

2022 ANNUAL REPORT



MESSAGE FROM THE CHAIR



In 2022, the world finally pivoted away from the pandemic towards a new sense of normalcy; albeit one with some permanent changes. As it has done many times in the past, CHEC adapted to the new environment and set itself up for continued support to its members beyond pandemic triage.

The biggest change occurred in the leadership of the organization with John Sherin retiring after five years of heading the organization. He was replaced at the end of 2022, by Bruno Pereira who will bring extensive utility leadership experience to the Association as it continues to adapt and expand its services. Staff changes included a new regulatory specialist, Greg Van Dusen, who brings a wealth of knowledge that will help CHEC members navigate an industry that continues to see significant regulatory changes. The year also saw the creation of the new GIS Technician portfolio within the organization that will provide support to six members in its introductory phase. The new position was in response to the need for this expertise as our members embrace digital operations and the benefits they can deliver.

As we move into 2023, the biggest challenges in the industry will centre around energy transition and distributed energy resources. These areas will provide both challenges and opportunities for members and the CHEC staff as they support

them. By the end of 2022, CHEC was providing extensive support to its members by guiding the implementation of Green Button and a group RFP process that will save members both time and costs.

One of the biggest services CHEC provides is facilitating collaboration and knowledge transfer between members. During the pandemic we all mastered virtual meetings, with a little help from CHEC, and have now permanently moved into a hybrid world with virtual and in-person meetings. Another example of the association's ability to change as needed to meet members' needs.

On behalf of the Board, I'd like to thank the CHEC staff and our members for their continued participation and willingness to adapt and change as the industry and the world evolves.

Tim Curtis

Chair, CHEC Board of Directors

MESSAGE FROM THE PRESIDENT



CHEC's strength, and the reason that it has continued to thrive within the Ontario electrical industry since 2000, is its ability to bring members together to make connections, share knowledge and learn from each other's experience.

In 2022, that included returning to in-person meetings following the pandemic. The CEO forum, the spring safety session, finance & regulatory full-day sessions and two separate collections meetings are just a few of the meetings that allowed members to address shared concerns and determine solutions through the combined expertise within the room.

Our members have a deep connection with their customers and communities and a unique perspective on what it means to be a small local utility in Ontario. As advocates for our members, CHEC participated in industry working groups and stakeholder sessions to ensure that our voice and the voice of our members continued to be heard.

It was a busy year that included several staff changes. We welcomed a new Regulatory Specialist, a shared GIS Technician and me as the new President. This influx of experience and talent has added to the

depth and knowledge of our staff and will allow us to continue to adapt and deliver relevant, timely support to our members.

I wanted to thank the Board of Directors, the CHEC Staff and our members for their continued support and participation in this unique and dedicated organization.

Bruno Pereira
President, CHEC

WHO WE ARE

CHEC is a collaborative association of 15 Local Distribution Companies (LDCs) that has operated in the province of Ontario since 2000.

With a dedicated team of seven, we work with our members to deliver support across all areas of operation including Finance and Regulatory, Billing Systems and Customer Information Systems, Operation and Health & Safety, GIS Technician Support, Human Resources and Labour Relations, and Communications and Customer Engagement. As an advocate for the smaller LDCs in the province, CHEC is actively involved in ensuring the voice and perspective of our members are heard throughout the industry.

VISION STATEMENT

To stand together as one, ensuring independent communities thrive today and in the future.

MISSION STATEMENT

We equip members with insights, expertise and shared resources to sustain safe, resilient communities in a changing world.



2022 Board of Directors

Left to Right

Adam Giddings, Lakefront Utilities

Tyler Moore, EARTH Power

Brandon Weiss, Wasaga Distribution

Remy Fenandes, Grimsby Power

Tim Curtis, Chair, Niagara-on-the-Lake Hydro

Absent

Lance Jefferies, Renfrew Hydro

OUR MEMBERS

300

LDC Staff Members

3

New CHEC
Staff Members

162,345

LDC Customers



COMMUNITY

One of the strongest elements of the CHEC Association is the community that exists within its members. Through on-going interactions and shared experiences, our members develop relationships of trust that allow them to work together and navigate the on-going changes in the industry. Their shared knowledge and history ensures members respond to regulations and requirements in a timely, effective matter and as part of an experienced, supportive group.

5,300

km of line

2

full-day, in-person
Collections sessions

2,800

square kilometers
of service area





Spring CEO Forum

The Spring CEO Forum provides an opportunity for senior management to network and share insights on their day-to-day operations. In 2022, the presentations included the Current Political and Policy Climate for LDCs in Ontario and Leadership and the Agile Organization.

Finance & Regulatory Meetings

These bi-annual in-person meetings give members the opportunity to network with peers who hold similar positions at other LDCs. Through timely, relevant presentations and networking, the day gives attendees the chance to share challenges and solutions in a safe, focussed environment. An additional joint Finance & Regulatory and Operations meeting is held each fall and addresses topics that overlap the two portfolios and give participants an opportunity to understand the other side of the utility business.

Communications Day

With many of the staff members in charge of communications having multiple roles at their utilities, this training allows them to network with other members sharing their same challenges and manage their communications duties effectively and

efficiently. The day in 2022 included presentations from the Ministry of Energy and the Ontario Energy Board on the upcoming anti-scam campaign and a discussion on how they could assist smaller LDCs with their communications.

Spring Safety Session

CHEC hosts an annual safety session for member line staff that addresses important safety topics and gives an opportunity for crews to share experiences. In 2022, topics at the session included Reaching New Heights, Strategies in Planning, Agility and Risk Management and a demonstration of a Health and Safety Software.

Collections All Day Meetings

CHEC hosted two all-day collections meetings to provide an opportunity for billing and CIS staff members to work through issues relating to the integration of NorthStar and their CIS systems. The full days of collaboration allowed for focussed, in-depth investigations of member issues and the sharing of experiences in relation to the platform. Topics covered included Arrears Payment Agreement, RRR Reporting Metrics, Letter Creation, Metrics, Active water and sewer accounts, and Deposit-Review Notice.

COLLABORATION

Collaboration is a founding principle of the organization and Working Groups are a key part of how CHEC and its members provide the resources and knowledge needed by the wider membership. The following groups are examples of the work that was done in 2022 and the benefits that were made available to all members.



Green Button Working Group

CHEC provided leadership of the government mandated Green Button implementation through this group. The group issued an RFQ, RFP and hosted vendor presentations to help members navigate the requirements of the mandate and decide on their choice of vendor. With a go-live deadline of November 1, 2023, the group effort resulted in a timely process, with cost savings and efficiencies realized when many members chose a single vendor. Further support is to be provided during implementation.

Collections Working Group

The Collections Working Group was formed in response to questions that arose through the Disconnection Working Group and included the participation of billing staff from member LDCs. The connections made within the group provide on-going, collaborative support for members as issues arise and regulations change.

Disconnection Working Group

The Disconnection Working group was formed to develop resources to help members accurately follow the requirements of the Distribution System Code. A calendar tool was developed to ascertain the appropriate dates for the disconnection process and templates made available for the various communications that LDCs

are required to send to customers. CHEC had requested feedback from the Ontario Energy Board on the materials, which was received in 2022. The feedback, along with the resources, ensured members had a reliable tool to access when confirming their processes.

Human Resources & Labour Relations Working Group

This group was formed in 2022 to address the growing need for support within the CHEC membership. Members benefit from the work of the group, educational sessions, and from the ability to engage the HR resource at an individual level. All members benefited from the creation of several policies in response to recent Employment Standards Legislation including Remote/Hybrid Work, Electronic Monitoring of Employees, Orientation and Training Policy, and the Background Check Policy.

12

members chose
a single vendor
for Green Button
Implementation

SUPPORT

Part of CHEC's mandate is to provide hands-on support to its members that helps to streamline day-to-day activities and alleviate the workload for individual staff. These shared resources span the full breadth of LDC operations, ensure CHEC members are receiving the best cost for the resource, and adhere to the current regulatory and safety requirements within the industry.



275

social media posts

13

members supported
during NorthStar upgrades

11

members participated in
Customer Satisfaction Survey





Crew Visits to Member Sites

Safety is critical in the electrical industry and CHEC helped to keep its member's staff safe through on-the-ground support with crew observations. The CHEC Health & Safety specialist visited the utilities to observe and educate members and ensure they had competency to perform specific rescue procedures as required by the Electrical Utility Safety Rules.

NorthStar Upgrades

CHEC provides substantial support through a dedicated staff member within the area of billing and Customer Information Systems (CIS). One element of this support includes the guidance and assistance available to members when NorthStar, the CIS platform for their billing operations, is being upgraded. This invaluable assistance reduces the time required for the implementation, ensures downtime is minimized, and provides the peace of mind that the system is operating as intended.

Customer Satisfaction Survey

CHEC members are mandated to deliver a Customer Satisfaction Survey to their customers on a bi-annual basis. A shared procurement by 11 of the CHEC members through a single provider in 2022 resulted in a significant cost savings among participants and the assurance that the survey would be administered professionally and within regulatory requirements.

Univerus and JOMAR Pilots

CHEC continually works to help its members stay current with available technology and software platforms that can enhance and streamline their operations. Through an in-depth process that involved two member utilities, these two software platforms were piloted and resulted in a comprehensive overview of the product and relevant recommendations for its implementation.

Social Media Calendars

Social media requires a significant amount of time to monitor and produce content. With our member's staff often wearing multiple hats, and under time constraints, this calendar saves time and resources by delivering content monthly that is relevant to LDC customers. Posts, images, and videos are made available that address current topics in the industry such as Customer Choice, Home Electrical Safety Tips, Powerline Safety, and Financial Assistance programs.

Wage and Benefit Analysis

CHEC produces a Wage and Benefit Analysis as an important tool for CEOs and upper management. The analysis is designed to assist members with compensation related strategies for human resources planning, labour relations, recruitment and retention, as well as aid in developing effective internal policies and procedures.

ENGAGEMENT

With initiatives from governing bodies – in particular the Ontario Energy Board and the Ministry of Energy – for larger engagement with stakeholders in the Electricity Distribution industry, there has been an increased demand for participation from LDCs in working groups and stakeholder sessions. CHEC has leveraged this opportunity to bring the unique voice of the smaller LDC to the sessions organized by the regulatory bodies.

6

policies and procedures
developed

19

industry consultations
and requests for feedback
participations





Green Button

CHEC participated in the Independent Industry-led working group established to guide the Green Button implementation within Ontario. CHEC's Billing and CIS specialist took part in the three sub-groups: the Independent Technical Working Group, Independent User Experience Working Group, and the Independent Utility only Working Group with CHEC co-chairing the final group. This participation ensured members had accurate information about the data sharing requirements and were up to date on changes as they occurred.

NorthStar CSR7 Focus Group

Harris reached out to industry members to participate in a focus group around the implementation of CSR7, the first module of NorthStar 7, the next version of NorthStar CIS. CHEC was eager to participate in the testing and provide feedback into the developments that would directly affect member's CIS.

Meetings with OEB

CHEC responded to the ongoing outreach by the Ontario Energy board by initiating several meetings between the CHEC CEO's and the senior management of the OEB. Members developed a rapport with the leaders in the organization and held discussions on issues and initiatives that arose throughout the year.

OEB Reliability and Power Quality Review Working Group

The OEB undertook a comprehensive review of the province's overall reliability performance framework starting in 2022. The goal for the OEB is to improve the current reliability framework and increase transparency and support for customers. CHEC continues to be actively involved in this working group, ensuring that the perspective of the smaller LDCs is heard and that our members will be informed on the changes that will occur.

Broadband Working Group

The mandate to deliver broadband throughout Ontario required participation by LDCs since their poles would be used in the deployment. As the initiative continued to roll out in 2022, CHEC continued its participation in the working group to provide input and monitor and update members on the discussions on hydro pole attachment rates and the changes made to government regulations and programs.

Other areas of participation included the Enhanced Optional TOU Rate, Energy X Change, Electrification and Energy Transition Panel, Ministry of Energy Outreach, Jurisdictional Review of Intervenor Processes and Cost Awards, Framework for Energy Innovation Working Group, RRR Stakeholder Sessions, Filing Requirements for Small Utilities, Activity and Program Based Benchmarking, Leave to Construct Consultation and the OEB Mandate Letter.

TRAINING

A key component of CHEC support includes the cost savings and education provided through shared training. Members are assured training is professionally delivered and staff informed on the changes and requirements within the industry with training offered both in-person and virtually depending on the topic and the length of the session.

Training by CHEC Staff

With a significant amount of experience and knowledge within the CHEC staff, members saved costs and leveraged a more accessible in-house experience. Topics delivered by staff in 2022 included Collective Bargaining & Grievance Management, Working at Heights Recertification, Basics of Electricity and Electrical Awareness I & II, Monthly Regulatory Training, and a technical Metering Course

Outside Trainers

For specialized topics, CHEC provides training through the hiring of outside consultants, with members benefitting from the shared costs and the expertise of a curated outside trainer. A sample of training delivered in 2022 included Privacy Training, Regulation 22/04, Leadership Development Program for Tradespeople, Spring Safety Sessions, and Media Training among others.

500+
members participated
in training

5
site visits for
crew audits and
rescue observations



MOVING FORWARD

The addition of a GIS Technician to the CHEC portfolios is a new support provided by the association that began at the end of 2022. This timely response to meeting the needs of our members as the industry changes reflects the association's willingness to adapt to ensure that the organization is providing the resources and opportunities our members need.

The increased installation of Distributed Energy Resources, the participation of customers in Green Button, the electrification of transport and the potential for Distribution System Operators in the province are only some of the challenges that our members will

be addressing in the near future. CHEC will be there to provide the resources and capabilities our members need to deliver on their promise of providing safe, reliable, cost-effective electricity to their customers.

CHEC will be there to provide the resources and capabilities our members need to deliver on their promise of providing safe, reliable, cost-effective electricity to their customers.





Visit us at checenergy.ca