjunction with preparation of these monthly reports, and should an issue or risk regarding a milestone that is scheduled beyond 3 months from the reporting date be identified, NextBridge will nonetheless report on that issue or risk, and include an appropriate status indication and revised forecast date in Table 3.

Table 3: Milestone Progress and Status

Engineering Milestones

	Milestone	Board Approved Date	Status	Revised Forecast Date
1	Initiate engineering	13 Sep 2013	Completed	
2	Sign contract for engineering	31 Oct 2013	Completed	
3	Finalize design criteria for conductor and structure	31 Jan 2014	Completed	
4	Complete conductor optimization study	7 Mar 2014	Completed	
5	File request for a System Impact Assessment (SIA) with the IESO	12 Mar 2014	Completed	
6	Status report on progress toward finalization of structure choice	31 Mar 2014	Completed	
7	Obtain senior management approval of the structure configuration proposal	1 July 2014	On schedule	
8	Complete aerial surveys	14 Oct 2014		
9	Receive final SIA from the IESO	21 Nov 2014		

Route Selection, Land/ROW Acquisition and Community/Municipal Consultation Milestones

	Milestone	Board Approved Date	Status	Revised Forecast Date
10	Prepare list of landowners along the ROW	10 Oct 2013	Completed	
11	Complete design of Landowner, Community and Municipal Consultation Plan	1 Nov 2013	Completed	
12	Commence negotiations or discussions with all landowners and permitting agencies	25 Nov 2013	Substantially completed as per EWT Project December 20, 2013 Monthly Report	May 30, 2014 – see paragraphs 19 to 21
13	Finalize proposed route and obtain senior management approval	1 Jul 2014	On schedule	

Aboriginal Engagement, Consultation and Participation Milestones

	Milestone	Board Approved Date	Status	Revised Forecast Date
14	Send introductory correspondence to aboriginal communities	30 Aug 2013	Completed	
15	Initial meeting with Ministry of Energy regarding the MOU for delegation	15 Sept 2013	Completed	
16	Complete initial/introductory contact with all aboriginal communities identified by the Ministry of Energy	30 Sept 2013	Completed	
17	Sign MOU with Ministry of Energy regarding the delegation	5 Nov 2013	Completed	
18	Complete design of First Nations and Métis Participation Plan with community input	2 Jan 2014	Completed	
19	Complete design of First Nations and Métis Consultation Plan with community input	2 Jan 2014	Completed	

Environmental Assessment (Provincial) Milestones

	Milestone	Board Approved Date	Status	Revised Forecast Date
20	Consult with environmental agencies (Ministry of Environment, Ministry of Natural Resources, Parks Canada and Ontario Parks)	10 Oct 2013	Completed	
21	Issue notice of draft Terms of Reference (ToR) available for review	16 Jan 2014	Completed	
22	File Environmental Assessment ToR	28 Feb 2014	Completed	
23	Initiate wildlife, aquatics and early season vegetation assessments	1 May 2014	Potentially delayed	May 20, 2014 - see paragraph 23
24	Approval of Environmental Assessment ToR	3 Jul 2014	On schedule	
25	Complete Environmental Assessment Consultation Report	27 Jan 2015		
26	Submit Environmental Assessment to Ministry of Environment	27 Jan 2015		

Leave to Construct Milestone

	Milestone	Board Approved Date	Status	Revised Forecast Date
27	Submit Leave to Construct (LTC) application	28 Jan 2015		

18. In respect of the milestone achieved during this reporting period:
- (a) **Milestone 6: Status report on progress toward finalization of structure choice.** Attached at Schedule A is a copy of the status report on progress toward finalization of structure choice as proof of completion of this milestone.
19. In respect of progress towards completion of milestone 12 (Commence negotiations or discussions with all landowners and permitting agencies), NextBridge can advise that limited progress has been made in relation to the number of landowners engaged since December 2013, as further described below. Significant progress has been made in relation to the quality and accuracy of the overall line list however, also as described below. Based on the updated line list, NextBridge expects to have commenced discussions with 100% of landowners along both the Reference Route and alternate routes still under consideration on or before May 30, 2014. As reported in the EWT Project December 20, 2013 Monthly Report, all permitting agencies were engaged on or before December 17, 2013.
20. Initial preparation of the line list in October 2013 identified a total of 1,472 records within a 500 metre radius of the proposed Reference Route centerline and identified alternate routes. This initial line list also included records related to various additional route refinements identified through desktop study. In the EWT Project December 20, 2013 Monthly Report, NextBridge reported at paragraph 6(a) that discussions had commenced with approximately 90% of landowners along the Reference Route and 78% of landowners along the alternate routes, with outstanding landowners for whom discussions had not yet

commenced comprising Miscellaneous Properties with PIN numbers relating to phantom titles, transfers of ownership not recorded, an estate, and crown dispositions expired but not removed from title. Since that time, numerous activities have impacted the makeup of the line list as follows:

- (a) Address verification/updating activities: to ensure that all parcels were properly identified and had complete and correct address information, NextBridge undertook an additional review of the line list. A number of parcels were identified as having incorrect or incomplete address information. The records in relation to those parcels have now been updated in the line list, and contact with those landowners has been initiated by NextBridge. Additionally, updating of the parcel fabric from Teranet identified 67 parcels not originally included in the line list, which corresponded to 20 landowners not previously notified. Correspondence was sent by priority registered mail and received by these parties on March 28, 2014, a copy of which (excluding attachments) is attached at Schedule B for the Board's reference; and
 - (b) Miscellaneous Properties investigation: in February 2014, MNR requested NextBridge complete further title review in relation to the Miscellaneous Properties, which resulted in further ownership information being discovered in respect of the vast majority of parcels. The number of outstanding parcels yet to be identified has been reduced from 219 to 17 of which only 5 are on the Reference Route.
21. The above-referenced activity, taken together, corresponds to an overall reduction in the number of landowners engaged to-date. Specifically, at this time NextBridge has commenced discussions with approximately 86% of landowners along the Reference Route and 75% of landowners along the alternate routes. This recent activity has positioned NextBridge to achieve the milestone of commencing discussions with all landowners on or before May 30, 2014. NextBridge proposes to submit an updated line list in June 2014 as proof of compliance with the revised milestone target date.
22. NextBridge does not anticipate any development schedule impacts or additional project development costs to arise as a result of the delay in concluding initial contact with select landowners. Going forward, NextBridge will continue to revisit

assessment roll numbers and PINs on a regular basis, and specifically in advance of future critical mailouts.

23. In respect of the outstanding milestones, activity is currently on track to achieve the relevant milestones in accordance with the Board approved target dates, with the possible exception of milestone 23. NextBridge originally anticipated initiating wildlife, aquatics and early season vegetation assessments by May 1, 2014 on the basis that spring conditions would enable such activity. However, current conditions suggest that Northern Ontario is likely to experience a late spring. As such, initiation of field studies is likely to be delayed. While NextBridge does not anticipate being in a position to initiate this work until late May, 2014, it does not anticipate that the potential delay will impact the overall development schedule, cost or scope of work to be performed in relation to the EWT Project.

Issues/Risks/Mitigation Summary

24. This section of NextBridge's monthly report provides a summary of risks and issues that have arisen during development work, including discussion on potential impact of any such developments on schedule, cost or scope, and of options for mitigating or eliminating the risk or issue.
25. There are no risks or issues that have arisen during development work to date in respect of which NextBridge has identified an impact on its development schedule, cost or scope of work.

Attachments to NextBridge Monthly Report

Schedule A

Milestone 6: Status report on progress toward finalization of structure choice – proof of completion

Memorandum to M. Power dated March 31, 2014 titled “Status report on progress toward finalization of structure choice”

Memo: Ontario East-West Tie Line

To: Mr. Michael Power, NextBridge Project Director

From: NextBridge Engineering & Construction

Date: March 31, 2014

Subject: Status report on progress toward finalization of structure choice

Mr. Power,

In accordance with milestone 6, this progress report shows the steps taken thus far to validate the feasibility of using the guyed Y tangent structure on the Ontario East-West Tie transmission line.

Over the course of the last several months E&C and the engineering consultant, Burns & McDonnell (B&M), have been working towards the finalization of various transmission structure designs for the Ontario East-West Tie. The team developed Issued for Bid (IFB) load drawings, design criteria for conductor and structure selection, and a steel tower specification. The deliverables were developed for the guyed Y tangent structures, the self-supporting tangent structures, and all angle structures which were proposed during the bid process. As part of the load development analysis, a conductor optimization study was performed and a conductor was selected. To ensure that the load cases were appropriate for the geographic region a weather study was conducted.

Engineering worked with the tower vendors during the bid process and performed a detailed technical evaluation of their proposals to determine the best evaluated supplier. After a thorough technical and commercial evaluation Jyoti Americas (Jyoti) was selected as the designer and fabricator of the structures.

In parallel with the lattice tower bid process, engineering refined the load cases and developed Issued for Design (IFD) drawings. It should be noted that of the 4 tower vendors who submitted bids, none detected any inherent structural issues with the double circuit guyed Y structure. The structural design and analysis completed to date continues to support the use of the guyed Y Tangent for double circuit application, given the load cases for this project.

For the load cases analyzed, the guyed Y tangent structures are approximately 22% to 28% lighter than the self-supporting tangent structures. In addition to the associated cost per kilogram savings in steel, the lower overall weight associated with the guyed Y tangent structure is anticipated to also have a positive impact on shipping costs, foundation costs, erection costs (due to fewer components), and where applicable, helicopter installation costs.

Memo: Ontario East-West Tie Line

STRUCTURE TYPE	% OF WEIGHT DECREASE DUE TO THE USE OF THE GUYED Y TANGENT STRUCTURE OVER THE SELF-SUPPORTING TANGENT STRUCTURE
LIGHT TANGENT STRUCTURE	27.2%
HEAVY TANGENT STRUCTURE	22.6%
FAILURE CONTAINMENT TANGENT STRUCTURE	27.2%

NOTE: PERCENTAGES BASED ON 100YR STRUCTURE WEIGHTS FROM THE JYOTI BID

In summary, the engineering and procurement efforts to date remain supportive of the guyed Y tangent structures being technically feasible and more economical than the self-supporting tangent structures and the guyed Y structure continues to demonstrate suitability to this double circuit application. The Engineering team therefore recommends continued study of the guyed Y tangent where applicable and intends to further the design in support of prototype testing later this year.

E&C will continue to develop and refine all structure types and is still on track to provide a structure selection report on July 1, 2014 per milestone 7.

Regards,

Aziz S. Brott, P.E., Ontario East-West Tie Project Engineer

CC:

Allan Gill, Director of Construction

Dan Mayers, Senior Director of Construction (Engineering)

Attachments to NextBridge Monthly Report

Schedule B

**Correspondence dated March 24, 2014 to specific landowners added
to line list March 2014**

March 24, 2014

RE: Proposed NextBridge Infrastructure East-West Tie 230 kV Double Circuit Transmission Line Project

Hello,

A new electric power transmission line, anticipated to generally parallel the existing East West Tie between Thunder Bay and Wawa, Ontario, is being developed to maintain a reliable, long-term supply of electricity in northwestern Ontario.

NextBridge Infrastructure (NextBridge), a partnership between NextEra Energy Canada, Enbridge Inc., and Borealis Infrastructure, has submitted Terms of Reference for Environmental Assessment for a new 400 kilometre, double-circuit 230 kilovolt transmission line that generally parallels an existing double-circuit, 230 kV transmission line corridor connecting the Wawa Transformer Station (TS) to the Lakehead TS near Thunder Bay (with a connection at Marathon TS). You are receiving this letter because you have been identified as a potentially directly affected or adjacent landowner located near the proposed Project.

We have discovered that during our initial identification of potentially impacted parcels that you may not have received our original correspondence, which included;

1. November 2013 Mailing - Project letter, newsletter, and Notice of Commencement,
2. January 2014 Mailing - Project letter notifying stakeholders that Draft Terms of Reference were available for review,
3. February 2014 Mailing - Project letter and Notice of Submission of the Terms of Reference to the Ontario Ministry of Environment (MOE).

– all of which are enclosed for your review. In the event that you have not previously received this correspondence, we apologize for any inconvenience that this may have caused. We emphasize that we are still in the Project planning and development phase and are interested in your views and input. We would be pleased to hear from you with any questions or concerns you may have with regard to the Project. You will be included in future Project update mailings.

We would also like to take this opportunity to provide you with notice that Terms of Reference for the Environmental Assessment are available for your review and comment. The Terms of Reference outline the anticipated work plan that will be undertaken to confirm a preferred route and study potential effects of the proposed East-West Tie Project. The Terms of Reference are available for review on the Project web site at www.nextbridge.ca. **Please provide any comments you may have by March 31, 2014.** Comments can be submitted by mail or email to;

Dave Bell
Special Project Officer
Ministry of the Environment
Environmental Approvals Branch
2 St. Clair Ave. W., Floor 12A
Toronto, ON M4V 1L5
Tel: 416-314-8001
Fax: 416-314-8452
Email: dave.jr.bell@ontario.ca

Comments received during the review period and the responses provided by NextBridge will be considered by the Minister of the Environment when making a decision about the proposed Terms of Reference.

Please bear in mind that we are still very early in the development phase of the Project, and comments or questions that NextBridge receives *after* March 31, 2014, will still be considered. There will also be further opportunities to actively participate in our consultation program throughout the development phase of the Project, including Open Houses that are planned for later in 2014. The locations, dates and times of these Open Houses are yet to be determined, and will be publically advertised closer to the time.

Additionally, a public Town Hall Meeting will take place in the Township of Dorion at the Dorion Community Centre, located on Dorion Loop Road, on March 31, 2014 at 7:00pm. NextBridge representatives will be in attendance at this meeting to answer questions and receive comments regarding the proposed Project should you be interested in attending.

We would like to thank you for your participation in our consultation program for this Project. Your input is important to us. If you have any questions or concerns, or if you require further information regarding this Project, please call our toll-free phone line at 1-888-767-3006 or email info@nextbridge.ca and leave your contact information or visit our Project web site at www.nextbridge.ca.

Sincerely,



Michael Power, P.Eng.
Project Director – East-West Tie Transmission Project
NextBridge Infrastructure

Attachments

Si vous désirez ces informations en français, s'il vous plaît contactez NextBridge au 1-800-767-3006 ou info@nextbridge.ca.