October 28, 2021

Dear Valued Customer:

Thank you for your Letter of Comment submitted to the Ontario Energy Board with respect to Algoma Power Inc.'s (API's) proposed rate review process for rates effective January 1, 2022. We appreciate all customer feedback and the time you took to submit your comments.

You indicate a concern regarding an increase of electricity rates to the Seasonal rate classification. The Residential rate classes at API are governed by Ontario Regulation 442/01; Rural or Remote Electricity Rate Protection. Under this regulation, customers in the Residential rate classes are subsidized by all other electricity consumers in the province. Customers in the Seasonal rate class do not fall under the provisions of the regulation in meeting the eligibility of a "residential premise". Therefore, customers who fall outside of this regulation are paying the actual "true" costs to supply electricity to their location, and not the subsidized rates that the Residential classification falls under.

The Ontario Energy Board is an independent and impartial public agency that reviews and approves API's rates by making decisions that serve the public interest.

For current information on financial and operational information collected from electricity distributors, please review the OEB's 2020 Yearbook of Electricity Distributors.

Thank you again for your comments and please do not hesitate to contact us should you have further questions or concerns.

Yours truly,
Algoma Power Inc.

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