

Message from the CEO



Welcome to our fall/winter edition of The SPI Group's Industry newsletter. As you will see in this edition, SPI's brand and logo have been changed to reflect our mission and vision as an innovative solutions provider focusing on enabling evolving energy markets.

This newsletter features our new product offerings and the reasons why a number of competitors' customers have switched to SPI.

As the year comes to a close, I wanted to take this opportunity to wish each of you and your families the very best for the holiday season and the coming year. Please enjoy this edition of our newsletter.

Regards,
Ven Seshadri

Account Viewer Product Profile

We are pleased to announce that our new Account Viewer product will be released to the market in early 2008. This new product is the next step in the evolution of our EBT productivity tools, and is substantially more advanced than any other products currently available in the market.

SPI's popular EBT Viewer product currently allows users to easily determine whether documents have been sent or received by their LDC or retailer partners. The Account Viewer product goes one step further, and provides one single view of a consumer's account-level information and historical transaction activity. Account Viewer also allows clients to determine what the next transaction to be processed for a particular account will be. For example, if a Usage Transaction was recently sent to a retailer, clients can easily see this transaction and that an IBR transaction is expected within the next two days. Other features include a full account level view of transactions, transaction highlighting and customized views for certain headings, eliminating the need to re-do searches.

Clients can easily reconcile their systems with what was processed at the Hub to ensure that they contain the most accurate data. Account Viewer greatly reduces the amount of time spent following up on issues raised by other retail market participants, reduces the error rate in the market, and contributes to improved billing timeliness and accuracy.

A pre-release version of the product is currently available for demonstration. If you would like to arrange a no-obligation demonstration, please call Jay Lee at 416.408.1395 x228.

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Hub and Market Metrics

	2007 YTD	Since Market Opening
Hub Availability	99.965%	99.946%
Total Transactions Processed	37.3M	216.9M
Enrollment Request Transactions	302K	2.75M
Invoice Bill Ready Transactions	5.6M	32.9M

Watt's New

- SPI's CEO, Ven Seshadri, was nominated to the OEA Conservation and Technology Committee.
- SPI's annual customer satisfaction survey results are in with over 98% of our customers satisfied or highly satisfied with our services.
- SPI CEO's articles were published in *Next Generation Power & Energy* (attached).
- SPI's Retail Settlement Proposal for SMI was published in the November *EDA Distributor* magazine (attached).

Welcome Aboard

- Welcome to Woodstock Hydro who recently signed with SPI for EBT hub services moving over from a competing vendor.

Customers Switching to SPi – The Trend Continues

A number of LDCs have switched their contracts for EBT hub services and support to SPi. These new clients include ENWIN Utilities, Woodstock Hydro, Clinton Power Corporation, Essex Powerlines Corporation, and West Perth Power Inc. Over 90% of the EBT transactions in the Ontario market are handled through SPi's systems. In discussions with clients, there were common themes underlying their decision to switch, such as:

PIPEDA: SPi's all-Canadian ownership and operations ensure that our clients' obligations are met. There are no aspects of SPi's operations under US corporate control, and therefore subject to access by US law enforcement under the *USA PATRIOT Act*.

SMI: The province's Smart Meter Initiative may result in a 1,000-fold increase in data volumes. Currently, our competitors only handle about 5% of the transaction volumes that SPi handles. Our systems are fully tested to meet the demands of SMI.

EBT Viewer: Included in EBT hub fees, we provide our clients with access to its online EBT Viewer product. This allows market participants to track their transactions from end to end through the hub, thus enabling the audit of transaction flows. Only SPi can offer this functionality given that our hub handles both sides of nearly 90% of the transactions in the market. This product is also available separately if you choose to remain with your current EBT hub provider. Our clients have told us that EBT Viewer substantially reduces the effort in resolving disputes with their trading partners.

Canadian Institute of Chartered Accountants Handbook—Section 5970

Compliance: We have confidence in our systems and controls, as well as in our ability to handle the financial and resource implications of a typical audit.

Continuous Improvement Philosophy: SPi embraces the concept of continuous improvement for all our products and services. By comparison, competitors appear to take the position of enhancing or modifying only by request or upon a sale. To this end, SPi is currently developing an Account Viewer product that will be market-ready in the first quarter of 2008. The Account Viewer product is the next stage in the evolution of EBT tools. Given an account number, Account Viewer can display all transactions processed for that account, display and extract transaction detail, highlight transaction groupings and accept customized views for data search.

Customer Satisfaction: SPi regularly seeks the feedback of our clients through our customer satisfaction survey. This year, over 98% of our clients responded that they were either satisfied or highly satisfied with the products, services and support provided by the company and our staff.

Competitive Pricing: The market share and scale of SPi enables competitive pricing of all products and services. In addition, SPi's various promotional programs for clients wishing to switch make the economics of doing business with SPi very attractive.

Hosting: SPi hosts its operations in a state of the art hosting facility at Q9 Networks with redundant backup protection and highly automated firewalls. This type of sophisticated environment is not available from competitors.

Customer Corner

2007 SPi Customer Satisfaction Survey Results (Satisfied or Highly Satisfied).

Overall	99.2%
Hub Services	98.4%
Customer Support	98.3%
EBT Viewer	100%
SPi Spoke	100%

"SPi's GDAR Services Add Value to our Business."

"The SPi GDAR service has been excellent. The XML Generator application was built within specifications and the SPi team was great at managing changes during implementation. SPi not only understands the product, but more importantly they understand the business. We would highly recommend The SPi Group to others."

John Belgue, Chief Information Officer
Canadian RiteRate Energy Corporation

Product News

EBT Standards Version 4.0 Release is scheduled for implementation on January 21, 2008. The EBT Hub Connector (EHC or spoke) product has been improved. EHC will provide all the traditional functionality of the current spoke, but with the following improvements:

- Improved processing speed in preparation for the increase in interval data as a result of the province's Smart Meter Initiative.
- Improved Graphical User Interface (GUI), which is now accessible through a web browser.
- Improved installation and upgrade procedure.

These improvements to the spoke product were made in response to feedback received in SPi's customer satisfaction survey. This is part of our commitment to the concept of continuous improvement for all our products and services. For a no-obligation demonstration of SPi's new spoke product, please call Jay Lee at 416.408.1395 x228.

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