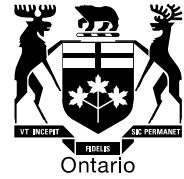


**Ontario Energy
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BY E-MAIL

October 8, 2010

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

Dear Ms. Walli:

**Re: Algoma Power Inc.
2010 and 2011 Distribution Rates Application
Board File No. EB-2009-0278**

Enclosed is Board staff's submission on the unsettled issue: Recovery of Extraordinary Event Costs.

Please forward the submission to Algoma Power Inc. and to all other registered parties to this proceeding.

Yours truly,

Original Signed By

Richard Battista
Project Advisor – Applications & Regulatory Audit