

Direct Dial: (416) 216-4771
Direct Fax: (416) 216-3930
ataylor@ogilvyrenault.com

Toronto, August 11, 2006

Ontario Energy Board
2300 Yonge Street, Suite 2700
P.O. Box 2319
Toronto, Ontario

Attention: Board Secretary

Dear Ms. Walli:

**RE: Great Lakes Power Limited and Algoma Steel Inc.
Board File Number EB-2006-0151**

We are writing in response to the Board's July 17, 2006 letter in the above-referenced matter. The answers to the Board's questions are as follows:

1. Question: *Does the proposed transaction include the basic transformer equipment protection contained in the Control Building ("ancillary equipment"), specific existing transformers including associated equipment (the "transformers") and the Patrick Street TS control building including all equipment, protections and cables to/from the building except for the excluded assets (the "control building")?*

Answer: Yes.

2. Question: *If yes, please reconcile the assets listed above with those listed in Schedule D.*

Answer: As set out in the Purchase and Sale Agreement filed in confidence, the assets that will be sold to Algoma Steel are the "Purchased Assets" (listed at schedule 1.1(hh)) and the "Ancillary Equipment" (listed at schedule 1.1 (dd)). Schedule "D" of the MAAD application did not include the list of Ancillary Equipment. We have attached a list of Ancillary Equipment for inclusion in Schedule "D".

3. Question: *Does the NBV of \$250,000 excluding applicable taxes relate to the ancillary equipment only? If yes, what is the NBV for the transformers and the control building?*

Answer: The NBV of \$250,000 relates to the Ancillary Equipment only. The NBV of the transformers is \$281,250. The NBV of the control building is \$5,000.

Yours very truly,



Andrew Taylor

AT/mr

Attachment

SCHEDULE 1.1(d)

Ancillary Equipment

- Transformer 10T1 Protections
- Transformer 301T1 "A" Protection
- Transformer 301T1 "B" Protection
- Transformer 301T2 "A" Protection
- Transformer 301T2 "B" Protection
- Transformer 301T3 "A" Protection
- Transformer 301T3 "B" Protection
- No. 1 Praxair Line Protection
- No. 2 Praxair Line Protection