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Sheerness PPA Capacity to be Offered for Sale

June 17, 2005

The Balancing Pool is inviting expressions of interest for the proposed sale of the Sheerness Power Purchase Arrangement (PPA) or Strip Contracts developed from the PPA, representing 756 MWs of coal-fired generation capacity.

The Sheerness PPA gives the Balancing Pool the right to dispatch and sell the energy and ancillary services associated with this station. The Sheerness Strip Contracts will provide buyers the dispatch offer rights, with the Balancing Pool providing an aggregation function to coordinate the offer rights, dispatch and settlement.

The capacity of the Sheerness coal-fired generating station will be offered as follows:

- Strip contracts in 25 MW increments of energy capacity up to 600 MW (with offer rights for those strips 100 MW or greater);
- Two strips of 78 MW of capacity that can be sold as either energy or ancillary services (including offer rights) ; and
- Choice of terms of: 1-5 years, 10 years or 15 years for all strip contracts

or:

- The entire 756 MW Sheerness PPA for the full term to December 31, 2020.

The Balancing Pool will establish reserve prices for all capacity offered for sale.

“Market soundings conducted earlier this year indicate that potential buyers like the product mix we’re offering and we expect a high level of interest from marketers, retailers and end-use consumers.” said Gary Reynolds, President and CEO. “Providing choice in both term and size of the Sheerness capacity will allow buyers to tailor their bids to their specific needs and thereby maximize the sale value to the Balancing Pool, which will benefit all electricity consumers in Alberta.”

Parties interested in participating in the sale process should submit the following information to the Balancing Pool beginning July 1st, 2005:

- The entity or consortium that would be interested in purchasing the Sheerness PPA or PPA based Strip Contracts.
- The name, address, telephone number and e-mail for the contact person at the entity or consortium.

A Confidentiality Agreement will be distributed to interested parties and, upon receipt of the signed Confidentiality Agreement, a Confidential Information Memorandum (“CIM”) and electronic Data Room will be provided.

The sale process is being conducted through an open solicitation process and the timeline will be as follows:

July 4, 2005	Distribution of CIM and Data Room
Sept. 15-30, 2005	Sheerness Plant Site Visits
Oct. 3, 2005	Credit Review & Pre-Qualification
Nov. 1, 2005	Submission of Indicative Bids & Bid Deposits
Nov. 15, 2005	Submission of Final Bids
Jan. 1, 2006	Transfer of Control

It is anticipated a similar process will be conducted for the sale of the PPA capacity of the 762 MW Genesee coal-fired station in early 2006.

Parties interested in the sale process should contact the Balancing Pool for further information as follows:

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