



Westario Power Inc.

March 16, 2018

Dear Leonard Rory Goodden,

Thank you for your Letter of Comment submitted to the Ontario Energy Board (OEB) regarding Westario Power's 2018 Cost of Service application filing. We appreciate you taking the time to submit your comments and your interest in the process.

To address your concerns regarding the total bill increase; Westario Power's share of the bill, which is on average 20% of the total residential bill, covers costs related to meter reading, billing, customer service and account maintenance, and for general utility operations. Westario Power is also responsible for the cost of building and maintaining the distribution system, including overhead and underground power lines, poles and transformer stations.

Commodity costs, which represent the major portion of the total residential bill, are related to the generation and delivery of electricity from the generator to Westario Power's distribution system. These costs are prescribed by the Ontario Energy Board and fall outside of the control of the utility. Westario Power's rate applications covers the costs listed above.

I would be happy to meet with you to discuss any part of the application or go over specific questions you have relating to what distribution rates you pay to Westario Power go towards i.e. Operations, Maintenance, Administration and Capital Projects.

Sincerely,

Malcolm McCallum, CPA, CMA, MBA
Vice President Finance/CFO
WPI Inc.
24 Eastridge Road, RR 2
Walkerton, ON
N0G 2V0
519-507-6666 x-211
Malcolm.McCallum@westario.com