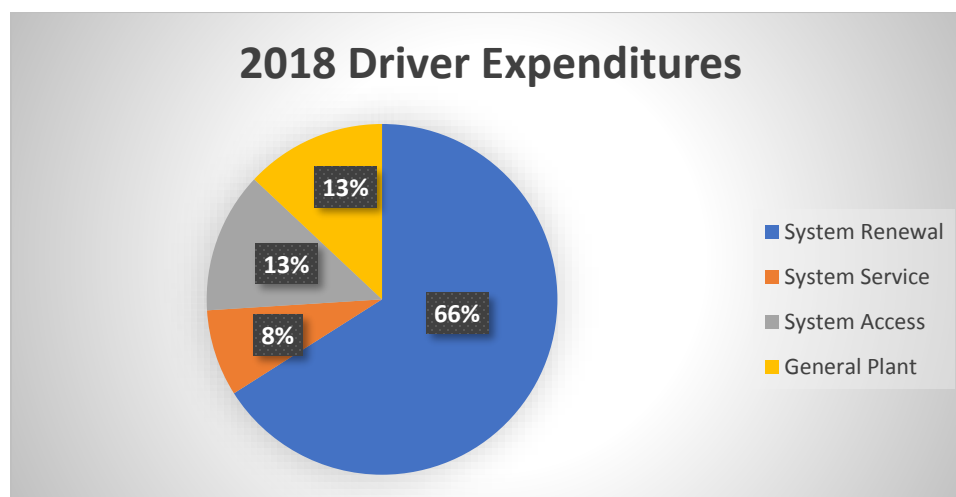


***** Please review & provide comment for a chance to win \$500 *****

Westario Power continues to focus on day-to-day operations while it builds, re-builds, re-furbishes and prepares the organization for a changed future. In addition, Westario Power needs to think in terms of decades, not just today, this week, this month, or quarter. This planning is prepared in a regulated environment that requires a 5-year planning strategy. Through re-investment in the overall system, Westario Power provides a stable, reliable electricity grid bringing power to your homes and businesses.

Westario Power is in the process of finalizing its 2018 operating and capital budgets in advance of filing an application to the Ontario Energy Board for a rate adjustment. Through feedback received from the most recent customer engagement survey, Westario Power is concentrating its spending efforts on system reliability and safety by focusing on replacing and maintaining assets that have the most potential to fail or deteriorate to a point that they cause a major breakdown or malfunction of the distribution system. Several factors are taken into account when ultimately determining the essential resources in the system requiring immediate attention in any given year. Consideration is given to such criteria as age, current state of condition and impact of failure when determining budget priorities.

The forecasted capital budget for 2018 is approximately \$4.9M and is primarily comprised of substation upgrades, aging wire replacement, pole replacement as well as transformer replacement. The following chart indicates our planned expenditure areas of focus:



These expenditures are in line with recent historical expenditures and forecast future expenditures. The goal of Westario Power and its employees is to ensure that a durable, healthy and fully functional system is in place that easily sustains the needs of its current customers without significantly altering the financial burden that is required to support these activities, while at the same time sustaining the commercial viability of Westario Power.

Please review our capital and operating budget and provide comments to the questions listed on the next page.

Capital Spending Budget

Investment Category	Project/Activity	Actual 2013	Actual 2014	Actual 2015	Actual 2016	2017	Budget 2018
System Renewal	Poletran Conversion	287,667	287,498	344,055		285,118	463,286
	Substation Upgrades	23,541	1,809,644	815,176	1,457,532	1,450,000	1,310,000
	#6 Copper Replacements	1,303,085	449,151	773,415	281,923	652,215	370,772
	Decrepit Pole Replacement	534,153	289,729	475,884	985,871	772,820	780,146
	Distribution Transformer Replacement			1,328	335,460	306,200	307,305
Total:		2,148,446	2,836,022	2,409,858	3,060,786	3,466,354	3,231,509
System Service	SCADA				55,932	70,000	282,000
	Smart Meter	517,995	299,478	235,882	254,808	30,000	30,000
	Cyme and GIS integration				354,684	-	70,000
	Wholesale Metering (PME)	15,940		10,308			
	Mobile Transformer Substation				688,929		
	Station Grid Code Upgrade Non Compliant				97,962		
	Stranded and Smart Metering	3,452,097					
	IFRS and 2013 COS Entries	(519,226)					
	Annual OH Burden Adj	41,317	113,916	61,930	320,497		
	Total:		3,508,123	413,394	308,120	1,772,811	100,000
System Access	Capital Poles	241,160	113,970	276,202	277,122	304,300	306,742
	New O/H Service Connections					166,129	166,129
	New Underground Service Connections	282,317	374,338	287,736	99,313	124,663	124,663
	Non-demarcation Customers	6,613	11,639	14,487	32,139	45,200	45,200
	3 Phase Customers	111,353	97,994	105,763	173,013		
	Single Phase	11,998	1,585		47,878		
	New Lots Developed	62,265	209,439	204,099	106,223		
	Relocates and Replacements				103,944		
Total:		(473,674)	(394,428)	(360,794)	(584,438)		
General Plant	Technology	391,713	118,480	388,702	210,994	52,800	30,000
	Vehicle Replacement		371,134	58,226	93,165	10,000	500,000
	Tools & Equipment	41,298	74,412	93,460	1,275	25,000	35,000
	Facilities Enhancements	8,091	39,429	40,949	7,906	-	35,000
	Office Furniture and Equipment	12,647	42,234	21,091	6,259	15,000	35,000
	Miscellaneous Equipment	26,266	17,556	17,800	100,662		
	Change in Major Spare Parts Inventory	(75,974)	(28,543)	(113,560)			
Total:		404,041	634,702	506,668	420,262	102,800	635,000
Total		6,302,642	4,298,655	3,752,139	5,509,052	4,309,446	4,891,243

Operations, Maintenance, and Administrative Expenses

	Actual 2016	Budget 2017	Budget 2018
Operations	\$390,384	\$777,545	\$784,271
Maintenance	\$1,720,696	\$1,733,598	\$1,777,297
Billing and Collecting	\$1,043,796	\$1,145,889	\$1,203,727
Community Relations	\$29,681	\$52,500	\$54,500
Administrative and General	\$2,547,440	\$2,553,715	\$2,697,710
Total	\$5,731,997	\$6,263,247	\$6,517,505

Please complete the attached questionnaire or visit www.surveymonkey.com/r/H9LD3T2 to provide feedback by August 31, 2017 for a chance to win a \$100 on-bill credit (one draw for every 100 responses submitted) PLUS a chance to win the Grand Prize draw of a \$500 on-bill credit (winners will be subject to validation of a Westario Power account).

THANK YOU

Your input into the 2018 operating and capital budgets is greatly appreciated



Please answer the following questions:

1. Are you a residential customer, commercial customer, or both – please provide your account number(s):

2. How satisfied are you with the reliability of Westario’s electricity System?

3. Given the proposed capital and maintenance spending (previous page), how do you feel about what you are currently paying for your electricity bill?

4. How do you feel about Westario Powers proposed capital spending plan for 2017 and 2018?

5. How do you feel about Westario Powers proposed maintenance spending for 2017 and 2018?

6. Which areas of capital spending do you believe Westario Power should focus its spending on?

7. Do you believe Westario Power should replace equipment prior to it failing in an effort to minimize the risk of outages or should items be replaced as they fail, assuming no safety risks, in order to minimize costs and maximize lifespan?

***** All comments to be forwarded to the contact information below, by August 31, 2017 *****