

Message from the CEO

Welcome to the summer 2007 edition of The SPI Group's industry newsletter. I hope that you've all had the opportunity to schedule some vacation time and enjoy the season with your families.

In addition to our regular update material, this newsletter provides an update on PIPEDA and our EBT Viewer Application. First, our clients are placing increasing importance on compliance with Canadian privacy legislation and we thought you would be interested in an update and some of the trends. Second, many of our clients have responded very positively about our EBT Viewer application which we felt you might find of interest. Please enjoy this edition of our newsletter.

Regards,
Ven Seshadri

The Future of Canadian Privacy Legislation

As PIPEDA, the federal Personal Information Protection and Electronic Document Act, approaches the fourth anniversary of its full implementation and its first mandatory review draws to a close, it is worthwhile to consider what changes to privacy legislation may be arriving in the not-too-distant future, especially as they may relate to IT outsourcing. To understand what may be motivating many of these changes, it is worth reviewing recent changes that have happened to the privacy landscape across the country.

Federally, the recent parliamentary review of PIPEDA revealed that there is widespread concern regarding the protection that should be afforded to information that is passed to third-parties for processing outside of Canada, or even in Canada by a US-controlled organization. These concerns are illustrated by the federal privacy commissioner's desire for "strengthening the Act to address critical issues such as the trans-border data flow of personal information", and submissions by the Canadian Bar Association contemplating a change to PIPEDA that would require consent to be obtained from individuals whose information would be processed by US-controlled entities. A significant recommendation in the review's report was that "any extra-jurisdictional information sharing, particularly to the United States, be adequately protected from disclosure to a foreign court or other government authority for purposes other than those for which it was shared".

Meanwhile in Quebec, Alberta and Nova Scotia, in response to public concerns about threats to privacy arising under the USA PATRIOT Act, each province proposed amendments to their public sector privacy legislation. In summary, the proposed amendments would prohibit public bodies from allowing service providers to access or store personal information transferred to them in the course of providing services from or in a location outside Canada without consent from each individual. The proposed amendments would also require service providers to provide notification of all demands for access to personal information from a foreign jurisdiction. The privacy community is anticipating that Ontario will introduce its own 'made-in-Ontario' privacy legislation that covers the private sector at some point in the future (this was already attempted in 2002), and it is expected that any such legislation would contain similar provisions to the amendments described above. With the growing public awareness and concern about the confidentiality of their personal data, it is safe to assume that any such privacy legislation will be progressively more stringent than existing laws, especially as it relates to cross-border outsourcing.

While these measures so far apply to public sector data only (although this includes both provincial government ministries and municipal governments), provincial and federal privacy commissioners have stated their desire to extend these measures to private sector privacy legislation. In the near future we can expect that at both federal and provincial levels, private and public-sector privacy laws will be introduced or amended to strengthen the privacy protections afforded to your customers by imposing restrictions on the data processing outsourcing by non-Canadian companies. Many of our clients are already thinking ahead in this regard and are specifically asking for assurances that their clients information will not only be hosted in Canada, but also accessed only in Canada. As an all Canadian company SPI is able to provide these assurances, and minimize this outsourcing liability for our clients.

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Hub and Market Metrics

	1H 2007	Since Market Opening
Hub Availability	99.936%	99.940%
Total Transactions Processed	23.8M	203.4M
Enrollment Request Transactions	163K	2.6M
Invoice Bill Ready Transactions	3.6M	30.9M

Watt's New

- SPI's CEO, Ven Seshadri has been named to the Commercial Member Steering Committee of the EDA.
- Ron Osborne, who many of you may remember from EBT Express and OPG, recently re-joined The SPI Group as our VP of Business Development and Sales. Ron can be reached at 416-408-1395 x235 or ron.osborne@thespigroup.com.

Welcome Aboard

Welcome aboard to ENWIN Utilities Ltd., West Perth Power Inc. and Clinton Power Corp. who all recently signed with SPI for EBT hub services from a competing vendor.

Also, welcome to Superior Energy Management, a new market participant, who signed with SPI for EBT hub services.

Customer Corner

ENWIN Utilities Ltd. Signs with The SPI Group Inc.

According to Marv Routliffe, Director of Information Services and Technology, there were a number of reasons for moving to The SPI Group after a period with the competition. *"We wanted to deal with an all Canadian company that understands our business and how we operate. Having our customer information subject to the USA PATRIOT Act was simply not acceptable to us."* SPI's all-Canadian ownership and operations ensure that its clients' obligations under the Personal Information Protection and Electronic Documents Act (PIPEDA) are met. There are no aspects of SPI's operations that are under US corporate control and therefore accessible by American law enforcement agencies under the USA PATRIOT Act.

The product itself, and the customer support functions were also key factors in ENWIN's decision. *"The tool set is excellent, the EBT Viewer product allows us to track transactions from end to end. Transactions are fully auditable and the SPI staff are very helpful and understand our needs."* SPI provides all of its clients with access to its online EBT Viewer product. This Web-based tool allows market participants to track their transactions from end to end through the Hub, which enables auditing of transaction flows. Existing clients find this to be a significant productivity tool for their staff when dealing with transaction processing exceptions.

The overall relationship with the company, and pricing, were also important elements of the decision. According to Marv, *"We always had, and continue to have, a high regard for our relationship with The SPI Group. SPI's products and services provide added value to our business and are competitively priced."*

EBT Viewer Application

SPI's EBT Viewer provides a level of document and transaction audit tracking that is unmatched in the industry. This web-based tool allows market participants to view all of the documents and transactions that they have exchanged with their LDC or retailer trading partners since market opening in 2002. This includes market participants who are not SPI hub clients.

The EBT Viewer keeps track of when a document was received by SPI's hub from the document sender, and when it was downloaded from SPI's hub by the document recipient. It also keeps track of the Functional Acknowledgement (FA) status - Accept, Reject, or Pending (i.e., not yet downloaded). Clients can search for documents and transactions by trading partner (LDC or retailer), account number, document/transaction reference number, transaction type (e.g., Usage, IBR, etc.), date, and FA status. Using these powerful features, it becomes very easy to determine whether or not one of your trading partners has received a particular document or transaction, and when, or to produce reports of the list of pending documents for your trading partners.

This functionality is fundamentally different from a spoke-based document/transaction viewer. Spoke-based systems only provide an audit trail from your system to the hub and back. The EBT Viewer provides a complete end-to-end audit trail that allows you to see the status of the document from your system all the way out the other end of the hub. If your trading partner is an SPI hub client, you will get an audit trail from you all the way to your trading partner (keep in mind that SPI handles both sides of nearly 90% of the transactions in the marketplace). If your trading partner uses another hub, you will get an audit trail from you to your trading partner's hub provider. Either way, you will have a transaction audit trail that allows you to quickly resolve support calls and disputes with your trading partners.

SPI's clients find that this tool provides the following business benefits:

- Reduces the number of calls from their trading partners seeking "lost" documents and transactions, since they can find this information directly from EBT Viewer.
- Reduces disagreements between trading partners as to the status of documents and transactions since the EBT Viewer shows a precise audit trail for the documents and transactions in question.
- Improves overall operational quality, reducing the amount of work spent mining CIS databases for transaction status.

For more information on EBT Viewer or a demonstration of the product, please contact Jay Lee, Director of Client Services at The SPI Group at jay.lee@thespigroup.com, or 416-408-1395 x228.

Product News

Smart Meter Connector and Testing Service: Our spoke product is being upgraded to provide AS/2 functionality that will help LDCs connect their AMI and CIS systems to the provincial MDM/R. We are also providing a testing service, similar to the services we provided at retail market opening, which will help LDCs go-live with the MDM/R.

Retailer Managed Billing and Settlement Services: SPI's managed billing and settlement service provides a complete outsourced solution for retailers entering the Ontario electricity market. The services encompass data security and transport, data validation, customer billing calculation and distribution and settlement reconciliation between retailers and LDCs. SPI's solution is the most widely deployed solution in the Ontario marketplace. These services facilitate the retailers interactions with LDC's. Despite Ontario's strong market standards, discrepancies still arise between retailers and LDC's. These discrepancies require immediate attention by staff highly trained in Ontario's market rules to ensure timely enrolments and accurate retailer charges. Many of our LDC clients have expressed how well our managed services to retailers reduce their operating costs through fewer discrepancies and more accurate settlement invoices.

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