

2025 ANNUAL REPORT





Letter from Chair

Congratulations to CHEC on reaching its 25th year milestone. Organizations do not last that long unless they are delivering value to their members. CHEC continues to do that and more.

CHEC is important not because of the services that it provides, though these are of great value, but because CHEC facilitates the continued existence of the smaller Local Distribution Companies (LDCs) and their service to their customers. The members of CHEC, all smaller LDCs that are generally owned by the municipalities in which they serve, strive to provide the best possible service to their customers at fair rates. This includes a level of personal service that is not possible once an LDC becomes too large, a level of municipal involvement that LDCs that serve large numbers of municipalities cannot provide, and a level of service and rate reasonableness that is not sacrificed due to profit maximizing objectives.

CHEC members are not homogenous. Some CHEC LDCs serve only one municipality while others serve many. Some members have only one owner while others may have many. Some have non-municipal minority investors while others do not. And some have vibrant and growing unregulated businesses in sister companies while others are solely focussed on their electricity distribution business. All strive to provide this superior level of customer service.

It is unfortunate that these customer service qualities are not always recognized by those who promote consolidation, either out of their own self-interest or due to a lack of breadth in their understanding of the electricity distribution industry in Ontario. CHEC tries to counter these misconceptions by promoting the value the members provide and, more importantly, by showing how CHEC members collaborate to achieve the benefits of economies of scale without having to sacrifice individual identities and local ownership. CHEC members have engaged in consolidation, but on their own terms and when it is considered to be in their best interests.

This 2025 Annual Report describes the many ways in which CHEC has provided or facilitated collaborative services between its members so that they can better serve their customers and keep rates fair. A big thanks to the CHEC staff and LDC member staffs who make this happen. May they continue to do so for another twenty-five years.

Tim Curtis
Chair, CHEC Board of Directors



Letter from President

It was a privilege and an honour to head the Association as it celebrated its 25th Anniversary. The distribution industry has changed significantly over that twenty-five years and it is a testament to the association's ability to adapt and change that it still exists as a strong, relevant organization today.

The last year was another period of rapid change within the industry with directives, policies, and initiatives being issued by governments and regulatory bodies. CHEC continued to be the voice of the smaller LDCs and ensured its perspective was heard through participation in numerous initiatives whether as part of working groups or submitting feedback on programs and proposed directions.

The new requirements for an independent Cybersecurity assessment was a substantial addition to our member's workload. The issuing of an RFI and RFP to choose a third-party vendor as an independent Cybersecurity assessor required by the Cybersecurity Framework was a much-needed assistance during a busy year and resulted in members being prepared for the assessment regardless of the tranche they had been assigned to.

With changes and new requirements being the norm for the year, CHEC provided support and collaborated across the full spectrum of LDC operations, whether it was Employee Life Cycle training from Human Resources, assistance with the Independent Electricity System Operator's (IESO's) Market Renewal from the Business Solutions Analyst, or the substantial resources provided by the GIS Specialist. The breadth of the knowledge and shared resources the organization provides is truly exceptional.

I want to thank everyone involved in the organization for its continued success. The members and their staff, the CHEC executive and the Board of Directors have all played a part in making the Association the unique, collaborative organization it is today.

Bruno Pereira
President, CHEC



Who We Are

Cornerstone Hydro Electric Concepts (CHEC) is a collaborative association of 16 LDCs that has operated in the province of Ontario since 2000. In 2025, the association celebrated twenty-five years of providing support to its members that allows them to streamline operations, save costs, and remain as thriving corporate citizens in their respective communities.

With a dedicated team of seven, CHEC works 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.

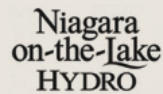
Mission Statement

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

CHEC plays an important role in helping small and medium-sized LDCs, connect with the right expertise and resources. They were instrumental in helping us secure our external OCSF auditor on favorable terms.

Joerg Ruppenstein
President and CEO
Fort Frances Power Corp.

Our Members



16
LDC Members

25
of Years in Operation

209,241
LDC Customers



Strengthening Regulatory Responsiveness and Resilience

CHEC has a strong history of sharing knowledge, resources and experience in the Financial and Regulatory area. During 2025, the regulatory requirements in the electrical distribution industry underwent significant changes resulting in increased demands. By following the developments, creating resources, and participating in Ontario Energy Board and Government stakeholder sessions and working groups, CHEC ensured its members were up to date, understood the changes, and were able to effectively implement the requirements into their processes and systems.

Distribution Customer Connection Review WG

CHEC's Operation Specialist participated in this review of electricity distributor connection processes for load customers. By being engaged in the review, he kept members updated on the meeting discussions and the proposed changes to improve efficiency, transparency and effectiveness in the process.

Economic Evaluation Model Development

Economic evaluations are a significant regularly occurring event for members and require a substantial commitment of resources and staff. To aid in the process, CHEC has developed several models to assist members. In 2025, the Economic Evaluation Model was updated by a five-member working group. Through collaboration, the working group delivered an accurate, updated model to all members, saving significant time and costs.

◆ **7037**

Total Circuit
kilometres of line

◆ **2997**

Total square kilometres

Conditions-of-Service Template Update

All LDCs are required to maintain updated Conditions-of-Service, a document defining the terms, conditions, and technical requirements for electricity distribution service. Last year, members from nine member LDCs worked together to complete an updated template, ensuring the document was comprehensive and was available to the full membership.

Reliability and Power Quality Review (RPQR) Reporting Requirements

A major initiative in the industry in 2025 was the RPQR and the resulting reporting requirements. The CHEC Operations Specialist participated in the review. He was able to provide the perspective of the small LDC to the RPQR as well as communicate the new and changing reporting requirements to members. This included sharing of meeting results, a webinar explaining the changes, and the development of a required Post Severe Weather Event Survey.

Accounting Procedures Handbook (APH) Update

The OEB began the process of updating the APH in 2025, that will provide a comprehensive assessment of the OEB's regulatory accounting procedures and requirements. CHEC's Regulatory Specialist participated in the review and ensured members were informed on the process by soliciting feedback from members as well as providing on-going updates as the review evolved.

Advanced Performance Based Regulation

Participating in consultations that affect the future of the distribution industry is an essential role for the CHEC Association. It ensures member's voices are heard and that they are informed on new requirements. In 2025, this included the Advanced Performance Based Regulatory process, a framework to shift focus from cost recovery to long-term value, efficiency, and customer-centric outcomes. CHEC provided on-going updates to the members, submitted comments collected from the group, and answered members questions related to the initiative.

Thanks to the dedication of many, many, many individuals over the years, the CHEC group not only managed to "survive" but has continued to develop into what it is today. A leading example of how like-minded individuals can work together to overcome the odds.

Darius Vaiciunas
CHEC Association Founder



Enabling Data, Systems & Digital Utilities

The CHEC Association continues to advance its commitment to modern, data-driven utility operations by supporting member utilities in the evolution of digital infrastructure, regulatory readiness, and customer-focused technologies. Collectively, these services strengthened members' capacity to deliver high-quality services to their communities while optimizing costs through a collaborative, shared-services model. Key initiatives this year included:

Geographic Information System (GIS) Utility Network Migrations

CHEC's GIS Specialist worked extensively with participating CHEC members to support their transition to a modern GIS Utility Network solution. These significant migrations enhance spatial data integrity, enable real-time system visualization, and support improved outage response and asset management capabilities. The hands-on support ensured that each implementation was completed correctly and streamlined to specific operational requirements. The in-house GIS Specialist also provides the broader membership with access to responsive support when issues or urgent matters arise.

Net Metering Requirements

In response to new Net Metering requirements, the CHEC Billing Solutions Analyst delivered guidance and troubleshooting to help members implement the required NorthStar upgrade on time. By aligning system configurations, billing processes, and reporting practices, members have the insights and tools needed to manage change effectively while supporting sustainable energy choices within their communities.

◆ 20

of industry stakeholder sessions participated in or feedback provided

◆ 9

of monthly Finance & Regulatory training sessions

OEB Capacity Mapping

Following the launch of the OEB's Centralized Capacity Information Map (CCIM), the GIS Specialist has been working closely with members to interpret requirements, align internal data structures with reporting expectations, and implement efficient processes for maintaining up to date capacity maps. This support reduced the time and resources required to prepare and maintain capacity maps and enabled a more consistent, high-quality approach to meeting requirements.

Market Renewal

Testing with the IESO for the Market Renewal Program began in early 2025, with CHEC's Business Solutions Analyst representing the Association at launch meetings and relaying important information to members. Members could be confident they were meeting requirements through this ongoing communication, and it ensured all members achieved the requirements with a reduced time commitment and ahead of the deadline.

GIS System Administration and Support

The GIS System Administration and Support services provided by CHEC continued to deliver significant value to member organizations in 2025. With an in-house specialist available to assist in effectively managing their GIS solutions, the service alleviates IT burden, ensures consistent system performance and keeps members updated to industry standards. This work is carried out in close collaboration with IT and cybersecurity functions, ensuring that GIS systems remain patched, upgraded, and aligned with evolving security and operational requirements. As utilities continue to digitize operations, this cross-functional approach remains an essential component of sustainable GIS management.

EV Charging Rates

With the new electric vehicle charging rates mandated by the Ontario government, the Business Solutions Analyst was instrumental in assisting members on implementing the required changes and ensuring they understood the requirements. This included distribution of documentation on the recommended configuration in NorthStar and resources developed by the Communications portfolio to meet the communications component.

Billing and Customer Information System Support

Managing and maintaining an accessible and seamless customer portal and billing system is a foundational element for member LDCs. The support that CHEC's Business Solutions Analyst provides assures they have access to technical expertise and have assistance available as they implement new regulations and requirements. In 2025, this included vetting potential new customer portal platforms, assisting during the transition to the new platforms, and troubleshooting during NorthStar upgrades to the billing system.



Supporting the Utility Workforce

Electricity distribution is a complex and demanding industry that is continually changing. For twenty-five years, CHEC has changed and adapted as the requirements have evolved and delivered the support that our members needed. The resources below, offered in 2025, showcase the wide range of education and engagement that have been provided as we strove to meet and fulfill the ever-changing needs of our members.

LDC 101

LDC 101 is a series of on-demand videos created specifically and exclusively for the CHEC members. Currently, there are eight videos that address topics for staff that are either new to the industry or seeking refresher training. New topics added in 2025 included The Disconnection Process, Direct and Alternating Current, Basics of Electricity and the Cost-of-Service Rate Application Process.

Employee Life Cycle Series

Starting in 2025, CHEC offered a series of member only workshops that centred around the employee life cycle within an LDC. The sessions provided education and support as members improved the life cycle within their utility and included: Foundations: Developing a Comprehensive Position Description, Attract/Recruit/Select, and Onboarding and the First Year. Additional HRLR support included a Pay Equity 101 session from Ontario's Pay Equity Office and an Employee Agreement Workshop.

Open Forum Meetings

The Human Resources and Labour Relations portfolio hosted regular Open Forum meetings that were private and confidential and solely for those member staff designated by the President or CEO. This confidential and safe environment gave members an opportunity to collaborate on important issues at their utilities and gain knowledge from the experience of others in the group.

Finance & Regulatory Monthly Meetings

As part of its commitment to keeping members informed on regulatory changes and updates, CHEC holds monthly virtual sessions to inform members on current initiatives and proposed regulations. The sessions provide an opportunity for members to ask questions, see how other members are responding to requirements, and access the extensive knowledge and expertise of the group.

Leadership Summit

This full day, in-person session was designed for those in the electrical distribution industry who are leaders or are being groomed for a leadership position. The day included a motivational key-note speaker, discussions from the Ministry of Labour and the Electrical Safety Authority (ESA), as well as a presentation from Threads of Life. Members benefited from a day curated to those leading in a complex industry and timely, relevant discussions.

Skills Training

The popular Basics of Electricity I and II are designed for non-operations staff who need a basic understanding of the system to help them do their jobs. The Association also provides Basic, Intermediate and Advanced Excel training to help members of all skill levels further their understanding and skillset.

Responding to Member Concerns

CHEC acts as a central resource for members when they need assistance to resolve a problem. This support can come in the form of one-on-one consultations with an experienced CHEC staff member, a polling of members for solutions, or in the case of larger, more complicated issues, the forming of a working group. The availability of this resource gives members peace of mind that help is there when they need it, streamlines operations and solutions, and saves time and frustration when dealing with complex issues.

CHEC provides a collective voice for smaller utilities to governmental and regulatory bodies. It's an important part of making sure our voices are heard and that we are contributing to the larger industry.

Remy Fernandes
CEO Grimsby Power



Improving Operational Excellence

Helping our members achieve operational efficiencies and improved cost effectiveness is a core value of the Association. The strength of the group allows our members to achieve the efficiencies and accomplishments that lead many of them to be in the upper efficiency rates among LDCs in Ontario. Whether it's facilitating a group procurement or providing operations support through a severe weather event, our members are stronger through their shared collaboration and their ability to streamline and optimize common processes.

Cybersecurity RFP

Members benefited from the shared knowledge and the cost reductions of a group procurement during the independent cyber security assessments required by the Ontario Cyber Security Framework. CHEC provided significant support including education, an RFI to determine suitable vendors, an RFP that resulted in seven members purchasing services from a single vendor, and information sharing meetings for members as the first group neared their submission date.

Smart Renewables and Electrification Pathways Program (SREPs) – Utility Support Stream

Thirteen members participated in an application to the Smart Renewables and Electrification Pathways Program, Utility Support Stream funded by NRCan. Led by a CHEC member with support from CHEC's Operations Specialist, the collaboration on the application will allow members to take advantage of an opportunity to access funds for upgrades needed to modernize their local grids for electrification, growth in demand and increased renewables.



7
of members participating
in Cybersecurity Assessment



13
of members participating
in the NRCAN Smart Renewables and
Electrification Pathways application

Customer Service and ESA Survey Group Procurement

Twelve members participated in the RFP that was issued to complete the customer service and ESA surveys that are required on alternating years. Members benefited from reduced costs, the assurance that the surveys were administered professionally and according to requirements, and the time savings of having the contract negotiated by the Association.

Wage and Benefit Report and Workshop

On a bi-annual basis, the CHEC Association invites all members to participate in a survey of wage and benefit related data of all roles in their LDC including the Board of Directors. The confidential Wage and Benefit Report provides insights to support wage and benefit adjustments of its non-bargaining unit roles, collective bargaining concessions, and board related monetary adjustments. In 2025, CHEC included a workshop to review the results of the survey and host an open discussion.

Vetting and Approval of Third-Party Vendors

CHEC is often approached by vendors wishing to showcase their products or services to the membership. These companies are vetted before they are allowed to present. In 2025 these included, Survalent an Advanced Distribution Management System, ServiceLink a mobile work force management program, Lone Worker App from OKAlone that addresses Working Alone in High-Risk Environments, and the Engage360 Utility Customer Engagement Solution.

Mutual Assistance Agreement

Members continue to benefit from the Mutual Assistance Agreement that provides operational support to other members during extreme weather events. During the ice storm in late March, several CHEC members provided support to a member who had been heavily impacted by the storm.

CHEC was instrumental in coordinating our successful NRCAN SREP grant application, which we anticipate will result in funding of over \$1 million. Their assistance throughout that process was greatly appreciated and contributed meaningfully to a strong outcome for our utility.

Joerg Ruppenstein
President and CEO
Fort Frances Power Corp.





Advancing Safety Culture

Safety is an integral part of the utilities industry and is a mainstay of CHEC support. Whether it's leveraging technology to provide virtual safety sessions across the membership, offering mental health training, or ensuring members have met their regulated safety requirements, CHEC continually updates and adapts its support to meet the needs of its members.

Virtual Safety Sessions

The CHEC members are widely distributed across Ontario. The Safety Sessions delivered virtually by the CHEC Operations and Health & Safety expert are an effective opportunity for line crews across the membership to come together for a shared moment of training. This shared session ensures all members are meeting their safety requirements and that crews are safe and prepared as they head into the field.

Working Minds for Trades

The mental health of all employees has become an increasingly important consideration for organizations across all industries. To support CHEC member's competence in this area, the organization partnered with the Infrastructure Health and Safety Association and the Mental Health Commission of Canada to offer two virtual sessions of the Opening Minds "Working Minds for Trades for Managers" at no cost to members.

◆ 48

of training and knowledge sharing sessions

◆ >800

of people trained (all portfolios)

Regulation 22/04 Training

Ontario Regulation 22/04 sets out electrical safety requirements for distribution systems. CHEC proactively organizes this training through an outside provider at a reduced cost and to ensure members meet their regulatory requirements.

Safety Resources

Additional safety resources include the reduced cost of a group procurement of memberships in Bolt Videos which provides a catalog of Ontario produced utility specific safety videos that focus on standardized job processes and define best practices. During Mental Health Week, a resource package was shared with members for distribution to staff as part of on-going education and awareness building.

Bluewater Power is pleased to be a part of the CHEC Group. What stands out most is the calibre of the people involved - both among the members and the outstanding staff. All are focused on the true power of a hometown local utility delivering value back to the communities which we serve.

Janice McMichael-Dennis

President and CEO Bluewater Power



Strengthening Sector Collaboration & Voice

As an organization founded on collaboration, CHEC believes strongly in participating in the wider industry and ensuring that the experience and perspective of the smaller and mid-sized LDCs is heard during stakeholder and feedback sessions with government organizations. This includes providing collated and well-thought-out responses to OEB requests for feedback, participating in industry working groups, and ensuring CHEC and its members are represented on the numerous reviews and studies that are currently being undertaken.

Voice and Representation

CHEC had a busy year in 2025 responding to and participating in the various initiatives that were issued from the Ministry of Energy and Mines as well as the OEB and IESO. Highlights of the year included:

- Providing feedback to the Panel for Utility Leadership and Service Excellence (PULSE)
- Participating in the Government's development of the Integrated Energy Resource Plan
- Summarizing and interpreting the Letter of Direction from the Ministry of Energy and Mines on the impact it would have on member LDCs
- Gathering and submitting feedback to the Spending Pattern Analysis consultation
- Participating in the Ontario LDC GIS User Group

Networking and Learning

In-person meetings provide a level of connection and an opportunity to network with peers on a deeper level than available through virtual sessions. CHEC hosts multiple in-person events throughout the year, with content curated to the needs of the participants. In 2025 these included the CEO Forum, Leadership Summit, Annual General Meeting, and the Finance & Regulatory Day.

◆ 4

of in-person portfolio meetings

◆ 12

of members taking part in ESA and Customer Satisfaction Survey Joint Procurement

Staying Connected

With members located throughout Ontario, keeping staff updated on initiatives within the organization is of critical importance. With busy schedules and staff often wearing multiple hats, CHEC issues bi-weekly newsletters that feature news, up-coming events, and training. The CHEC executive also host regular portfolio and steering committee meetings, and periodic in-person meetings to allow members to work closer together and develop strong working relationships.

Customer Communication

Communication with customers has become an increasing requirement within the utility environment. To facilitate this communication and reduce costs and time, CHEC's Communication Specialist developed monthly social media calendars that provided a base of content for members to communicate with their customers in areas of financial assistance, regulatory changes, and electrical safety, among others.

With the Ontario Energy Board reinforcing the importance of collaboration and resource efficiency across the sector, forums like CHEC help translate that direction into practical coordination among utilities. As expectations continue to evolve, there is an opportunity to deepen that collaboration through more coordinated execution and shared solutions that reduce duplication and deliver tangible value to customers.

Simon Wu

CEO of Rideau St. Lawrence Distribution

The Next Twenty-Five Years

There are no shortages of challenges facing the Ontario electrical distribution industry in 2025. Grid modernization, electrification, artificial intelligence, and cybersecurity are but a few of the issues that are part of the industry landscape. CHEC is ready to adapt to the needs of the industry and by extension our members, as we have for the last twenty-five years. Whether it was the initial de-regulation of the industry that created the impetus for the association, the introduction of smart meters, or implementing new electricity rates, CHEC has been there to provide knowledgeable, informed support and ensure that our members continue to thrive in their communities and the larger industry.





CELEBRATING
25 YEARS



Visit us at checenergy.ca