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Attention All Atikokan Hydro Inc. customers:

You will find enclosed your first unbundled electricity bill that reflects open market pricing and charges. The following is to give a brief definition of the associated charges. In the past, you had a declining block rate that was constant on a yearly or greater time period. There are fixed rates on your consumption to deal with the unbundled charges, the debt retirement charge and rural rate assistance. The energy [commodity] component is a weighted average price that varies if you are a standard supply customer. This is the only component that a retailer may offer.

The following headings will appear:

DISTRIBUTION CHARGES: are charges approved for Atikokan Hydro to cover the costs of maintaining the existing power lines, meter reading, billing, collecting, designing and upgrading power lines.

COMMODITY CHARGE:

The commodity charge is the charge for the energy without any supporting charges. This charge is the weighted average price of electricity on a per kilowatt hour basis for the billing period for energy purchased as a Standard Supply and Service customer of Atikokan Hydro, or is the charge supplied by a retailer should you have chosen one.

NON-COMPETITIVE CHARGES

Charges that appear in this category are:

1. Rural Rate assistance, which used to assist customers in rural areas of Ontario. This has always been present in the old bundled rates.
2. Network transmission charges [Retail Trans Network Serv] goes to Hydro One to maintain the provincial grid system
3. Connection Transmission Charges [Retail Trans Connect Serv] goes to Hydro One to maintain and provide the actual connection points to the provincial grid.
4. Wholesale Market Service goes to the Ontario Energy Board and The Independent Electricity Market Operator to provide the market and regulatory services.
5. The Standard Supply and Service Charge in this section is a per bill charge retained by Atikokan Hydro Inc.
6. The Debt retirement charge goes to pay down the old Ontario Hydro stranded debt.

When GST came into effect in Canada, the Federal Government did not exempt electricity. Since all charges on the power bill relate to electricity, all charges are taxable.

For more information or any questions related to your bill or electrical service, please do not hesitate to contact our office at 807-597-6600 or visit us in person at 117 Gorrie Street or on the web at www.athydro.com.

Sincerely

Wilf Thorburn
CEO / Secretary / Treasurer