Nova Scotia Utility and Review Board

IN THE MATTER OF

The Maritime Link Act, S.N.S 2012 c.9
and the
Maritime Link Cost Recovery Process Regulation, N.S. Reg. 189/2012

NSPML Quarterly Report Q3 2015

October 15, 2015

Table of Contents

1.0 INTRODUCTION

This is the Q3 2015 Quarterly Report for the Maritime Link as directed by the Utility and Review Board (UARB) where the UARB ordered in its Supplemental Decision:

> [115]….detailed reports must be filed by NSPML on a semi-annual basis, on June 15 and December 15 each year. The reports shall commence December 15, 2013. Updated status reports must be filed quarterly.

2.0 UPDATE OF PROJECT SCHEDULE WITH VARIANCE EXPLANATION

As per Enerco U-31, sections 1.1, 1.2, and 1.3, this section provides an update on the Level 1 Project Schedule, along with a variance explanation and general status updates.

Please refer to Attachment 1 for the Level 1 Project Schedule.

2.1 Gates and Milestones

The Project remains on schedule for commissioning and commencement of operations scheduled for Q4, 2017.

2.2 Safety Incidents

During August, three safety incidents were experienced by a contractor in NL. None of the incidents resulted in injuries; however, the incidents were high potential events resulting in unacceptable property and equipment damage. Activities for this contractor and subcontractors were suspended until the three events were investigated and NSPML was fully satisfied that corrective measures were undertaken to prevent any further incidents.

In the same period the NL tree clearing contractor experienced a safety incident which resulted in machinery damage; while another contractor working at the Woodbine site excavated a section of buried ground cable. As a result of multiple safety concerns which occurred across several sites with various contractors, NSPML immediately stopped all construction work in both NS and NL and a thorough review of all contractors' safety plans, procedures, and safe work practices was undertaken. A staged startup of work by contractors began in late September and early October as the safety audits were completed for each scope of work and contractor to ensure safety was the first priority. Some activities are still under review due to the nature of the work and a need for specific work plans to mitigate the risks.

2.3 Commercial Activities

The key major procurement activities are presented in Table 1 with an update of the status for each initiative.

Table 1

Commercial Activity	Status in June, 2015	Initiative Number	Status in October, 2015
HVDC Submarine Cable Supply and Installation	The Contract was awarded to Nexans in January, 2014.	E11-18	No Change
Converter stations, switchyards and related structures ("converters and structures")	The Contract was awarded to ABB Inc. in June, 2014.	E12-74	No Change
Right of Way Clearing along Transmission Lines	Contracts were awarded to Majors Logging Limited in NL, and R. MacLean Forestry in NS in February, 2014.	E13-88	No Change
Transmission Structures and Grillages	The Contract was awarded to Kalpataru Power Transmission Ltd in September, 2014 for design and delivery of Structures and Grillages.	E13-85	No Change
Site Preparation Services (Includes construction of access road upgrades)	The Contract was awarded to Joneljim Concrete Construction (1994) Ltd. for NS Site Preparation Services in September, 2014. The Contracts were awarded to Marine Contractors Inc., MCI Limited	E13-92	No Change

Commercial Activity	**Status in June, 2015**	**Initiative Number**	**Status in October, 2015**
	Partnership for NL Site Preparation Services in September, 2014.		
Transmission Line Construction	The Contract was awarded to Abengoa S.A. in March, 2015.	E13-95	No Change
Transmission Line Conductors	The Contract for the supply of conductors was awarded to Midal Cables in March, 2015. The contract for the supply of OPGW was awarded to Composite Power Group Inc. in June, 2015. This is also within the scope of the E13-87 initiative.	E13-87	No Change No Change
Horizontal Directional Drill (HDD) Construction Program	The evaluation of the proponents for the Landfall Drilling and Casing Install (E13-156) is complete. Contract negotiations are in progress and the contract award is expected in Q2, 2015. The E13-157 HDD Services RFP was issued in February, 2015 and closed in March, 2015. Evaluations are in progress. The E13-158 Marine Intervention Services RFP was issued in February, 2015 and closed in March, 2015. Evaluations are in progress.	E13-156 E13-157 E13-158	Contract negotiations remain in progress and the contract award is scheduled for Q4, 2015. No Change No Change

Commercial Activity	Status in June, 2015	Initiative Number	Status in October, 2015
		E15-238	The supply of the HDD casing was separated from E13-156 as a separate initiative. The RFP was issued and closed in August, 2015 and evaluations and negotiation are in progress.
Accommodations Operations	The contract for the accommodations operations services was awarded to East Coast Catering in April, 2015.	E13-89	No Change

2.3.1 Land Access Agreements

Since the April 2015 quarterly report, NSPML has reached agreement with a number of landowners with respect to fair market value compensation, and has filed applications with the UARB pursuant to the Expropriation Act to determine the appropriate compensation for the remaining parcels. Similarly, applications will be made in Newfoundland and Labrador with respect to the remaining parcels in that province once the arbitration panel processes have been established. Rights associated with access trails, as well as additional easements relating to guying anchors, are anticipated to continue to be pursued into 2016 as necessary, in both provinces.

2.3.2 Funding

Funding and Drawdown Requests were submitted to the Collateral Agent and Government of Canada during this period as necessary and all requested funds were received on schedule**.** Please refer to Attachment 2 for the IE Draw Confirmation

Certificates for the period. These draws permit all payments to Material Project Participants to be paid with the proceeds of the ML Construction Loan under the payment terms of the Material Project Documents and the ML Credit Agreement.

2.3.3 Joint Development Agreements

NSPML is working with Nalcor and NS Power to finalize the remaining operational agreements arising from the Formal Agreements with Nalcor.

2.4 Engineering Activities

Commissioning of the Maritime Link continues to align with the in-service target date of Q4 2017. Engineering is captured in three main categories across several Work Breakdown Structures ("WBS's"):

- HVDC Submarine Cable Supply and Installation – cable design and manufacturing is being engineered by the supplier of the cable, Nexans, which will include performance criteria consistent with service life and reliability targets subject to approval by NSPML. In this period, Nexans engineering activities were completed for the marine, fibre optic and land cable designs and the designs for the marine installation requirements continued. Following the quality audit results, NSPML provided approval to start manufacturing of the marine cable 1, the fibre optic cables and the land cables. A subsea survey near the horizontal directional drilled ("HDD") entry points in NS and NL was also completed in the summer of 2015. This information provided more specific data for the exit locations for the HDD boreholes and the cable routes approaching these exits.

- The HDD bore trajectories were designed under a separate engineering initiative (E12-51). The conceptual plans and profiles were developed by Hatch. The final HDD design was completed in March which provided the necessary documentation for the procurement activities for the HDD construction services. The contracting activities continued throughout this period.

- HVDC Converters and Substations - engineering is included in the contract awarded to ABB for the supply and installation of these assets. In this period, engineering for the HVDC systems continued. System studies advanced in several areas. The conceptual designs of the sites at Bottom Brook and Woodbine advanced. The converter station buildings foundation plan and detailed design of the converter buildings progressed. Engineering for the control and protection systems continued. The setup of the factory system test center for the control and protection system began including the interconnection wiring and wiring to the test simulator.

  For the AC substations, system studies and designs were completed. For Bottom Brook and Woodbine, the majority of the station design was completed, and civil drawings were submitted for final review prior to the start of construction. Granite Canal civil designs continued to progress. Woodbine structural drawings are under review. Other designs advanced for substation services, control and protection systems, the pre-fabricated buildings and the telecom network.

- Overland Transmission and Switchyard/Grounding Sites – Designs for the transmission and grounding lines are complete with the exception of minor modifications as required. The alternative design of the breakwater location at Indian Head, in NL was completed. A similar design of the breakwater for Big Lorraine is in progress. The alternative designs were selected following a review which suggested optimizations could be achieved. The civil designs for Granite Canal site were modified for environmental protection purposes and this design is in final review. All other design work is completed, with in-field engineering activities expected as geotechnical issues are identified during construction.

2.5 Submarine Cables (Marine)

Manufacturing of the marine cable 1 began at the Futtsu manufacturing facility in July, slightly ahead of schedule. The cable length manufactured is approximately 100 KM. The interior core was completed successfully and the paper lapping Batch 1

commenced. Progress continued on schedule. The manufacturing of the fibre optics cable was completed in Rognan facility in September; this will be integrated into the Cable 1 lapping process. The manufacturing of the land cable began in late September.

2.6 Horizontal Directional Drilling (HDD) Boreholes

As previously reported, the designs of the HDD boreholes in NS and NL were completed in advance of construction to start in 2016. The construction and installation will be comprised of up to four contracts which are in final evaluations and negotiations. The RFP for the Landfall Drilling and Casing Install (E13-156) was issued and closed. During negotiations, it was determined to separate the supply of the HDD casing to a new initiative (E15-238). The RFP was issued and closed August and the award is expected in Q4, 2015. The RFP's for Drilling Services (E13-157) and for Marine Intervention Services (E13-158) were issued in February, 2015 and closed in March, 2015. Evaluations continue to progress to assess the most effective means to execute the work under contract.

2.7 Converter Stations

Engineering for both the HVdc systems and the AC substation systems advanced as noted above. Procurement activities by the contractor continued. ABB selected two civil contractors for NS and NL who have begun civil work and the construction of the foundations at Bottom Brook and Woodbine. This work was originally planned in 2016; however, it is being advanced into 2015. All planning deliverables are under review for Construction Execution Plans for each site, Environmental Protection Plan and Health and Safety Plans were approved and mobilization of crews is underway.

2.8 Right of Way Clearing Contractor(s) – Transmission Lines

The tree clearing in both NS and NL was completed for the Grounding and HVdc line. The tree clearing for the HVac from Granite Canal to Bottom Brook is approximately

65 percent complete and progress continued slightly ahead of schedule, until the safety stand-down occurred.

2.9 Construction Contractor(s) – Transmission Lines

The Transmission Line Construction contract was awarded to Abengoa S.A. in March, 2015. Marshalling yards in NS and NL have been established and are operational with materials being received. To date, the supply of conductors, contracted with Midal, were delivered and received at each marshalling yard. The OPGW hardware was ordered and received in NL and NS from Compow. The OPGW wiring is in the manufacturing and delivery stage and Lot 1 is scheduled for receipt in October. Abengoa continued to order and receive wood poles and relevant hardware from their suppliers.

The construction of the grounding and transmission lines were originally scheduled to begin in late Q2, following a review of the staking and the HVdc line geotechnical work; along with the delivery of the towers, grillages and other materials from Kalpataru. Structure staking is underway in both provinces by NSPML's survey contractor. Abengoa has started their staking confirmation and geotechnical checks for the foundations at these locations. The geotechnical work for the HVdc lines is now scheduled to begin in early October. Construction of the grounding lines is forecasted to begin in October and construction of the HVdc lines is forecasted to begin in late November or early December.

2.10 Construction Contractor(s) – Site Preparation

In NL, site preparation continued. All work at Bottom Brook was completed and the site is ready to pass over to ABB for its civil work program. All access road work at Indian Head was completed. The design changes at Granite Canal were completed in September and civil work is scheduled to begin in October. At Cape Ray, work on the HDD pad, the land cable access route and the transition compounds advanced until

late August, when the contractor was shut down following a safety incident (see Section 2.2 above for more detail).

In NS, site preparation work has been completed at the Woodbine site and has been passed over to ABB for its civil work program. Work at Big Lorraine and Point Aconi was in progress until late August. (See details below). Work started up again in September and is progressing in advance of completion before the winter season.

2.11 Granite Canal Accommodations Construction

The contract for the construction of the 100 person accommodations facility at Granite Canal (E13-89B) was awarded in November, 2014. The construction of the 100 beds and kitchen facilities was completed in July. Final closeout of this contract is in progress.

2.12 Granite Canal Accommodations Operations

The contract for the operations of the Granite Canal accommodations facility (E13-89A) was awarded to East Coast Catering in April, 2015. Limited operations of the facility began in Q2 and full operations began in July by DORA Construction.

2.13 Grounding Sites

Construction Initiative RFP (E13-102) for the grounding sites, including the breakwaters in NS and NL, was issued and closed in October, 2014. In Q2, 2015 the site layouts were reviewed for optimization of the design and constructability, and a preferred alternative design was identified. The detail design for Indian Head in NL is complete. As a result of this change, it was also determined that a contract be awarded for the breakwater in NL under initiative E13-102A and a second be awarded for the breakwater in NS (E13-102B). For NL, the contractor was awarded a Letter of Intent in August to begin detail planning of the construction work in the fall. The full contract award is forecasted to be completed in October. The construction of the on-

land portion of the work is forecasted to be completed in Q4 and the marine work including the breakwater is forecasted to be completed in the spring of 2016. The contract for the NS Breakwater is still under evaluation.

Both scopes of work will be followed by the installation of the electrical equipment at both Grounding Sites. The RFP for this Initiative (E13-103 A/B) is forecasted to be issued in Q4, 2015 and awarded by Q2, 2016. The work is forecasted to be completed by Q4 of 2016.

2.14 Independent Engineer

The Independent Engineer (IE) completed a site visit in July, 2015. Please refer to Attachment 3 for a copy of the Site Visit Report. The IE also visited the manufacturing sites of Nexans in Norway and of ABB in Sweden. The report from this visit is currently being finalized and is expected to be provided in the December 2015 Quarterly Report.

3.0 UPDATED COST SUMMARY

As per Enerco U-31, section 2.1, the detail below outlines the DG3 forecasted costs.

Table 2 below provides an updated cost summary for the Maritime Link, which includes actual costs incurred to the end of Q2 2015 and forecasted costs for the remainder of the Project's construction phase.

During Q1 2015, after the third of the three major contracts was awarded to Abengoa S.A., NSPML undertook a planned Baseline cost and schedule activity to reexamine the DG3 budget and schedule. This Baseline activity confirmed that the overall budget of $1.577 billion and commissioning date of October 1, 2017 remains unchanged.

NSPML continues to track and report all costs, actual and forecast (2011-2017), consistent with the methodologies used in the costs forecast represented in the ML Project application, for inclusion in the final approved ML Capital Cost application. Project costs include ML Project team fully allocated costs for executive, management, employees and contractors, and NS Power seconded employees at affiliate mark-up rates according to the Code of Conduct for Affiliate Transactions. All costs provided are in Canadian dollars.

AFUDC is being tracked and recorded monthly. Following the Baseline activity, AFUDC remains within the $230 million amount estimated at the time of filing of NSPML's Application.

Table 2

(000's of Canadian Dollars)		Actual Costs								Total Project Estimate at Completion	Total Project Estimate at Completion - Previous Submission
Description	2011-2013	2014	Q1 2015	Q2 2015	Total Project to Date	Q3 2015	Q4 2015	2016 Q1 - Q4	2017 Q1 - Q4		
Emera NL Project Management Costs	44,379	42,315	6,338	5,516	98,547	7,039	6,506	27,374	29,019	168,485	179,708
Nalcor Project Support Costs	-	15,232	170	270	15,672	76	-	-	-	15,749	15,442
Construction and Engineering Initiatives	14,975	167,980	83,168	76,938	343,061	69,276	68,546	536,785	201,098	1,218,766	1,207,850
Environmental Approval	2,651	4,378	58	158	7,245	714	977	5,582	9,033	23,551	23,551
Submarine and related	3,359	83,797	29,826	24,242	141,225	13,519	9,067	54,234	105,940	323,986	323,981
Converters, structures, and other ancillary equipment	1,517	48,747	40,700	26,914	117,878	26,725	23,740	313,263	63,129	544,736	544,691
AC and DC Transmission	7,448	31,057	12,584	25,624	76,714	28,317	34,761	163,705	22,995	326,493	315,627
Total	59,354	225,527	89,676	82,724	457,281	76,391	75,052	564,159	230,117	1,403,000	1,403,000
Escalation	-	-	-	-	-	79	290	1,722	33,263	35,354	35,524
Contingency	-	-	-	-	-			50,491	88,509	139,000	139,000
Grand Total	59,354	225,527	89,676	82,724	457,281	76,470	75,342	616,372	351,889	1,577,354	1,577,523

Total Actual Project Costs at end of Q2, 2015 Compared to Previous Forecast

The total actual project costs for Q2, 2015 were $15.2 million less than the Q1 costs forecasted in the NSPML Quarterly Report of April 15, 2015. The explanations of the variances are as follows:

- Project management and other: $1.8 million lower cost incurrence due to:
  - Timing of land access activities.
  - Lower spending on general and administration expenses including labour, legal, regulatory and consulting.

- Submarine and related: $0.5 million higher cost incurrence due to advancement in the schedule for manufacturing preparation activities.

- Converters, structures and other ancillary equipment: $9.2 million lower cost incurrence due to rescheduling of the engineering and procurement activities for the Converter / Substations supply contract.

- AC and DC Transmission: $4.7 million lower cost incurrence attributable to timing of the start of the construction for the grounding lines and the delivery of structures, grillages and other materials.

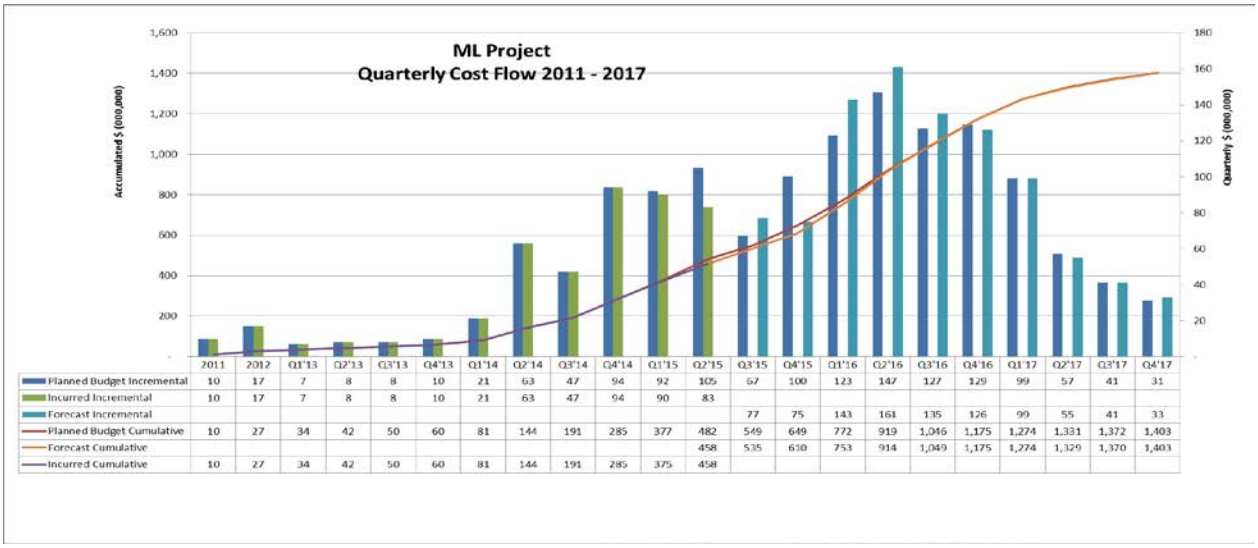
These variances do not change the expectation that the Project remains on time and within budget.

4.0 COST FLOW

As per Enerco U-31, section 2.2, please refer to Table 3 below for the cost flow until the Maritime Link is commissioned. This cost flow provides a base capital spending forecast of $1.403 billion. Escalation and contingency in the amount of $174 million will be allocated to appropriate accounts if and when necessary to account for expenditures associated with project risks. The total of the base capital spending, escalation, and contingency amounts remains at $1.577 billion.

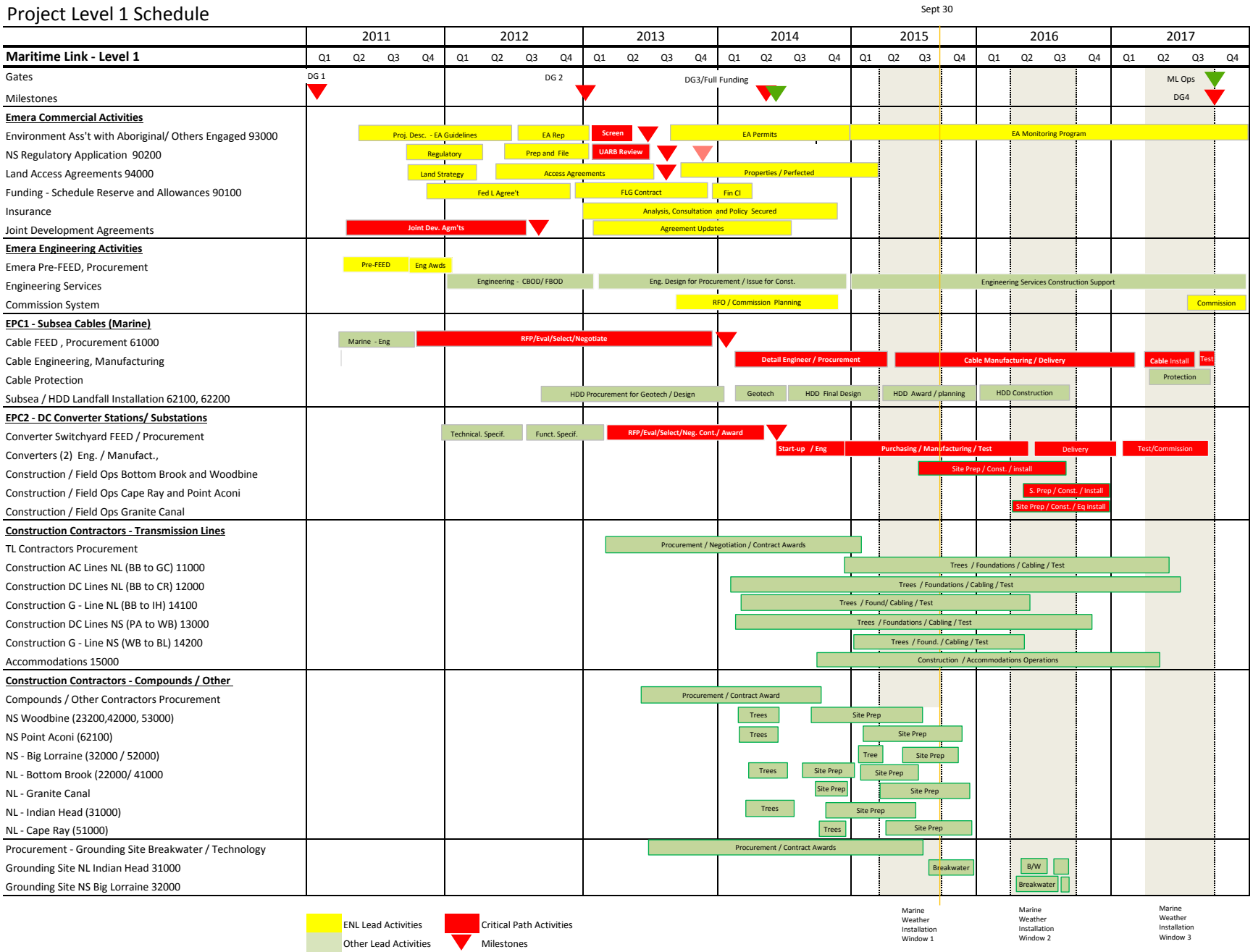
As noted in Section 3.0, the Baseline activity resulted in an adjustment to the capital cost profile for the project. As a result, from this point forward, Table 3 will reflect this new cost profile.

Table 3



	2011	2012	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Planned Budget Incremental	10	17	7	8	8	10	21	63	47	94	92	105	67	100	123	147	127	129	99	57	41	31
Incurred Incremental	10	17	7	8	8	10	21	63	47	94	90	83										
Forecast Incremental													77	75	143	161	135	126	99	55	41	33
Planned Budget Cumulative	10	27	34	42	50	60	81	144	191	285	377	482	549	649	772	919	1,046	1,175	1,274	1,331	1,372	1,403
Forecast Cumulative												458	535	610	753	914	1,049	1,175	1,274	1,329	1,370	1,403
Incurred Cumulative	10	27	34	42	50	60	81	144	191	285	375	458										

Project Level 1 Schedule



SCHEDULE “Q”

DRAW CONFIRMATION CERTIFICATE BY INDEPENDENT ENGINEER

ML PROJECT FINANCING

This Draw Confirmation Certificate is provided by MWH Canada, Inc. (the “Independent Engineer”) to The Toronto-Dominion Bank (the “Collateral Agent”) in connection with the credit agreement dated February 24, 2014, between NSP Maritime Link Incorporated (the “Borrower”), Maritime Link Financing Trust (the “Lender”) and the Collateral Agent (said agreement, as same may be amended, supplemented or restated from time to time, is hereinafter referred to as the "ML Credit Agreement"). Capitalized terms used in this Draw Confirmation Certificate not defined herein shall have the meanings assigned to them in Exhibit A of the ML Credit Agreement.

The Independent Engineer has (i) discussed matters believed pertinent to this Draw Confirmation Certificate with the Borrower and any relevant Material Project Participants, (ii) made such other inquiries as we have determined appropriate and (iii) reviewed:

(a) the Construction Report dated June 22, 2015 (the “Construction Report”); and

(b) the Borrower’s funding request dated June 24, 2015 (the “Funding Request”).

On the basis of the foregoing limited review procedures and on the understanding and assumption that the factual information contained in the Construction Report and Funding Request is true, correct and complete in all material respects, the Independent Engineer makes the following statements in favour of the Collateral Agent and to the best of its knowledge, information and belief, as of the date hereof that:

1. Construction of the Project is progressing in a satisfactory manner and in accordance with the terms of the applicable Material Project Documents with the following exceptions:

NO EXCEPTIONS NOTED

2. All payments to the Material Project Participants to be paid with the proceeds of the ML Construction Loan (including any payments using advances from the Working Capital Reserve Account during the period from the last Draw Confirmation Certificate to this Draw Confirmation Certificate) requested to be made pursuant to the Funding Request are allowed under the payment terms of the applicable Material Project Documents and the ML Credit Agreement as to the advance requirements of Section 7.3, with the following exceptions:

NO EXCEPTIONS NOTED

3. Assuming the Borrower exercises proper engineering and construction management throughout the remainder of the Project, we have no reason to believe that the

Commissioning Date will not occur prior to the Date Certain, or that the total Project Costs will exceed [$1,577,354,028] with the following exceptions:

NO EXCEPTIONS NOTED

This Draw Confirmation Certificate is solely for the information and assistance of the Collateral Agent, the Lender and Canada in connection with the Funding Request and shall not be used, circulated or relied upon for any other purpose or by any other party.

Dated: June 26, 2015

MWH CANADA, INC.

By: _____

Title: Principal Engineer

SCHEDULE “Q”

DRAW CONFIRMATION CERTIFICATE BY INDEPENDENT ENGINEER

ML PROJECT FINANCING

This Draw Confirmation Certificate is provided by MWH Canada, Inc. (the “Independent Engineer”) to The Toronto-Dominion Bank (the “Collateral Agent”) in connection with the credit agreement dated February 24, 2014, between NSP Maritime Link Incorporated (the “Borrower”), Maritime Link Financing Trust (the “Lender”) and the Collateral Agent (said agreement, as same may be amended, supplemented or restated from time to time, is hereinafter referred to as the "ML Credit Agreement"). Capitalized terms used in this Draw Confirmation Certificate not defined herein shall have the meanings assigned to them in Exhibit A of the ML Credit Agreement.

The Independent Engineer has (i) discussed matters believed pertinent to this Draw Confirmation Certificate with the Borrower and any relevant Material Project Participants, (ii) made such other inquiries as we have determined appropriate and (iii) reviewed:

(a) the Construction Report dated July 20, 2015 (the “Construction Report”); and

(b) the Borrower’s funding request dated July 27, 2015 (the “Funding Request”).

On the basis of the foregoing limited review procedures and on the understanding and assumption that the factual information contained in the Construction Report and Funding Request is true, correct and complete in all material respects, the Independent Engineer makes the following statements in favour of the Collateral Agent and to the best of its knowledge, information and belief, as of the date hereof that:

1. Construction of the Project is progressing in a satisfactory manner and in accordance with the terms of the applicable Material Project Documents with the following exceptions:

NO EXCEPTIONS NOTED

2. All payments to the Material Project Participants to be paid with the proceeds of the ML Construction Loan (including any payments using advances from the Working Capital Reserve Account during the period from the last Draw Confirmation Certificate to this Draw Confirmation Certificate) requested to be made pursuant to the Funding Request are allowed under the payment terms of the applicable Material Project Documents and the ML Credit Agreement as to the advance requirements of Section 7.3, with the following exceptions:

NO EXCEPTIONS NOTED

3. Assuming the Borrower exercises proper engineering and construction management throughout the remainder of the Project, we have no reason to believe that the

Commissioning Date will not occur prior to the Date Certain, or that the total Project Costs will exceed [$1,577,354,028] with the following exceptions:

NO EXCEPTIONS NOTED

This Draw Confirmation Certificate is solely for the information and assistance of the Collateral Agent, the Lender and Canada in connection with the Funding Request and shall not be used, circulated or relied upon for any other purpose or by any other party.

Dated: July 29, 2015

MWH CANADA, INC.

By: _____

Title: Principal Engineer

SCHEDULE “Q”

DRAW CONFIRMATION CERTIFICATE BY INDEPENDENT ENGINEER

ML PROJECT FINANCING

This Draw Confirmation Certificate is provided by MWH Canada, Inc. (the “Independent Engineer”) to The Toronto-Dominion Bank (the “Collateral Agent”) in connection with the credit agreement dated February 24, 2014, between NSP Maritime Link Incorporated (the “Borrower”), Maritime Link Financing Trust (the “Lender”) and the Collateral Agent (said agreement, as same may be amended, supplemented or restated from time to time, is hereinafter referred to as the "ML Credit Agreement"). Capitalized terms used in this Draw Confirmation Certificate not defined herein shall have the meanings assigned to them in Exhibit A of the ML Credit Agreement.

The Independent Engineer has (i) discussed matters believed pertinent to this Draw Confirmation Certificate with the Borrower and any relevant Material Project Participants, (ii) made such other inquiries as we have determined appropriate and (iii) reviewed:

(a) the Construction Report dated Aug 20, 2015 (the “Construction Report”); and

(b) the Borrower’s funding request dated Aug 25, 2015 (the “Funding Request”).

On the basis of the foregoing limited review procedures and on the understanding and assumption that the factual information contained in the Construction Report and Funding Request is true, correct and complete in all material respects, the Independent Engineer makes the following statements in favour of the Collateral Agent and to the best of its knowledge, information and belief, as of the date hereof that:

1. Construction of the Project is progressing in a satisfactory manner and in accordance with the terms of the applicable Material Project Documents with the following exceptions:

NO EXCEPTIONS NOTED

2. All payments to the Material Project Participants to be paid with the proceeds of the ML Construction Loan (including any payments using advances from the Working Capital Reserve Account during the period from the last Draw Confirmation Certificate to this Draw Confirmation Certificate) requested to be made pursuant to the Funding Request are allowed under the payment terms of the applicable Material Project Documents and the ML Credit Agreement as to the advance requirements of Section 7.3, with the following exceptions:

NO EXCEPTIONS NOTED

3. Assuming the Borrower exercises proper engineering and construction management throughout the remainder of the Project, we have no reason to believe that the

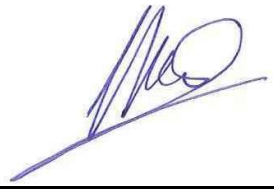
Commissioning Date will not occur prior to the Date Certain, or that the total Project Costs will exceed [$1,577,354,028] with the following exceptions:

NO EXCEPTIONS NOTED

This Draw Confirmation Certificate is solely for the information and assistance of the Collateral Agent, the Lender and Canada in connection with the Funding Request and shall not be used, circulated or relied upon for any other purpose or by any other party.

Dated: Aug 27, 2015

MWH CANADA, INC.



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The Independent Engineer has (i) discussed matters believed pertinent to this Draw Confirmation Certificate with the Borrower and any relevant Material Project Participants, (ii) made such other inquiries as we have determined appropriate and (iii) reviewed:

(a) the Construction Report dated Sept 21, 2015 (the “Construction Report”); and

(b) the Borrower’s funding request dated Sept 24, 2015 (the “Funding Request”).

On the basis of the foregoing limited review procedures and on the understanding and assumption that the factual information contained in the Construction Report and Funding Request is true, correct and complete in all material respects, the Independent Engineer makes the following statements in favour of the Collateral Agent and to the best of its knowledge, information and belief, as of the date hereof that:

1. Construction of the Project is progressing in a satisfactory manner and in accordance with the terms of the applicable Material Project Documents with the following exceptions:

NO EXCEPTIONS NOTED

2. All payments to the Material Project Participants to be paid with the proceeds of the ML Construction Loan (including any payments using advances from the Working Capital Reserve Account during the period from the last Draw Confirmation Certificate to this Draw Confirmation Certificate) requested to be made pursuant to the Funding Request are allowed under the payment terms of the applicable Material Project Documents and the ML Credit Agreement as to the advance requirements of Section 7.3, with the following exceptions:

NO EXCEPTIONS NOTED

3. Assuming the Borrower exercises proper engineering and construction management throughout the remainder of the Project, we have no reason to believe that the

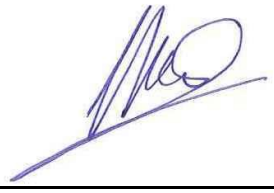
Commissioning Date will not occur prior to the Date Certain, or that the total Project Costs will exceed [$1,577,354,028] with the following exceptions:

NO EXCEPTIONS NOTED

This Draw Confirmation Certificate is solely for the information and assistance of the Collateral Agent, the Lender and Canada in connection with the Funding Request and shall not be used, circulated or relied upon for any other purpose or by any other party.

Dated: Sept 28, 2015

MWH CANADA, INC.



By: _____

MWH

LCP - ML PROJECT
SITE VISIT REPORT JULY 14-16, 2015.

Prepared for: Natural Resources Canada and Emera

IE Point of Contact: Nik Argirov

Date: August 31, 2015

Quality Assurance Statement

Office Address	740-1185 W Georgia Street, Vancouver BC, V6E 4E6
Prepared by	Tim Little, Nik Argirov
Reviewed by	Nik Argirov & Howard Lee
Approved for Issue by	Howard Lee

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APPENDIX NO. 1 - PHOTOS

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1. GENERAL

The MWH Independent Engineer team, together with a representative of Natural Resources Canada participated in the site visit for the Maritime Link (ML) project in Nova Scotia on July 14, 2015 and in Newfoundland on July 15 - 16, 2015. Several Emera project team members accompanied the MWH team as listed below.

IE team:	Nik Argirov, Argirov Engineering Inc (IE Point of Contact)
	Tim Little, T.E. Little Consulting Inc.(IE)
Natural Resources Canada:	Joseph Krupski, Senior Policy Analyst
Emera team:	Lois M. Smith, Senior Director, Regulatory and Risk
	Ken Meade, Director, Environment & Aboriginal Affairs
	Brian Rendell, VP Corporate Affairs (Nova Scotia site visits only)

Visits were made to the following project sites:

- Nova Scotia: Point Aconi, Woodbine and Big Lorraine on July 14.
- Newfoundland: Indian Head, Cape Ray and Bottom Brook on July 15.

A trip closure meeting was held at the ML Stephenville office on the morning of July 16.

Transportation to all sites was by road, starting from Sydney, NS on the morning of July 14. Travel from Sydney to Deer Lake, NL was by commercial airline on the evening of July 14.

The IE team noted that safety was a top priority throughout the site visits. At each site, the Emera team led a safety review of site-specific hazards before starting the inspection, and where construction work was in progress, the team was briefed on work activities and hazards and was escorted by a construction management representative.

2. NOVA SCOTIA PROJECT AREAS – JULY 14, 2015

In Nova Scotia the subsea cables will come ashore just west of the existing Point Aconi thermal generating station. The Nova Scotia portion of the project includes approximately 46 km of 200 kV HVDC transmission line from Point Aconi to the Woodbine converter station site, and approximately 40 km of grounding line from Woodbine to the Big Lorraine grounding site. Associated infrastructure includes an onshore cable anchor and cable transition compound at Point Aconi, a transition compound, converter station and substation expansion at Woodbine, a marine ground at Big Lorraine, and two sections of underground cable each of about 1 km length at Point Aconi and Woodbine. Most of the Nova Scotia rights of way (ROW) for the new lines either parallel or are close to existing access roads or existing transmission rights of way.

The team started from Sydney in the morning, and first stopped at the local Maritime Link project office for a safety briefing and to pick up safety vests and hard hats. The team then proceeded in sequence to the Point Aconi, Woodbine and Big Lorraine sites and returned to the Sydney airport in late afternoon. Brian Rendell of Emera departed from the team at that time, while the other members continued on to Deer Lake, Newfoundland.

Point Aconi

Site clearing for the proposed Point Aconi HDD site, underground cable ROW, Transition Compound and access road is complete. The team walked the full length of the cleared areas at this site. It was noted that ground conditions are locally boggy and that small logs and brush had been used as corduroy reinforcement for equipment access during the clearing work. New vegetation is starting to sprout in all of the cleared areas (Photos 1 to 3).

Transmission ROW - Point Aconi to Woodbine

The ROW for the existing 230kV transmission line from Point Aconi to Woodbine have been widened by up to 28 m to accommodate the new overhead DC line. Clearing of the widened ROW has been completed and was observed at several locations where the ROW crosses or is parallel to the highway (Photo 4). It was noted that small trees and brush along the ROW had been shredded and scattered in situ.

Woodbine

At Woodbine, the new DC line will transition from overhead to underground where it will cross other existing overhead AC lines. Except for minor remaining access road work and installation of a security gate, site preparation for the transition compound is mostly complete. It was noted that final excavated slopes and drainage ditches in overburden have been protected against erosion with crushed rock and riprap that has been neatly placed and finished (Photo 5). The area around the transition compound site has been recently hydroseeded and temporary silt fences will need to be removed after new vegetation becomes adequately established.

Adjacent to the existing substation, site preparation has been completed for the new converter station and substation expansion and the contractor (Joneljim) was starting to demobilize construction equipment. Final surfaces have a neat appearance (Photo 6). The site is now ready for installation of the grounding grid and concrete footings for the new equipment. It was noted that several settlement ponds constructed along the perimeter of the site appeared to have been effective at capturing sediment.

It was noted that engineering consultant staff (Hatch) were performing resistivity measurements of the prepared site at the time of the site visit.

Grounding Line ROW – Woodbine to Big Lorraine

The grounding line from Woodbine to Big Lorraine will be an overhead line mounted on single wood poles. Clearing of the ROW widening has been completed and was observed at several locations where the ROW crosses or is parallel to the highway. It was noted that small trees and brush along the ROW had been shredded and scattered in situ.

Big Lorraine

The access road into the Big Lorraine Grounding Station and the overhead grounding line will be located within a common ROW. Clearing of this ROW has been completed, and the team walked the full length of the ROW to a location overlooking the proposed grounding station site. Similar to Point Aconi, it was noted that ground conditions are locally boggy and that small logs and brush had been used as corduroy reinforcement for equipment access during the clearing work. The ROW crosses several topographic gullies and slopes that will be modified by cut-and-fill operations to achieve appropriate final road grades (Photo 7).

The proposed grounding station will be located at the inland end of a narrow inlet that offers significant protection from waves, as compared to the open shoreline outside of the inlet (Photo 8).

3. NEWFOUNDLAND PROJECT AREAS – JULY 15, 2015

The Newfoundland portion of the project includes approximately 160 km of Wood H-Pole 230 kV HVAC transmission line from the existing Granite Canal Hydroelectric Generating Station to the existing Bottom Brook substation, approximately 142 km of steel tower 200 kV HVDC transmission line from Bottom Brook to Cape Ray and about 20 kilometres of grounding line from Bottom Brook to Indian Head. The associated infrastructure includes a switchyard expansion at Granite Canal, a new convert-

er station and substation expansion at Bottom Brook, a transition compound, 2 km of underground cable and an onshore cable anchor at Cape Ray and a marine ground at Indian Head.

The team started from Deer Lake in the morning of July 15 and first stopped at the Stephenville Maritime Link project office for a safety briefing and to pick up safety vests and hard hats. The team then proceeded in sequence to the Indian Head, Cape Ray and Bottom Brook sites and returned to Stephenville in late afternoon. Ken Meade of Emera departed from the team at that time.

On the morning of July 16, the team attended a conference call meeting at the Stephenville office, then travelled to Deer Lake airport.

Indian Head Grounding Station

Construction of the 4 km long access road into the grounding station site is mostly complete, except for the final several hundred metres which will be constructed as part of an upcoming contract.The gravel road surface was well-finished and will not be paved. It was noted that final excavated slopes and drainage ditches in overburden along the road have been protected against erosion with crushed rock and riprap. Installation of steel guardrails was in progress at the time of the site visit (Photo 9).

The team drove to the end of the access road and continued on foot to a location overlooking the proposed grounding station site. The site is situated adjacent to a bedrock point along the northern end of St. George's Bay. The bedrock is sound and forms steep cliffs along the water (Photo 10).

Cape Ray

Construction of the access road to the transition compound was in progress at the time of the site visit. The team initially visited the site construction office for a safety briefing, and was then escorted around the site by Emera construction staff.

Site conditions at Cape Ray generally consist of an undulating and irregular bedrock surface that is mostly overlain by thin silty peat up to about 1 m thick. The peat tends to be boggy and wet, although construction staff advised that it tends to drain readily when fresh excavations are cut into it.

The HDD pad adjacent to the ocean has been stripped of peat and levelled with compacted rockfill (Photo 11). It was noted that runoff from the site was being captured in ditches with temporary rock berms that appeared to be effective at collecting organics and fines (Photo 12).

Construction of the access road is proceeding up the slope from the HDD pad (Photo 13). First, the peat layer is removed and a temporary running surface of compacted crushed rock is placed to provide equipment and vehicle access. The stripped peat is being cast to the sides of the road where it is smoothed and shaped to blend with the existing surface contours, which minimizes the footprint of the impacted area (Photo 14).

High points of the bedrock are being excavated by a standard drill and blast method (Photo 15). At the time of the site visit, a blasting crew was loading explosives into drilled holes in preparation for a blast later in the day, after the team had departed from the site. Following removal of the blasted rock, it is understood that the final road will be constructed along the prepared route. The DC cables between the transition compound and the landfall location will be buried in a trench along one side of the access road.

Rights-of-Way

The clearing of the Right-of-Way sections for DC and grounding lines is completed (Photo 16). Work continues on the AC line ROW clearing and progress is slightly ahead of schedule. The Contractor performing the work in NL is Majors Logging.

Bottom Brook Switch Station and Converter Station

At Bottom Brook, a new converter station and switchyard expansion will be constructed to the east of the existing terminal station. The new grounding line to Indian Head will also originate from the new converter station.

Site preparation has been largely completed for the new converter station and substation expansion (Photo 17). Final surfaces have a neat appearance and the site is almost ready for installation of the grounding grid and concrete footings for the new equipment. It was noted that final excavated slopes in overburden and perimeter drainage ditches have been protected against erosion with crushed rock and riprap (Photo 18). It was reported by Emera that no settling ponds had been required at this site as about 40% of the site drains into the existing woods where natural filtration occurs, and the remainder of site runoff was filtered with check dams. It was noted that several such check dams along the access road appeared to have been effective as they were partially filled with sediment.

At the time of the site visit, security fencing around the marshalling yard was being completed. The Emera team pointed out a local sinkhole on the side of the site access road close to the station which is to be repaired by the contractor (Photo 19). Along the downhill side slope of the finished site, several local depressions were also noted which are reportedly due to melting of snow that was mixed in with some of the waste materials that had been placed there (Photo 20). These areas require some final smoothing and seeding.

4. CLOSEOUT MEETING - JULY 16, 2015

A meeting/conference call was conducted on the last morning. Nik Argirov (IE), Tim Litlle(IE) , Joe Krupski (NR Canada) and Lois Smith (Senior Director, Regulatory and Risk) were physically in attendance with Alison Manzer (Cassels Brock), Rick Janega (President and CEO), Gerry Brennan (PM), Brian Rendell (VP, Corporate Affairs), Ken Meade (Director, Environmental and Aboriginal Affairs) and Mary Ellen Greenough (Senior Counsel, Legal and Regulatory Affairs) calling in. The meeting commenced with a brief account of the site visit to proceedings in the past 3 days. The IE observed that in our opinion, there appears to be no specific areas of concern at this time and the work seen on the site visit is progressing well. Site preparation work was observed as being very well done at Woodbine, Bottom Brook and the various access roads. The IE once again emphasized the participants were impressed with the attention to safety of the workers and visitors to the sites. We requested additional information and explanation regarding interface management and quality management, particularly with respect to steel supply for transmission towers and logistics of transportation, deliveries and marshalling yards. In addition we inquired about some of the specific technical plans around site preparation by ABB, transmission line construction access roads and transition compound designs, grounding site designs and timing, as well as transmission lines in/out of the substations and converter stations. Emera provided verbal responses which were discussed within the group, along with references to designs and contracts previously provided. Design details and IFC drawings will be provided to the IE when they become available.

5. COMMENTS

It was evident that under the solid project management leadership of Emera the work on site is proceeding with good quality, safety awareness and within the baseline schedule.

Appendix No. 1

Photos

Nova Scotia Project Areas - July 14, 2015

Photo 1 – Point Aconi - View looking southerly along right-of-way from the HDD site to the transition compound.

Photo 2 – Point Aconi – cleared area for HDD site.

Photo 3 – Point Aconi – View looking westerly. HDD site will be located to the left of the trees.

Photo 4 – Cleared right of way adjacent to existing 230 kV line near Woodbine substation.

Photo 5 – View up access road to Woodbine transition compound. A security gate is being installed just in front of the excavator.

Photo 6 – Woodbine – Prepared site for converter station adjacent to existing substation.

Photo 7 – Big Lorraine – View towards grounding station site along right- of-way for access road and grounding line.

Photo 8 - Big Lorraine – Proposed grounding station location.

Newfoundland Project Areas – July 15, 2015

Photo 9 – Indian Head – Finished section of access road, with guard rail installation in progress.

Photo 10 – Indian Head – View towards proposed grounding station location, from current end of access road.

Photo 11 – Cape Ray – HDD site.

Photo 12 – Cape Ray – Typical settling pond and rock berm for sediment control adjacent to HDD site.

Photo 13 – Cape Ray – View looking up access road being constructed to transition compound.

Photo 14 – Cape Ray – View looking down access road toward ocean.

Photo 15 – Cape Ray – Section of bedrock prepared for blasting. The small conical piles are drill cuttings from the holes drilled for explosives.

Photo 16 – Typical section of cleared right-of-way for 200 kV HVDC line near Cape Ray.

Photo 17 – Bottom Brook - Prepared site for converter station and substation expansion adjacent to existing substation.

Photo 18 – Bottom Brook – Typical perimeter ditch lined with riprap.

Photo 19 – Bottom Brook – View down access road from location adjacent to existing substation.Fenced marshalling yard is on the left side of photo. Flagged area in the centre of photo is a local sinkhole that requires repair.

Photo 20 – Bottom Brook – Local depression in waste material adjacent to site, reportedly due to melting of snow that was mixed in.