



## **Retail Market Update 2015**

Alberta's electricity and natural gas retail markets

November 23, 2015



## PREFACE

The role of the Market Surveillance Administrator is to protect and promote fair, efficient, and open competition in Alberta's energy markets, including the retail electricity and natural gas markets. As one avenue to further this responsibility the MSA assembles information relevant to the assessment of the structure and performance of these markets and makes it publicly available. Access to the information by a broader audience enables a constructive dialogue on the basis of facts and assists the MSA in making its assessment. It also addresses an information asymmetry between incumbents and potential entrants. This is the purpose of the Retail Market Update 2015.

This report provides new data on the operation of Alberta's retail energy markets, much of which has not been available before. It should be read in conjunction with the MSA's quarterly reports and the special 2014 report that focused on the residential segment of the retail market. The picture that emerges is of a well-functioning and competitive retail marketplace – according to the parameters set for it - that makes available to the different classes of consumers a variety of service offerings at different price points.

The MSA looks forward to engaging with stakeholders and policymakers as the retail markets continue to evolve.

The Market Surveillance Administrator is an independent enforcement agency that protects and promotes the fair, efficient and openly competitive operation of Alberta's wholesale electricity markets and its retail electricity and natural gas markets. The MSA also works to ensure that market participants comply with the Alberta Reliability Standards and the Independent System Operator's Rules.



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## Executive summary

### *Our Motivation*

The Market Surveillance Administrator (MSA) has the responsibility to protect and promote fair, efficient, and open competition in Alberta's retail electricity and natural gas markets. To facilitate greater understanding of the state of competition and the impact of certain features of these markets we conduct periodic assessments and, more frequently, publish data and statistics about the state of competition.

Last year the MSA released a report titled "[State of the market 2014: The residential retail markets for electricity and natural gas](#)" (November 27, 2014) which considered aspects of these markets related to competitiveness and economic efficiency. Among other things, the MSA concluded:

- The retail market is competitive
- Default-rate options for electricity and natural gas are critical features of the market
- Barriers-to-entry are low but there is no retail competition in some areas of the province
- The absence of smart meters limits the scope of competition in electricity retailing but cost-benefit analysis should guide any consideration of their adoption
- The retail market provides choice to consumers and contract terms are consumer-friendly
- Co-branding may impact the competitive process
- Switching rates away from default-options are low and steady but switching is not always guided by the best information; better information could lower transaction cost and help consumers make better-informed decisions
- There are few complaints about retailers' conduct
- New business models reduce cost
- The default-rate for natural gas outperforms competitive natural gas contracts
- Wholesale market feedback effects are important for electricity but not natural gas

The present report considers a number of aspects of these markets with a view to determining whether it is likely that these conclusions remain intact and apply to the other segments of Alberta's retail electricity and natural gas markets.

### *What We Looked At*

This report considers several characteristics of the broad retail market:

- **Market size:** Included is the number of consumer sites in each of a range of consumer classes (including residential, small commercial and industrial, large commercial and industrial, and agriculture) and the total annual consumption for each. This information is important because it outlines the size of the market in which and for which retailers compete and is discussed in section 1.

- **Retailer market shares and churn rates:** Information, including trends through time, about the fraction of consumers in different parts of the province that are supplied by default and competitive rate products contributes to greater understanding about the competitive dynamics of the market, including the role and impact of co-branding. This is discussed in section 2, with additional data reported in Appendix B.
- **Uptake of single- and dual-fuel contracts:** Like retailer market shares and churn rates, information about contract structures contributes to greater understanding about the competitive dynamics of the market. Related data are reported in section 3.
- **Consumer price trends:** The prices consumers pay are a critically important aspect of the performance of any market; Alberta's retail electricity and natural gas markets are no exception. Information about consumer prices, both of competitive and default rate (Regulated Rate Option (RRO) in electricity; Default Rate Tariff (DRT) in natural gas) products, is presented in section 4.
- **Break-down of the energy and non-energy elements of residential consumers' bills:** Through their retailers, electricity and natural gas consumers buy and pay for:
  - Energy (electricity and / or natural gas),
  - Energy delivery services (so-called transmission and distribution in the case of electricity and distribution in the case of natural gas), and
  - Other fees, such as local access fees and taxes.

Only energy itself is competitive, with the other fees being either regulated by the Alberta Utilities Commission or set by municipal governments. The relative size of each of these charges and their variation over the regions of the province provides important information about what drives the total amount consumers pay for energy services. Billing information is presented in section 5.

- **Effect of co-branding:** In the context of the Alberta energy market, co-branding occurs when a provider of regulated services lends its brand to an associated competitive energy retailer, typically a subsidiary of the same parent company. The potential impact of co-branding on the competitiveness of the retail market is discussed in section 6.
- **Consumer complaints about retailer conduct:** Consumers are able to complain about the conduct of retailers to the UCA, Service Alberta, and the MSA. This is an important source of feedback from consumers about the functioning of the market. Certain complaint statistics are reported in section 7.
- **Role of self-retailers:** While the vast majority of consumers are supplied electricity retail services under either competitive contracts or default rate arrangements, a small number of consumers choose to bypass retailers and interact directly with the wholesale market. These consumers typically consume relatively large amounts of electricity and have the scale to overcome the cost of becoming a self-retailer. The availability of this option is an important aspect of retail competition, especially in the large industrial consumer

market segment. Certain aspects of this part of the market, including its size, are discussed in section 8.

## ***What We Found***

### *The retail energy market is competitive*

The MSA believes that Alberta's retail electricity and natural gas markets remain competitive within the boundaries established by Alberta's legislative and policy framework. The other conclusions reached in the 2014 report that are summarised above remain intact.

### *Low retail prices provide significant value to consumers*

Competition among competitive electricity retailers has pressed the contract prices available to consumers to very low levels. It also remains the case that contract provisions are highly advantageous to consumers; for instance, most competitive contracts have provisions that allow consumers to cancel without penalty (the retailer has no such option).

In line with low competitive contract prices, RRO prices (Regulated Rate Option prices, which are based largely on electricity forward prices) have also recently been at very low levels. Both of these outcomes are related to the state of competition in the wholesale electricity market, where prices have recently been at historically low levels.<sup>1</sup>

### *Consumers buy the product that is best for them*

Consistent with our previous observations, competitive natural gas contract prices are typically above the DRT price (Default Rate Tariff price, which are based on wholesale natural gas prices). As expected, the vast majority of consumers who buy natural gas by itself, i.e., not through the same contract as electricity, are on the DRT. As such, retail products that do not provide the best value to consumers are not purchased by consumers.

### *The majority of charges on residential consumers' electricity and natural gas bills are for transmission, distribution, local access fees, billing, customer care, and taxes, not for electricity or natural gas*

For residential-class electricity consumers in 2014, the electricity itself represented between 40 and 50 percent of the typical consumer's total bill in the ENMAX, EPCOR, and FortisAlberta service territories and only 30 percent in ATCO's service territory, with non-energy charges—such as distribution, transmission, local access fees, and taxes—being the balance of charges.

For residential-class natural gas consumers in 2014, the natural gas represented between 40 and 50 percent of the typical consumer's total bill. These fractions were highly variable across the months of the year.

### *Self-retailers are sophisticated entities that participate in several areas of Alberta's electricity market*

The information available on self-retailers as a whole suggests a diverse group of market participants. Interpreting the results of a voluntary survey of about one-third of what is a small

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<sup>1</sup> See any of the MSA's 2015 Quarterly Reports for more information about recent wholesale market outcomes. These are available at <http://albertamsa.ca/index.php?page=quarterly-reports>.

population (43) is difficult. It is evident that self-retailers are fully aware of the Alberta market structure and use this knowledge to position their companies to best effect.



# 1. Introduction

## 1.1 Overview of Alberta's retail energy markets

Table 1.1 summarizes information about the size of the markets in which energy retailers compete. There are approximately 1.8 and 1.2 million distinct sites served by electricity and natural gas retailers, respectively, which can be classified into five broad categories that are used throughout the report:

- residential customers,
- small commercial and industrial (C & I) customers (annual consumption less than 250 MWh and 8,000 GJ, respectively, of electricity and natural gas),
- large C & I customers (consumption higher than the thresholds noted above),
- agricultural and irrigation customers, and
- other customers (largely streetlights).

**Table 1.1: Statistics of the various retail market segments for electricity and natural gas,  
Sites observed March 2015 and consumption for calendar year 2014**

		Retail						Non-retail
		Residential	Small C & I	Large C & I	Agriculture	Other	Total	
Electricity	Sites (# of retail)	1,396,263	184,614	17,833	107,632	56,439	1,762,781	—
	Sites (% of retail)	79%	10%	1%	6%	3%	100%	—
	Consumption (GWh)	9,724	7,528	30,559	1,777	299	49,886	30,066
	Consumption (% of retail)	19%	15%	61%	4%	1%	100%	—
	Consumption (% of total)	12%	9%	38%	2%	0%	62%	38%
	Average (GWh / site)	0.007	0.041	1.714	0.017	0.005	0.028	—
Natural Gas	Sites (# of retail)	1,139,747	90,909	2,394	2	—	1,233,052	—
	Sites (% of retail)	92%	7%	0%	0%	—	100%	—
	Consumption (PJ)	154	68	57	ND	—	279	—
	Consumption (% of retail)	55%	24%	21%	ND	—	100%	—
	Average (GJ / site)	135	746	24,008	—	—	226	—

## Notes:

1. Percentages may not sum to 100 due to rounding; all percentages are rounded to the nearest whole number.
2. 'ND' indicates that a value is not disclosed because there are insufficiently many sites to effectively obscure confidential information.
3. GWh means gigawatt-hour, GJ means gigajoule, and PJ means petajoule (one million gigajoules).
4. For electricity, non-retail consumption is calculated as the difference between retail consumption and Alberta Internal Load of 79,949 GWh for 2014 reported by Alberta Electric System Operator (2015).
5. This table is an updated version of Table 1.1 in MSA (2014d).
6. Natural gas sites / consumers located in natural gas cooperatives are excluded due to a lack of data. Electricity and natural gas consumers located in Medicine Hat are excluded for the same reason.

## **1.2 Data used in the report**

The MSA's retail data spans the period January 2012 to present. The MSA's primary sources of retail data are the various load settlement agents (LSA) for electricity and natural gas, which periodically report data about the segment of the market for which they are responsible. The MSA also collects data directly from retailers regarding certain contract characteristics, from the Utilities Consumer Advocate regarding competitive contract offerings, from the Alberta Utilities Commission regarding elements of consumer bills, and from Service Alberta regarding customer complaints about retailers. The MSA also collected data about self-retailers through a voluntary survey conducted in early 2015.

With limited exceptions, the data used and reported herein cover the period January 2012 to March 2015, inclusive, and is generally monthly in nature. In the context of market shares, energy retailers who, in a given segment of a market, have never held a greater than 5% market share are aggregated as 'other' retailers.

Data are reported by settlement zone. The electricity settlement zones in Alberta are illustrated in Figure 1.1. Particular attention is paid in this report to the four largest by customer count: Calgary (ENMAX), Edmonton (EPCOR), ATCO, and FortisAlberta. A fifth group of 'other' zones—comprised of the small municipal service areas of Cardston, Crowsnest Pass, Fort MacLeod, Lethbridge, Ponoka, and Red Deer—is also considered.

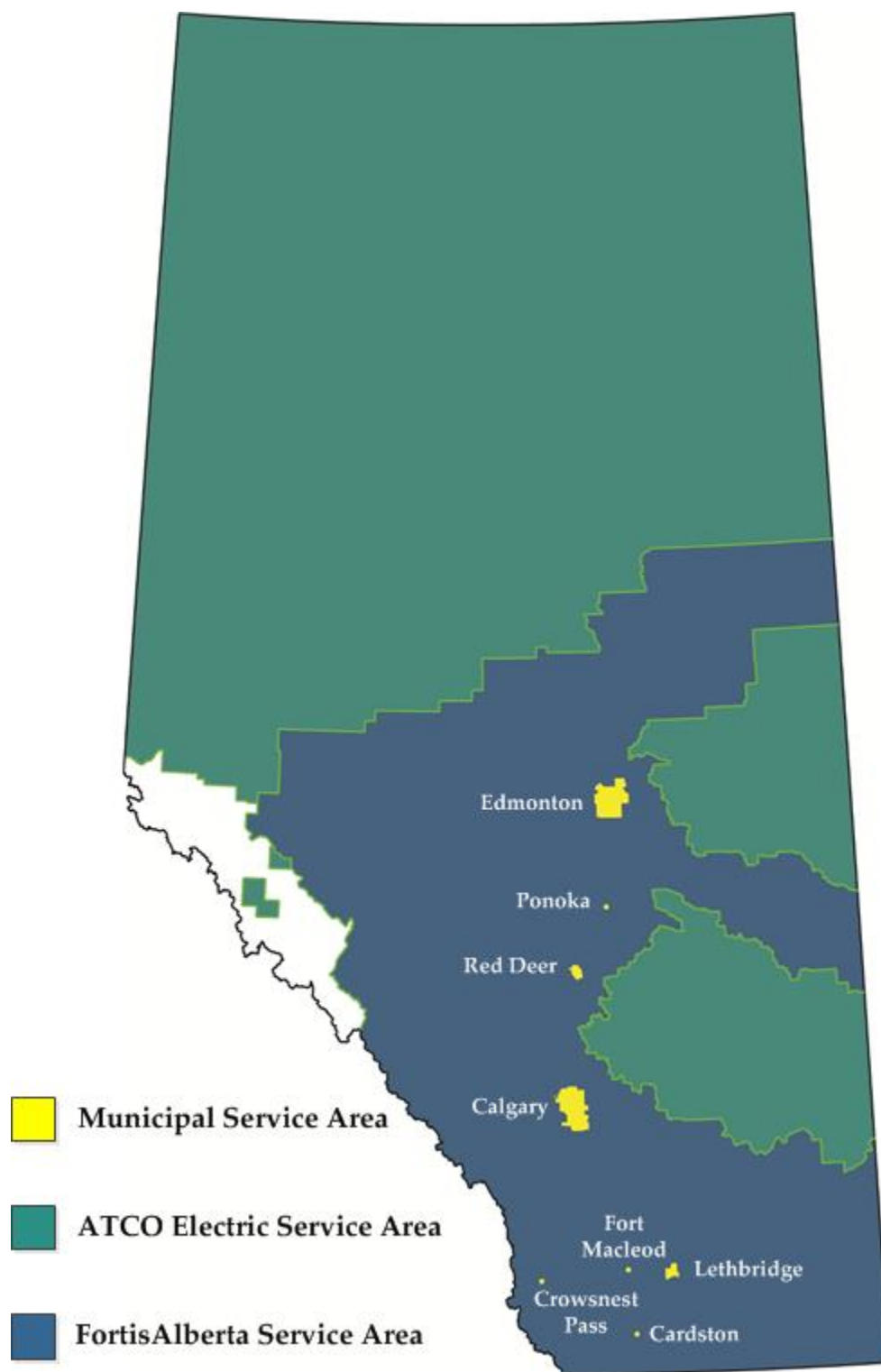
For natural gas, there are three large settlement zones, each of which is considered in this report: ATCO-North, ATCO-South, and AltaGas Utilities. These zones are illustrated in Figure 1.2. Figures 1.1 and 1.2 are sourced from MSA (2014c).

## **1.3 Structure of the report**

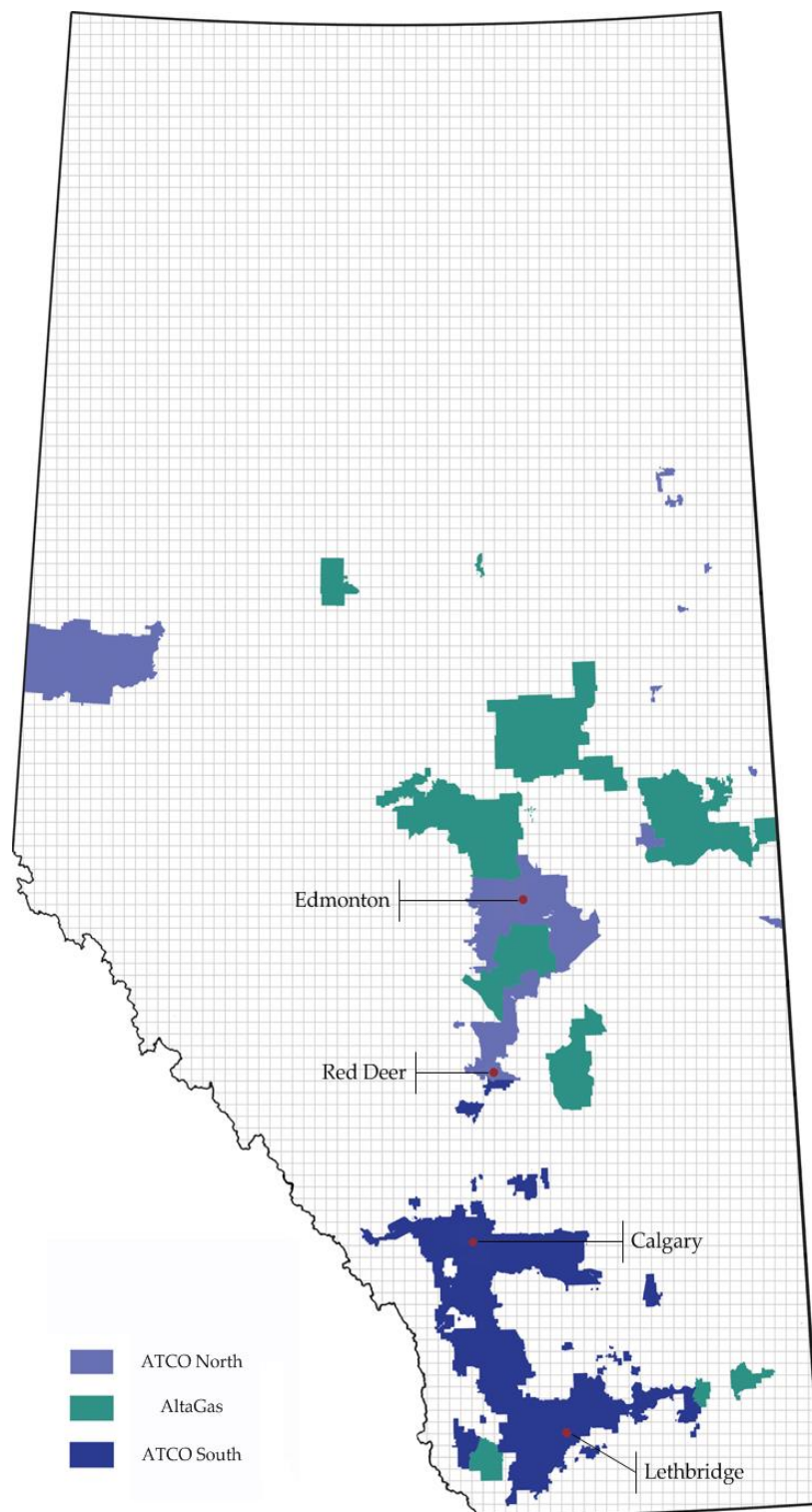
Province-wide market shares and churn rates are presented in Section 2 with detailed regional results in Appendix B. The uptake of single- and dual-fuel competitive retail contracts is discussed in Section 3. Consumer prices are an important outcome of any market and they are presented in Section 4. Customer bills are assessed in Section 5 where the importance of other cost components is evident. Co-branding in the Alberta retail electricity and natural gas markets is assessed using recent data and presented in Section 6. Data on consumer complaints is reported in Section 7. A survey of electricity self-retailers was undertaken earlier this year and a summary of what we found is presented in Section 8.



**Figure 1.1: Electricity distribution systems / load settlement zones**



**Figure 1.2: Major natural gas distribution systems / load settlement zones**



## 2. Market shares and churn rates

This section considers Alberta-wide market shares and churn rates. Market shares are reported for specific firms where the firm's share exceeds 5% of the applicable market. More detailed regional data are reported in Appendix B.

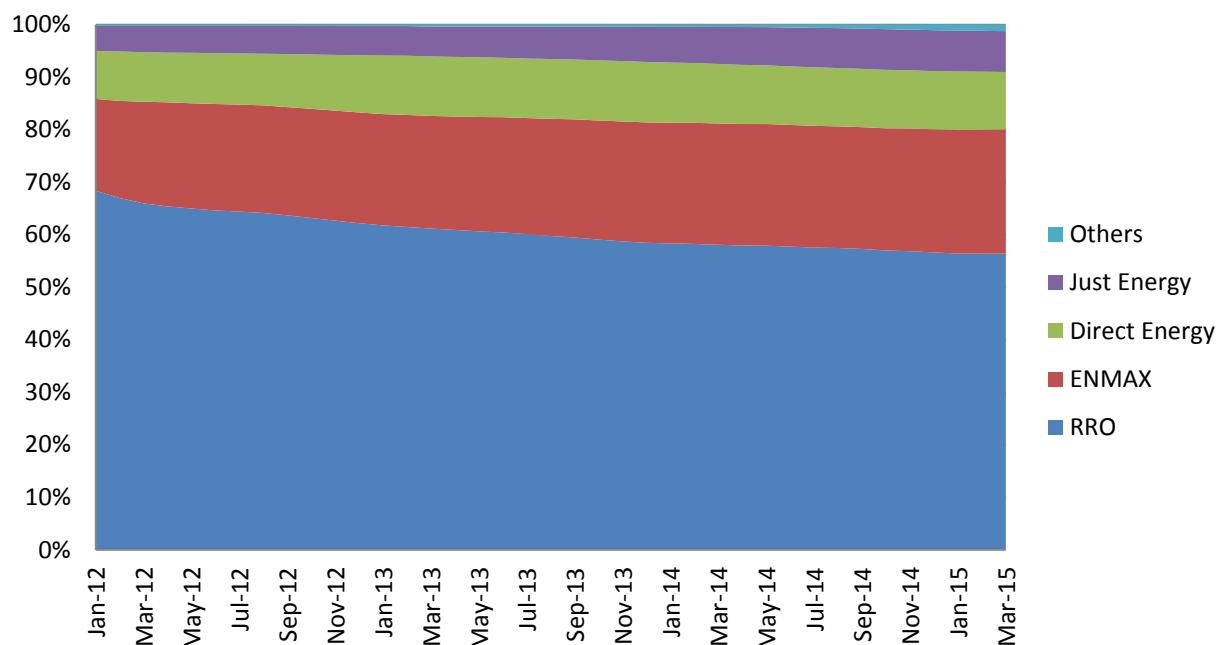
For residential, agricultural, and small C & I customers, reported market shares are based on site counts; for large C & I customers, reported market shares are based on both site counts and consumption volume. Due to the quality of the data set, churn rates for large C & I customers are not reported; churn rates for agriculture are reported only where applicable.

### 2.1 Electricity

#### 2.1.1 Alberta-wide market shares

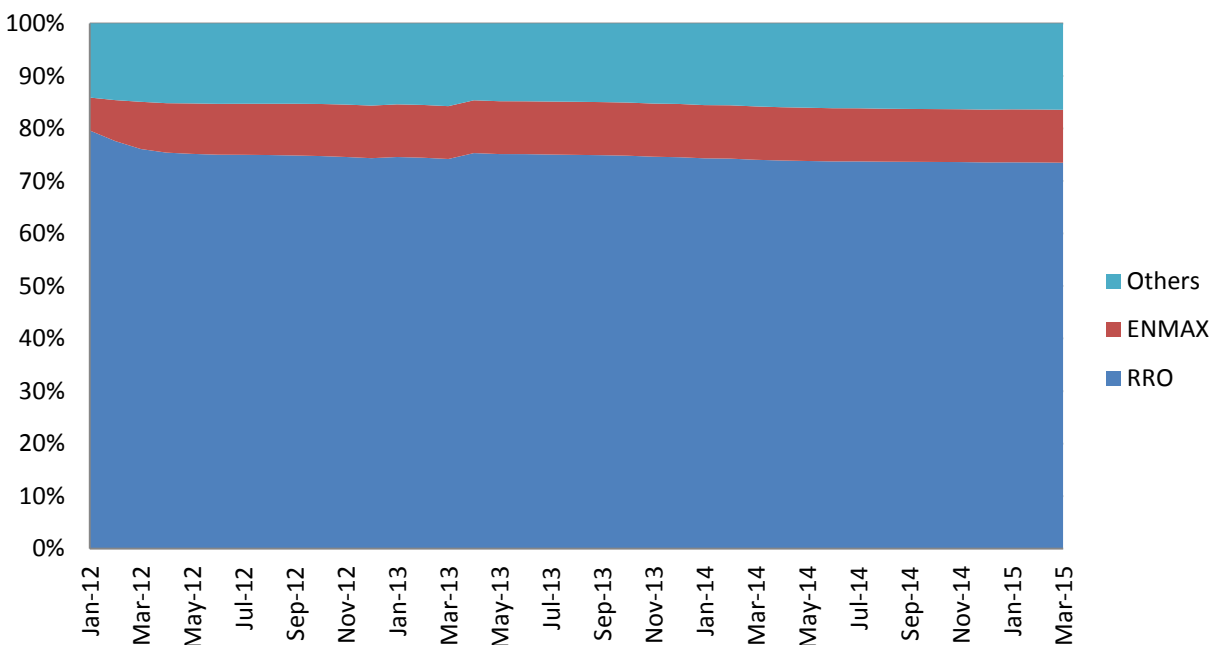
For eligible classes of consumers, the RRO is a significant feature of the retail market for electricity in Alberta. Notwithstanding a gradual decline over the years, as illustrated in Figure 2.1, 56% of residential-class electricity consumers remain enrolled in the RRO. There are three notably large competitive electricity retailers: ENMAX, Direct Energy, and Just Energy. Each of them has grown through time as consumers have gradually moved away from the RRO. In total, these three retailers serve greater than 40% of the residential sites.

**Figure 2.1: Retailer market shares, by site count of Alberta-wide, residential-class electricity consumers**

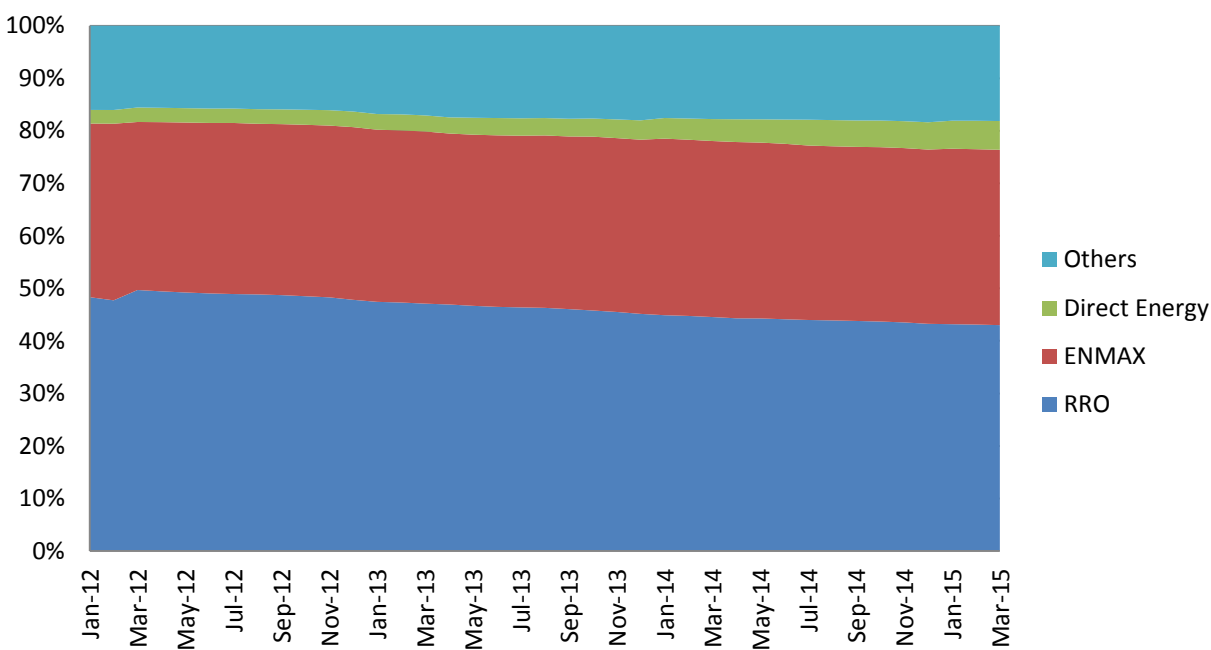


As illustrated in Figure 2.2, a much larger fraction of agricultural-class electricity customers are enrolled in the RRO. Among the competitive retailers, only ENMAX has greater than 5% market share.

**Figure 2.2: Retailer market shares, by site count of Alberta-wide, agricultural-class electricity consumers**

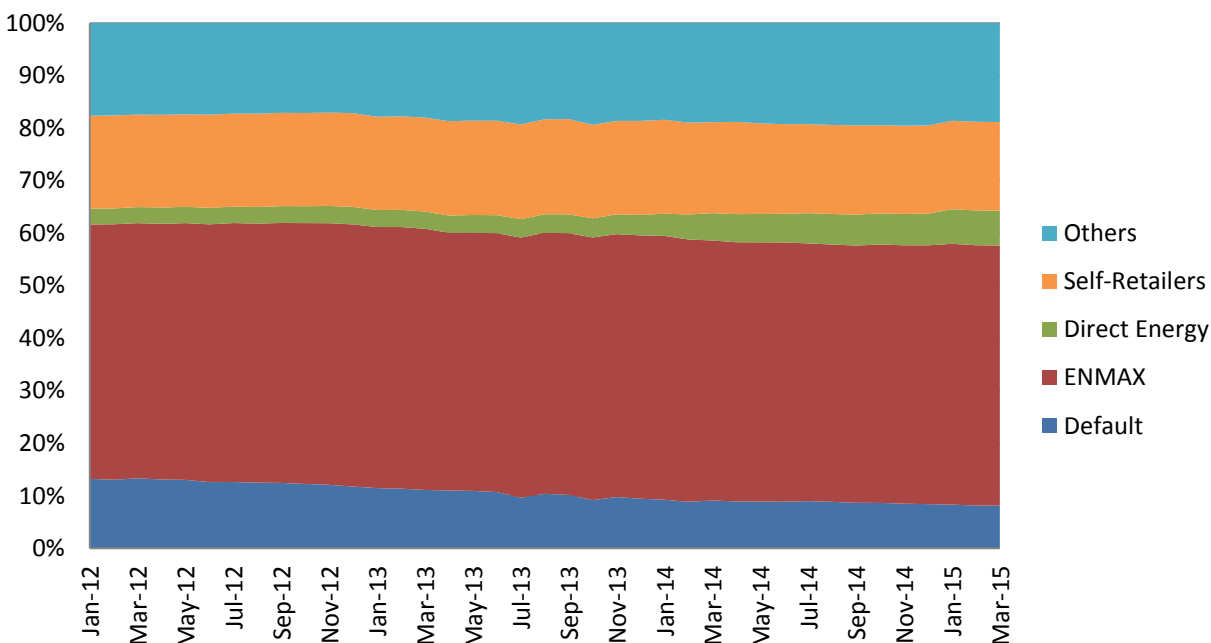


**Figure 2.3: Retailer market shares, by site count of Alberta-wide, small commercial and industrial-class electricity consumers**

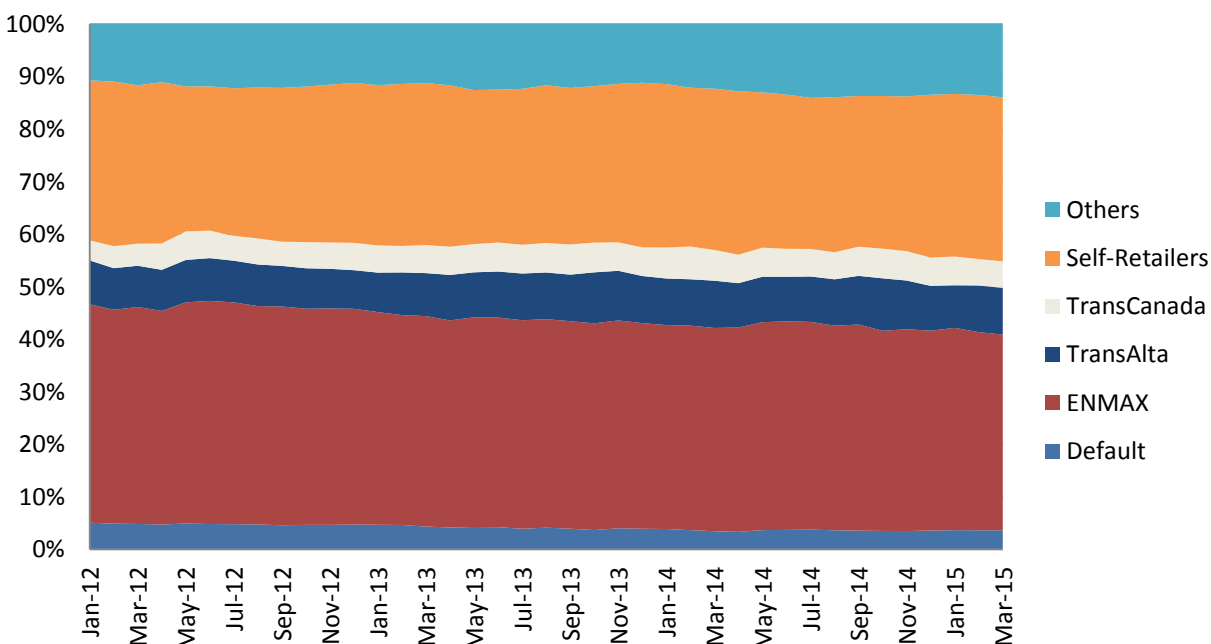


Among small C & I-class electricity consumers, approximately 40% remain enrolled in the RRO. ENMAX is the largest competitive retailer to these consumers, with Direct Energy being the only other competitive retailer with market share greater than 5%. These data are illustrated in Figure 2.3.

**Figure 2.4: Retailer market shares, by site count of Alberta-wide, large commercial and industrial-class electricity consumers**



**Figure 2.5: Retailer market shares, by consumption volume of Alberta-wide, large commercial and industrial-class electricity consumers**



Figures 2.4 and 2.5 illustrate market shares for large C & I-class electricity consumers by site count and consumption volume, respectively. There is greater variation of customer size in this class of consumers than in other classes because of the presence of several extremely large consumers. This is the cause for the difference in market shares reported in the two figures.

In general, there are three ways for large C & I-class customers to procure electricity:

- from the applicable default retailer and pay the RRO-ineligible rate (described below),
- sign a contract with a competitive retailer, or
- become a self-retailer.

It is possible for a particular large C & I-class consumer to use all three methods of procurement if they have multiple sites, i.e., they could have different supply arrangements for different sites. As the two figures illustrate, self-retailing is a common choice for the relatively large C & I-class customers, as evidenced by the self-retailing market share in site count terms being less than the market share in consumption volume terms.

ENMAX has the greatest market shares among large C & I-class consumers in both site count and consumption volume terms. Direct Energy has grown its market share of sites, but at the lower end of the size spectrum. TransCanada and TransAlta are electricity retailers for only a small number of sites, but they serve relatively large consumers in volume terms.

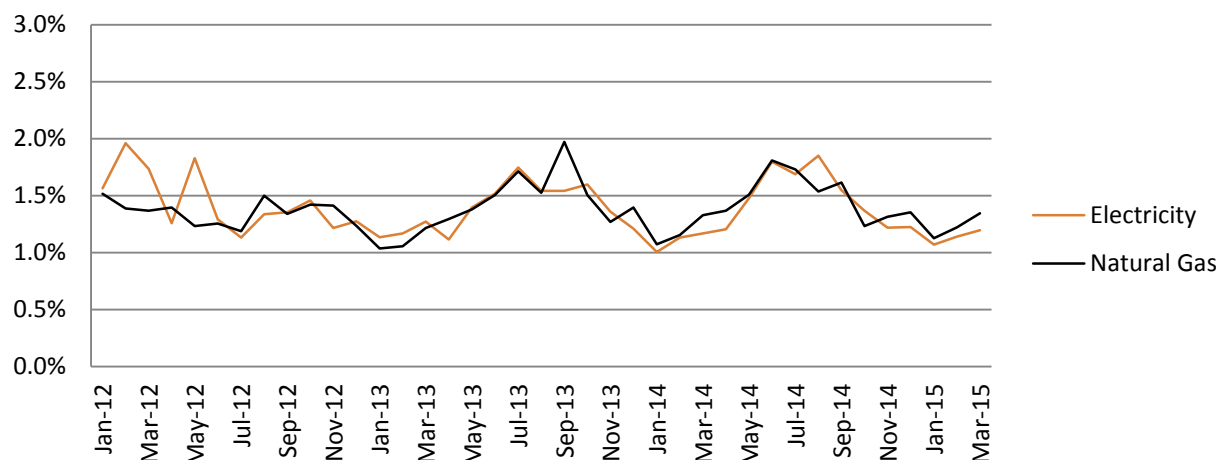
A small fraction of large C & I-class consumers use the default retailer. As evidenced by the relatively large default market share in site count terms compared to consumption volume terms, these consumers tend to be relatively small compared to the average consumer in the entire class. Distribution companies are required by statute to offer a default rate product to RRO-ineligible consumers but the format is unregulated. Most distribution companies adopt a pool price flow-through tariff structure because of its simplicity and the absence of pool price risk. ENMAX's default-rate product for RRO-ineligible consumers is based on the cost of a natural gas-fired generator of the type owned by an affiliate.

### **2.1.2 Alberta-wide churn rates**

Churn is the loss of customers over a given period, either expressed as a number of customers or percentage of the customer base. For a retailer to maintain its site count it must acquire as many new sites as its churn.

Alberta-wide monthly churn rates for residential-class consumers of both electricity and natural gas are presented in Figure 2.6. For both fuel types, the monthly churn rate of sites varies between 1% and 2%. This translates to approximately 19,000 customers per month making a decision to switch retailers. As such, the vast majority of consumers do not change retailers in a given month, largely because they are not actively considering their retail energy options but also because many who have actively considered their retail energy options decided not to change retailers. To be clear, a consumer who changes contracts terms but remains with the same retailer does not constitute a loss of a customer and so is not counted in the churn data.

**Figure 2.6: Monthly churn rates, by fuel type of Alberta-wide, residential-class electricity customers**



There is no optimal churn rate. For instance, while a “high”, churn rate could suggest an active retail market with engaged customers, it may also mean that customers are switching due to poor quality services. On the other hand, a “low” churn rate does not necessarily suggest superior quality of services either.

Churn rates of 1.4% per month translate to approximately 17% per year. In comparison, about 20% of Australian retail customers switched retailers between June 2014 and 2015.<sup>2</sup> In Great Britain, an estimated 11 to 12% of customers switched retailers in 2012.<sup>3</sup> This suggests that the churn rates observed in Alberta are not extraordinary.

As illustrated in Figure 2.7, competitive retailers have higher churn rates than regulated retailers. There are a number of potential reasons for this, including:

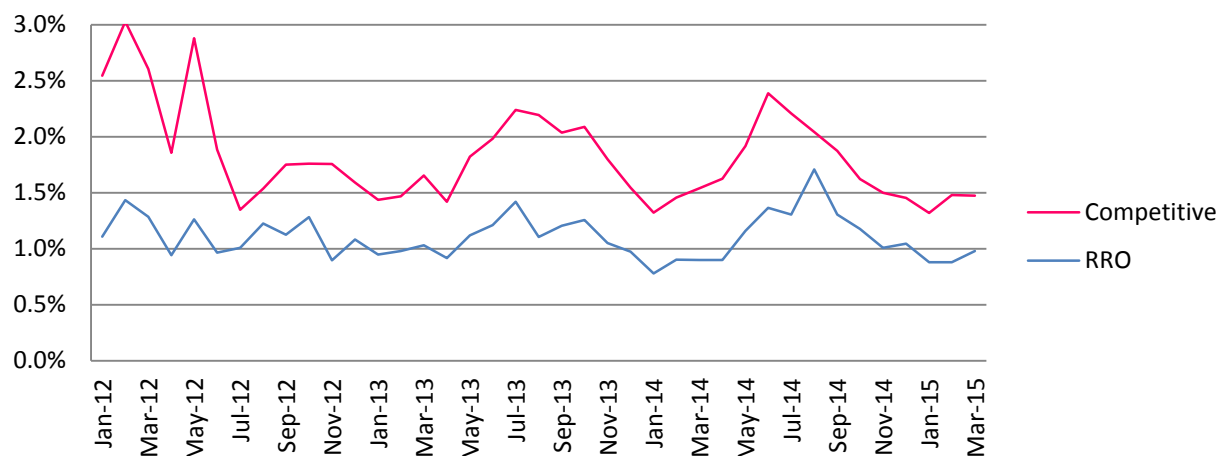
- consumers on competitive contracts may be more engaged in the retail market than consumers enrolled in the RRO, as evidenced by their decision to enroll in a competitive contract in the first place, and
- consumers who reach the end of the term of a competitive contract and do not agree to a new competitive contract automatically default to enrollment in the RRO whereas RRO are never treated as such.

Figure 2.7 also illustrates that RRO and competitive churn rates are correlated. This is consistent with the hypothesis that regulated and competitive customers switch retailers in response to similar market news and / or events.

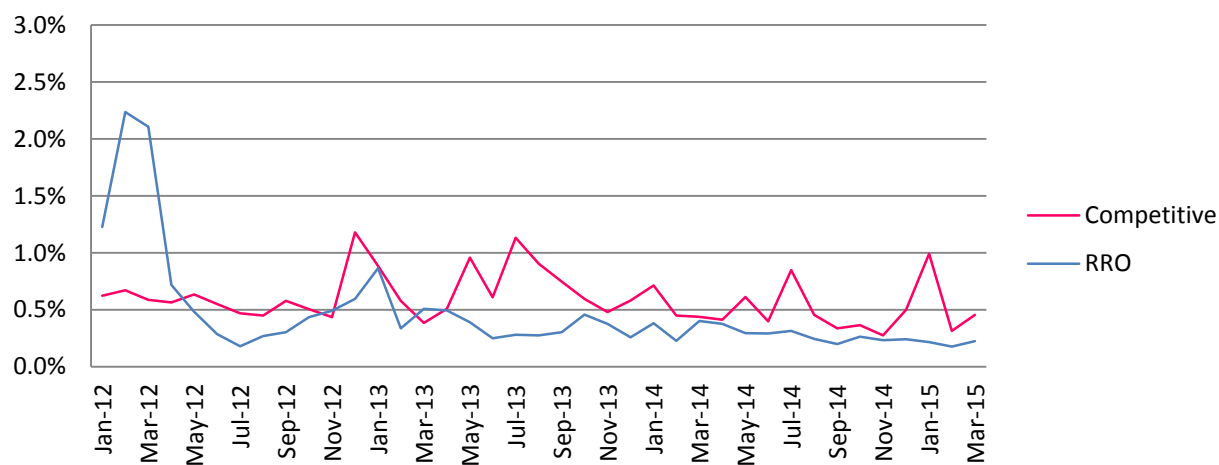
<sup>2</sup> Australian Energy Market Commission (2015), p. 52.

<sup>3</sup> Office of Gas and Electricity Markets (2014), p. 28.

**Figure 2.7: Monthly churn rates, by contract type of Alberta-wide, residential-class electricity consumers**



**Figure 2.8: Monthly churn rates, by contract type of Alberta-wide, agricultural-class electricity consumers**

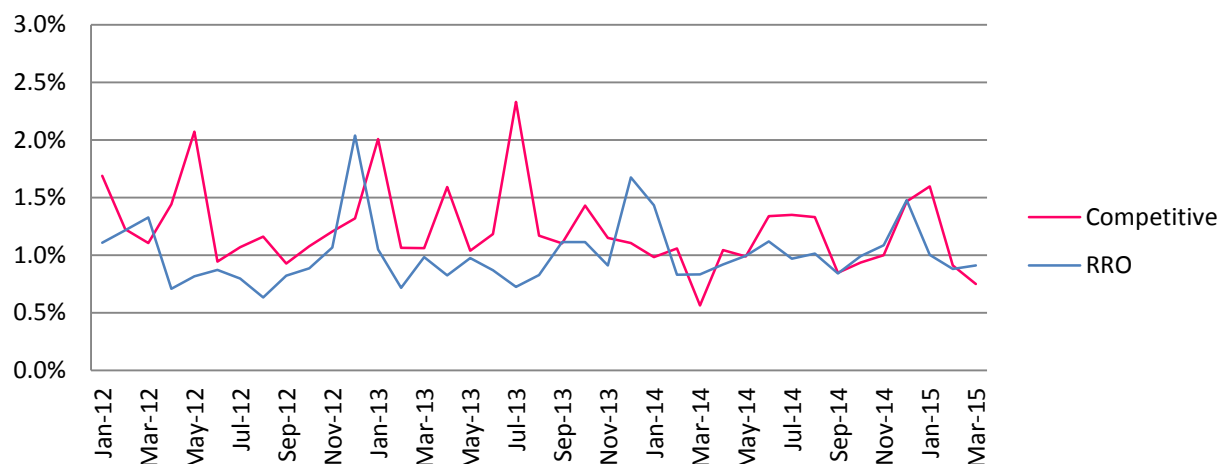


Churn rates for agricultural-class customers are generally lower than for residential-class customers, as illustrated in Figure 2.8. The monthly churn rates of competitive and regulated customers in this class, while typically greater for competitive consumers.

Figure 2.9 illustrates that churn rates for small C & I-class consumers enrolled in the RRO is typically about 1%, with the occasional month at or above 1.5%. This is generally less than the churn rate for consumers in this class on competitive contracts.



**Figure 2.9: Monthly churn rates, by contract type of Alberta-wide, small commercial and industrial-class electricity consumers**

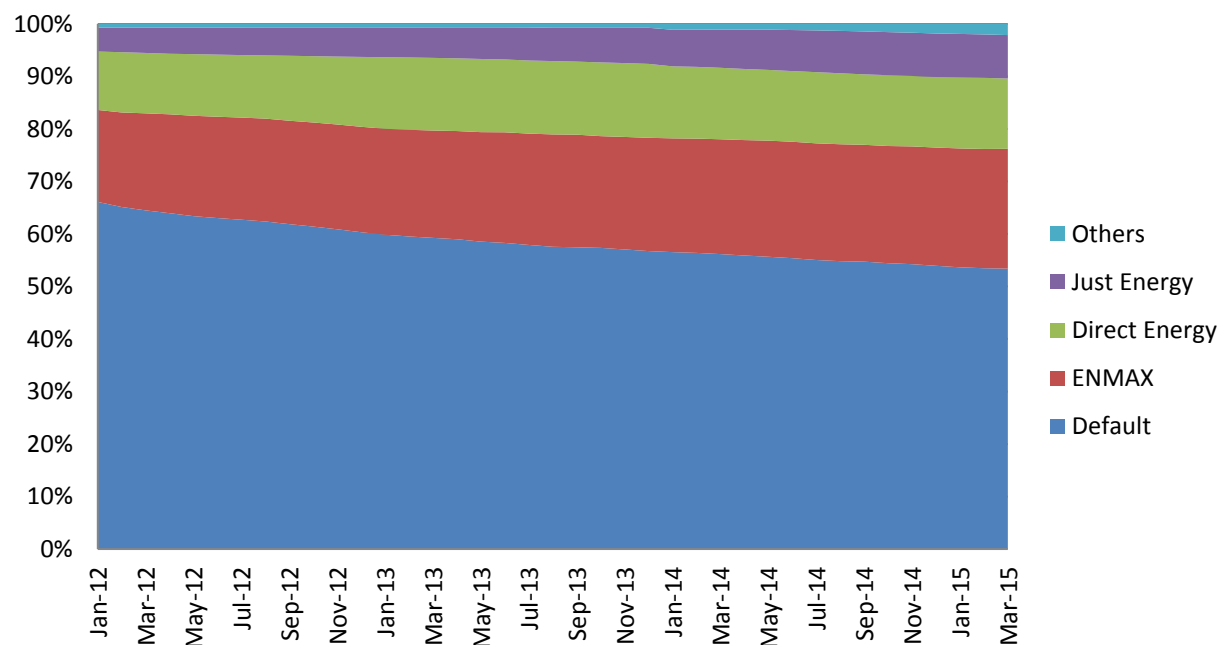


## 2.2 Natural gas

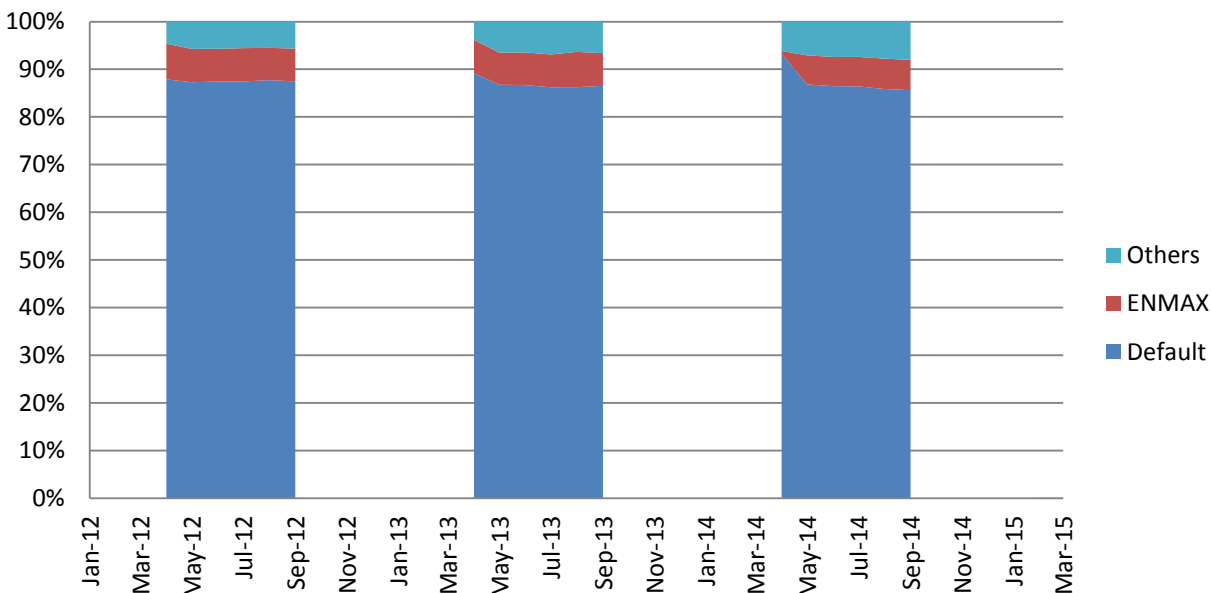
### 2.2.1 Alberta-wide market shares

As with the RRO for electricity, over time consumers have gradually moved off the default rate tariff (DRT), with about half of residential-class customers having signed a competitive contract as of March 2015. As illustrated in Figure 2.10, the same three firms—ENMAX, Direct Energy, and Just Energy—are the largest competitive retailers of residential-class natural gas, as they were for electricity.

**Figure 2.10: Retailer market shares, by site count of Alberta-wide, residential-class natural gas consumers**

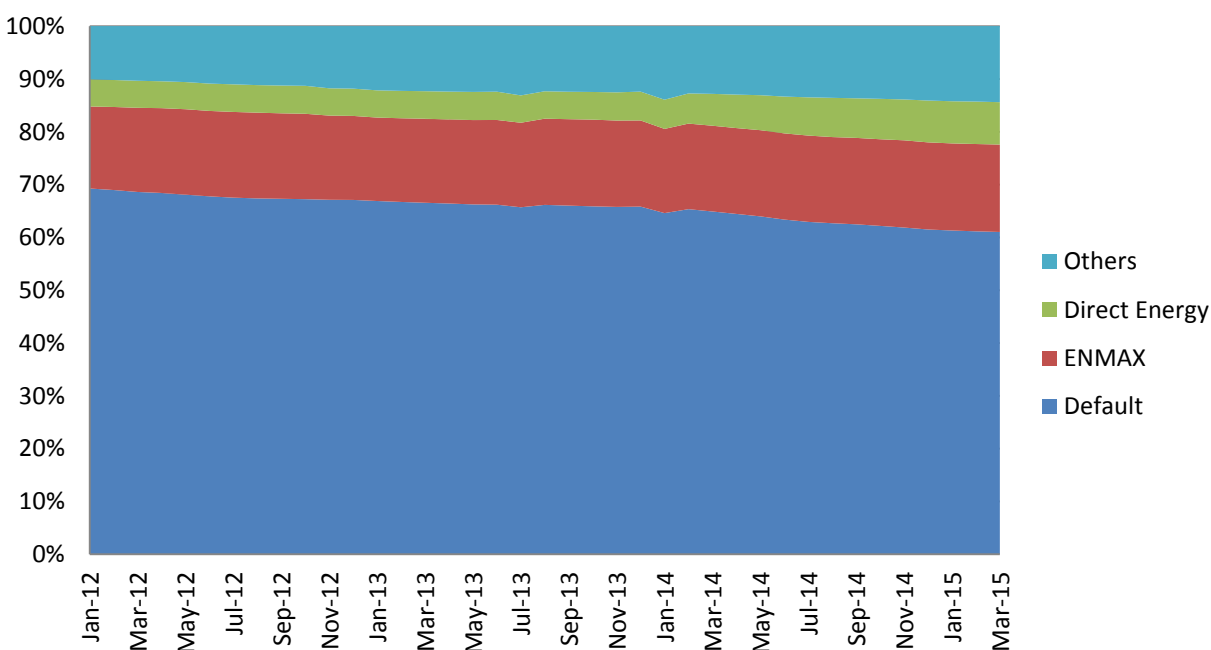


**Figure 2.11: Retailer market shares, by site count of Alberta-wide, agricultural-class natural gas consumers**



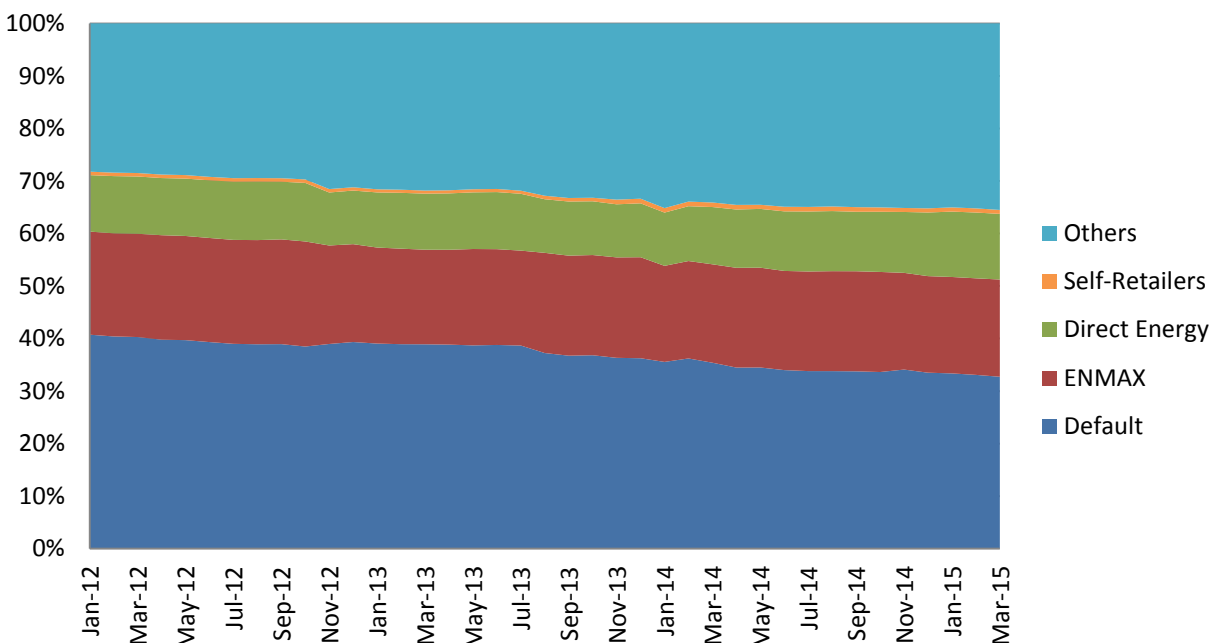
Agricultural-class consumers, as illustrated in Figure 2.11, tend to have seasonal demand for natural gas to support farming operations. Compared to residential-class consumers, agricultural-class consumers tend to favour the default rate. As in the electricity retail market, ENMAX is the largest competitive natural gas retailer by site count market share.

**Figure 2.12: Retailer market shares, by site count of Alberta-wide, small commercial and industrial-class natural gas consumers**

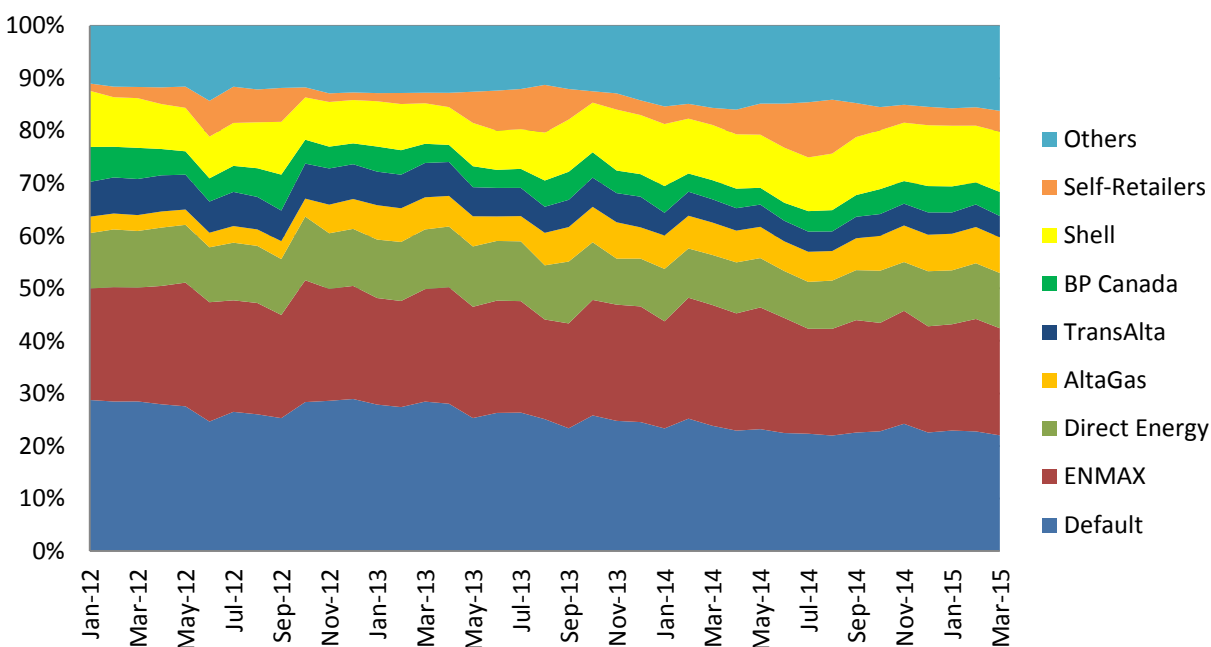


A smaller proportion of small C & I-class consumers are enrolled in the DRT than residential- and agricultural-class consumers. In this consumer class, only ENMAX and Direct Energy provide retail services to greater than 5% of sites.

**Figure 2.13: Retailer market shares, by site count of Alberta-wide, large commercial and industrial-class natural gas consumers**



**Figure 2.14: Retailer market shares, by consumption volume of Alberta-wide, large commercial and industrial-class natural gas consumers**

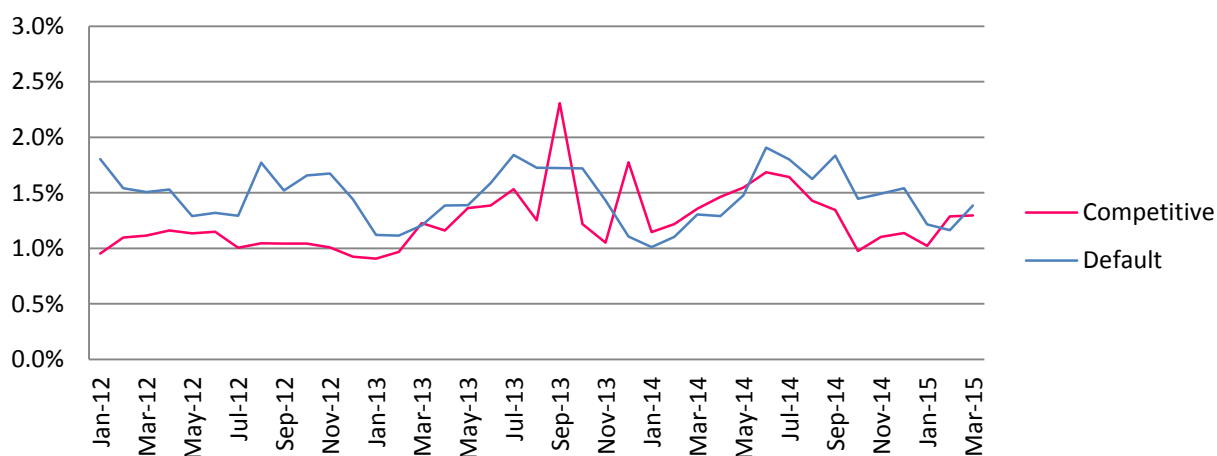


Large C & I-class consumers have also gradually shifted away from the regulated products towards competitive products, as illustrated in Figure 2.13. There appears to be relatively more seasonality to natural gas consumption by self-retailers than the average large C & I-class consumer, as demonstrated in Figure 2.14.

### 2.2.2 Alberta-wide churn rates

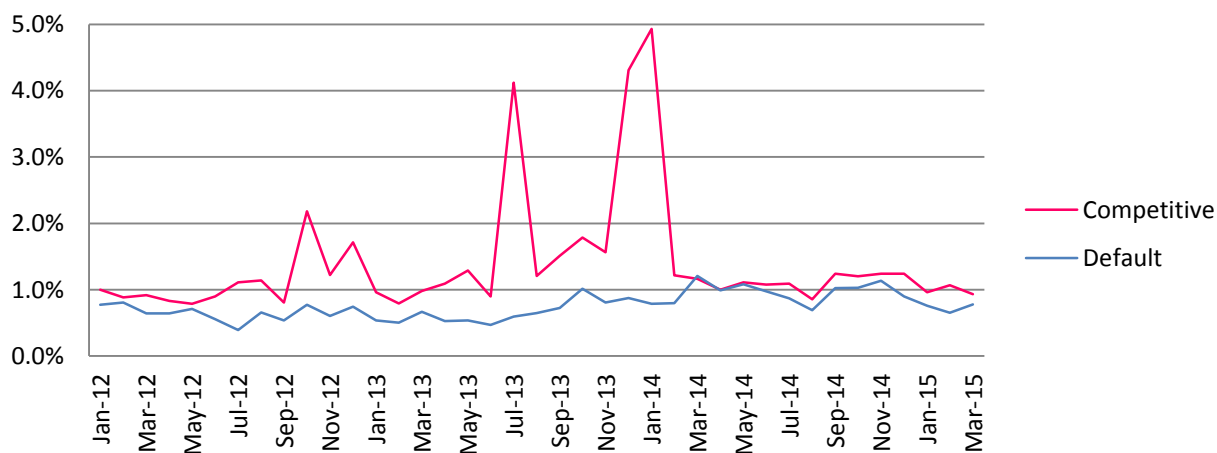
Churn rate for residential-class natural gas consumers are illustrated in Figure 2.15. Unlike the same class of electricity consumers, the default and competitive rates are similar.

**Figure 2.15: Monthly churn rates, by fuel type of Alberta-wide, residential-class natural gas customers**



Small C & I-class customers enrolled in the DRT have a consistently slightly lower churn rate than competitive customers. Occasional spikes in the churn rates of competitive customers in this class may be due, in part, to some retailers exiting the small commercial and industrial-class segment of the retail energy market and the customers consequently being transferred to another retailer.

**Figure 2.16: Monthly churn rates, by fuel type of Alberta-wide, small commercial and industrial-class natural gas customers**

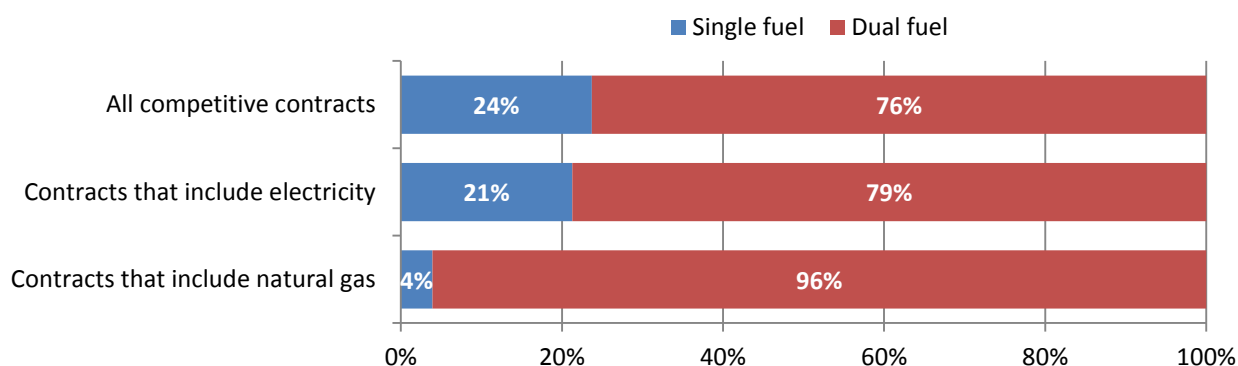


### 3. Uptake of single- and dual-fuel competitive contracts

The total number of competitive retail energy contracts for all consumer types increased from 597,472 to 654,787 from 2013 to 2014. This represents a net increase of 57,315, or approximately 10%. Under these contracts, consumers buy either one fuel (i.e., electricity or natural gas) or both fuels (i.e., both electricity and natural gas). As reported in Figure 3.1, 76% of competitive retail energy contracts cover both electricity and natural gas while 24% cover a single fuel. These values are similar to those reported last year. The figure also reports that, among competitive energy contracts that include electricity (the second row), 21% are single fuel and 79% are dual fuel / also include natural gas, while among competitive energy contracts that include natural gas (the third row), 4% are single fuel and 96% are dual fuel / also include electricity.

The reason for the difference is likely that, as described in Section 4.2 and consistent with our previous observations, competitive natural gas contract prices are typically above the DRT price (which is based on wholesale natural gas prices). As expected, the vast majority of consumers who buy natural gas by itself, i.e., not through the same contract as electricity, are on the DRT tariff. As such, retail products that do not provide the best value to consumers are not purchased by consumers.

**Figure 3.1: Type of competitive retail energy contracts, end of 2014**



Various types of contract terms are available from which consumers can choose. In general, the energy (electricity or natural gas) will be either fixed-priced (F) or variable-priced (V). Based on these characteristics, 6 contract configurations are considered. In each case, the share of all competitive energy contract types for each of these configurations and the net change from the end of 2013 to the end of 2014 in the number of enrolled consumers are reported in brackets:

- Single fuel electricity, fixed- and variable-price together (21%; + 14,700)
- Single fuel natural gas, fixed- and variable-price together (3%; + 9,100)
- Dual fuel, fixed-price electricity and fixed-price natural gas (21%; + 34,400)
- Dual fuel, fixed-price electricity and variable-price natural gas (43%; + 10,300)

- Dual fuel, variable-price electricity and fixed-price natural gas (0%; + 600)
- Dual fuel, variable-price electricity and variable-price natural gas (12%; - 7,400)

The most popular type of competitive energy contract, with 43% market share, is the dual fuel contract with fixed-price electricity and variable-price natural gas. Customers may choose this product due to cost savings and convenience associated with having a single bill. In the cases of ENMAX in Calgary and EPCOR in Edmonton, the competitive retailer provides a single bill that also includes municipal water and waste services. Single fuel electricity and dual fuel with fixed prices on both commodities are the next largest segments each at about 21%.

The only contract configuration for which there was a net reduction in the number of consumers was the dual fuel contract with variable-price electricity and variable-price natural gas. The dual fuel contract with fixed-price electricity and natural gas gained the most consumers in net terms.

Some retailers offer customers the opportunity to 'green' part or all of their energy purchases. There are approximately 22,000 green contracts signed by the end of 2014, a decrease of approximately 2% from last year.

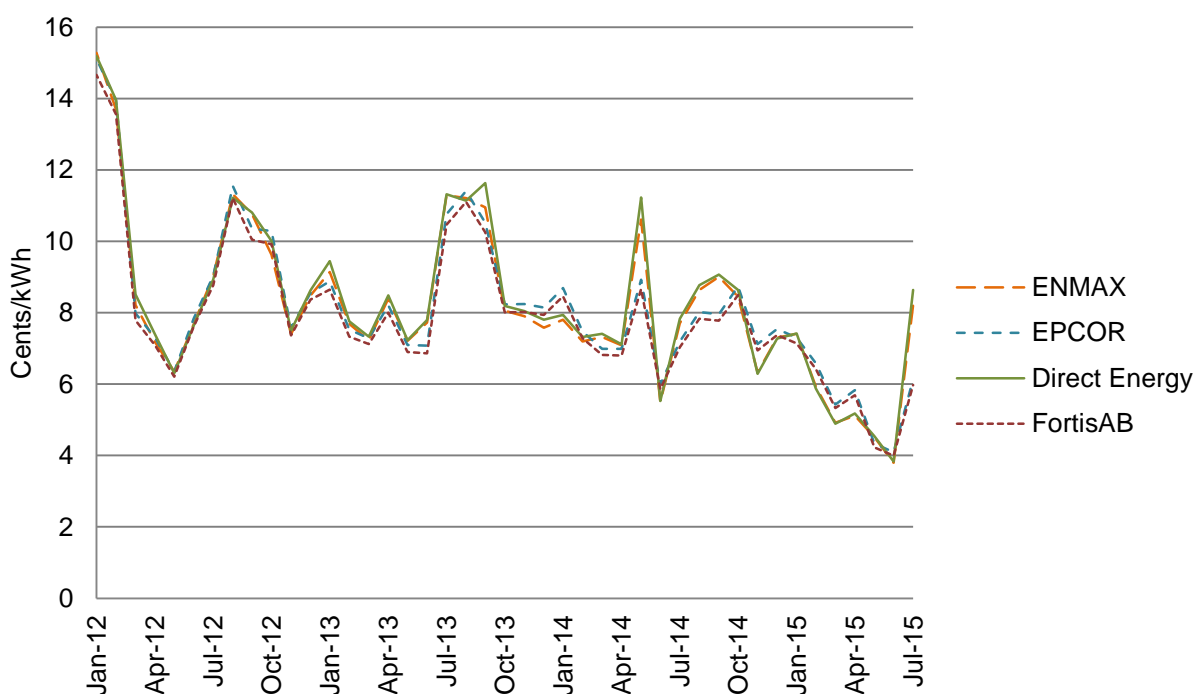
## 4. Consumer prices

In markets for most goods, price is an important factor that drives consumer decision-making. While energy consumption is relatively price inelastic, the role of price faced by consumers is nonetheless an important aspect of the competitiveness of the market.

### 4.1 Electricity

RRO prices, illustrated in Figure 4.1, have trended downward over the period September 2014 to June 2015; the trend was clearly broken in July 2015. Monthly variation of RRO prices has continued in-line with the prescriptions of the *Regulated Rate Option Regulation*. The RRO in the month of June reached the lowest level in more than 10 years, falling to approximately 4 cents / kWh. In July 2015, however, RRO for ENMAX and Direct Energy increased to greater than 8 cents / kWh, more than double that of the previous month.

Figure 4.1: Monthly RRO prices

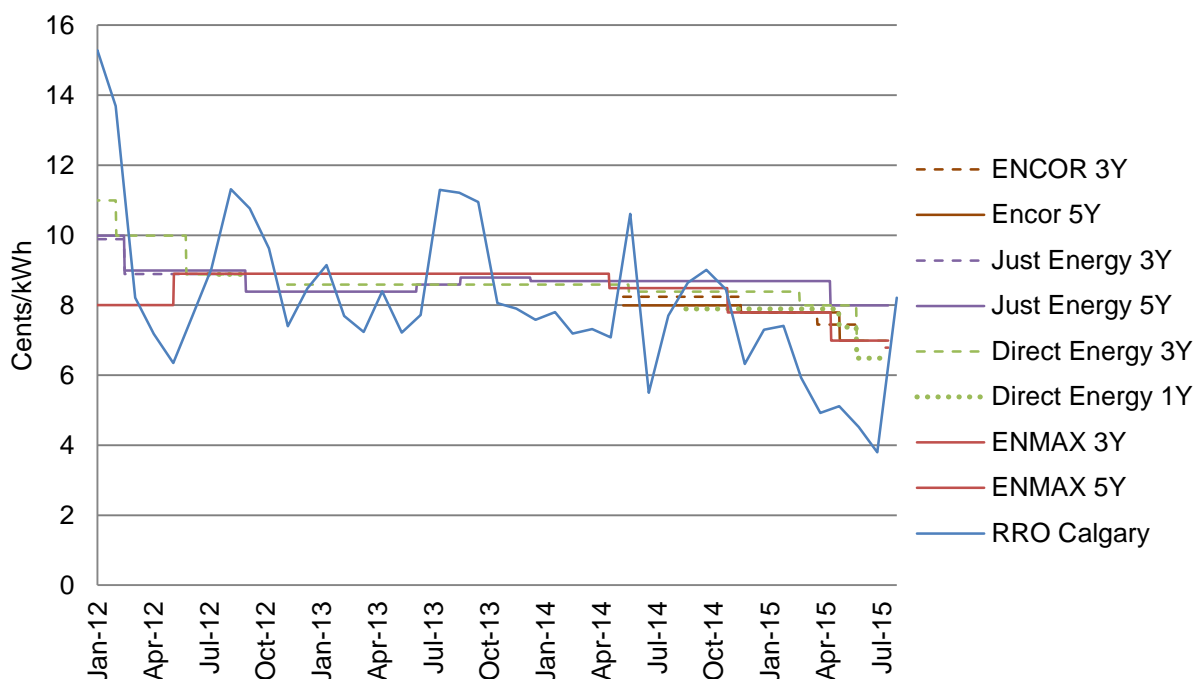


The various RRO prices are positively correlated. Nevertheless, deviations have become more noticeable since fall 2013 as a result of differences among the procurement plans used by the RRO providers. In particular, EPCOR buys (and prices) electricity in the financial forward market for consumers enrolled in the RRO in both the EPCOR and FortisAlberta areas during a 120-day window leading into each delivery month, whereas ENMAX and Direct Energy use a 45-day window.

Consumers can avoid the variation of prices associated with the RRO by signing a contract with a competitive retailer. Figure 4.2 illustrates the electricity commodity price of a selection of fixed-price competitive products that have been made available by electricity retailers. Retailer-

specific administration fees are not illustrated, nor are other rate riders, municipal access fees, and transmission and distribution costs. These details are returned to in Section 6.

**Figure 4.2: Fixed-priced, fixed-term competitive electricity contract prices**

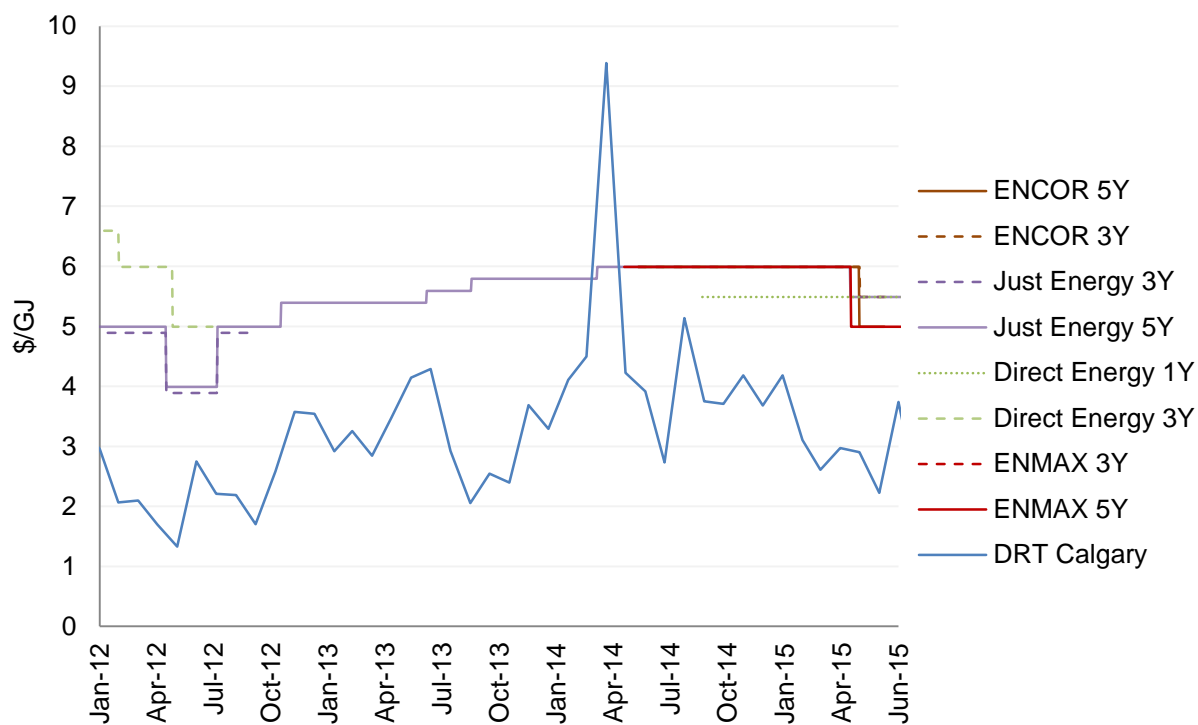


As observed in the MSA's "State of the market 2014: The residential retail markets for electricity and natural gas," the fixed-price offerings continue to be tightly grouped by price. The RRO price (ENMAX area) has frequently been below the prices available in the fixed-price contract market. In-line with this, fixed-price competitive contract prices have declined meaningfully in 2015. While RRO prices respond to the dynamic of the near-term forward market competitive prices respond to the longer-term forward market prices.

## 4.2 Natural gas

As illustrated in Figure 4.3, unlike electricity, competitive contract prices for natural gas have been consistently above the DRT, with the notable exception of March 2014. Over the past few years, consumers wishing to obtain a fixed-price natural gas contract have had to pay a significant risk premium. As for electricity, the figure only illustrates the commodity price and does not consider retailer-specific administrator or transportation fees.



**Figure 4.3: Fixed-price, fixed-term competitive natural gas contract prices**

## 5. Billing

As market monitor the MSA focuses on the energy market derived part of the bill (what is called the “Energy Tariff” below) and consumers often assume this is all they pay. In fact, there are many individual components of the total bill that are fixed or regulated and equal or outweigh the Energy Tariff. It is thus instructive to look at typical bills across the province for electricity and natural gas.

For residential-class electricity consumers in 2014, the Energy Tariff represented between 40 and 50 percent of the typical consumer’s total bill in the ENMAX, EPCOR, and FortisAlberta zones and only 30 percent in the ATCO zone, with non-energy charges—such as distribution, transmission, local access fees, and taxes—being the balance of charges.<sup>4</sup>

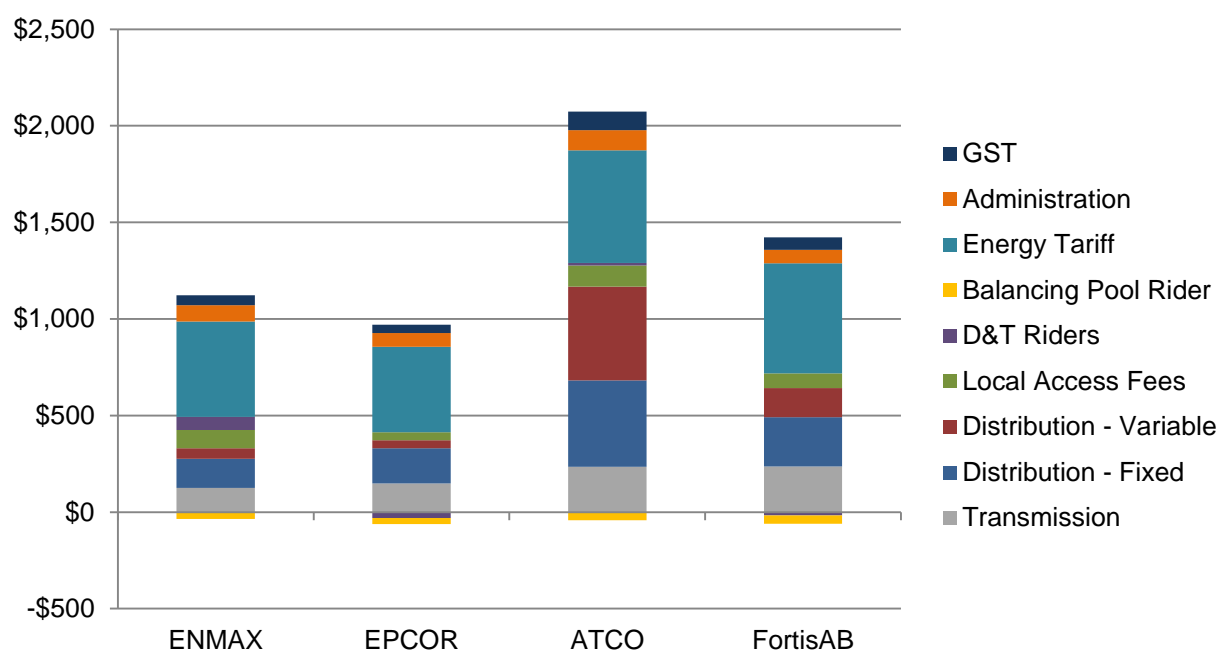
For residential-class natural gas consumers in 2014, the Energy Tariff represented between 40 and 50 percent of the typical consumer’s total bill. These fractions, for both electricity and natural gas, were highly variable across the months of the year.<sup>5</sup>

“Administration” costs include costs associated with billing and customer care.

### 5.1 Electricity

The costs illustrated in Figure 5.1 reflect the average electricity usage for a typical household on the RRO in the applicable zone for the year 2014. Bills for the ATCO and FortisAlberta zones are based on the consumption of consumers in Grand Prairie and Hinton, respectively.

**Figure 5.1: Total electricity bill, by distribution zone, for year 2014**



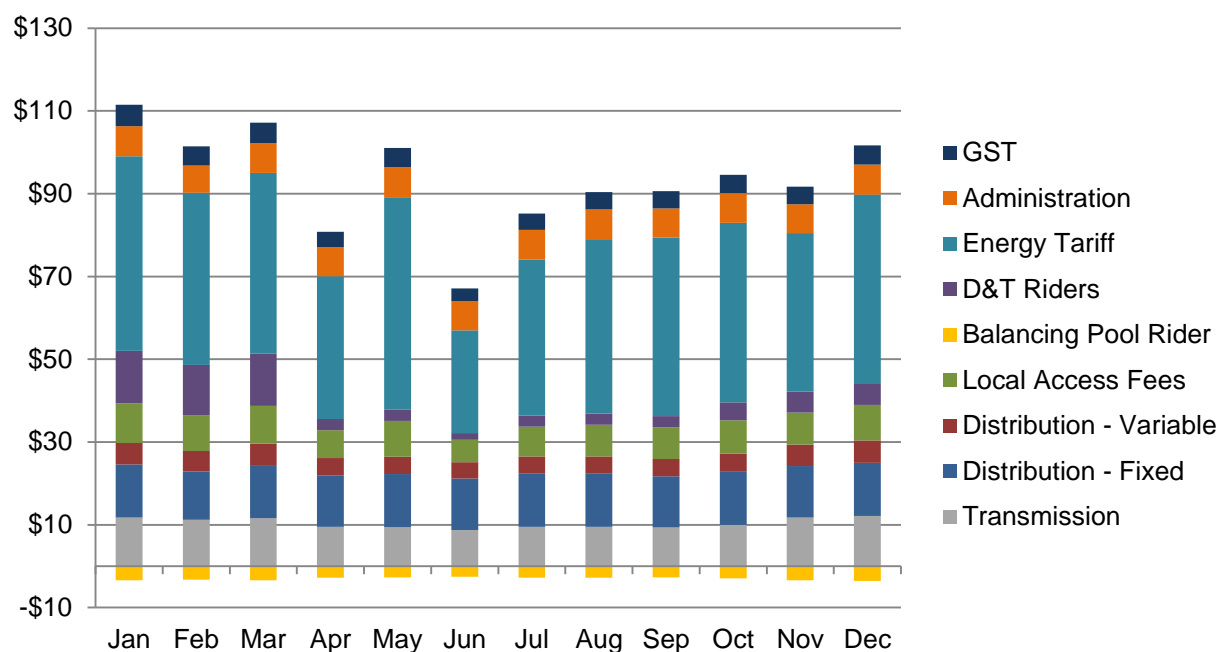
<sup>4</sup> See Figure 5.1.

<sup>5</sup> See Figure 5.3.

Distribution and transmission costs form a significant portion of electricity costs in rural areas such as FortisAlberta and ATCO zones. This is due to consumers in these areas being geographically sparse, with a relatively small population over which fixed costs are spread. Last year customers in the ATCO zone paid the highest electricity bills in Alberta, whereas EPCOR zone customers paid the least. In fact, ATCO zone customers paid more than double the amount that Edmonton customers paid.

Electricity bills generally peak in January as a result of winter and decline through the summer. This is illustrated in Figure 5.2, which provides a break-down of the data illustrated in Figure 5.1 for the typical consumer in the ENMAX zone.

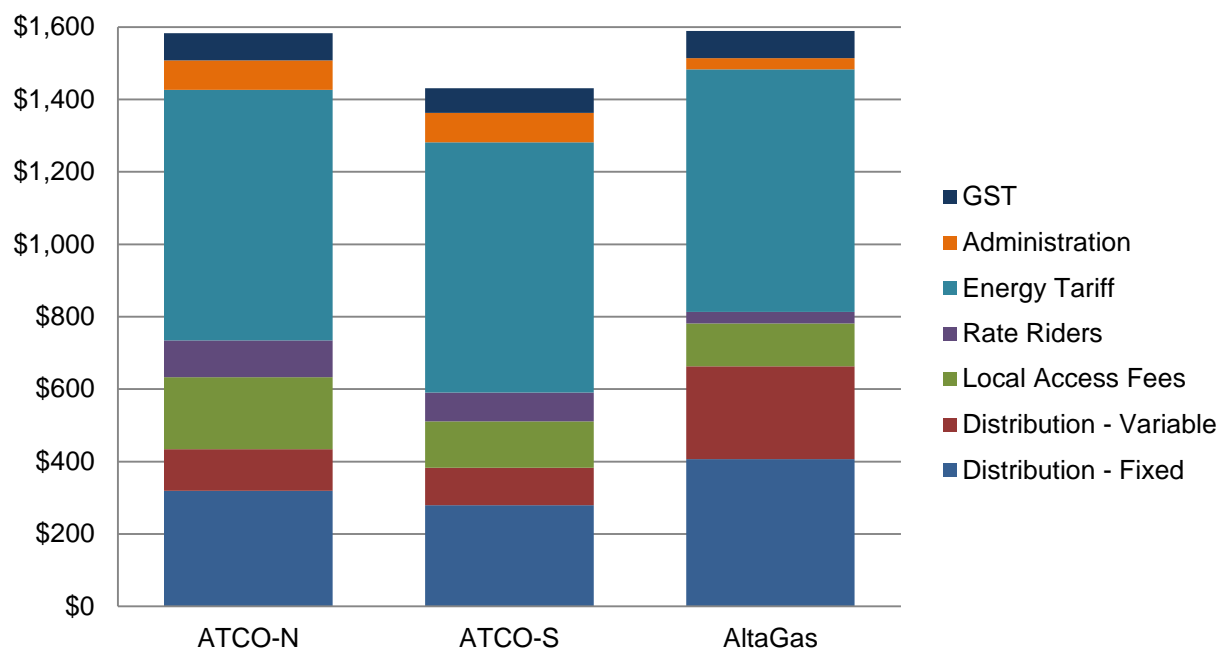
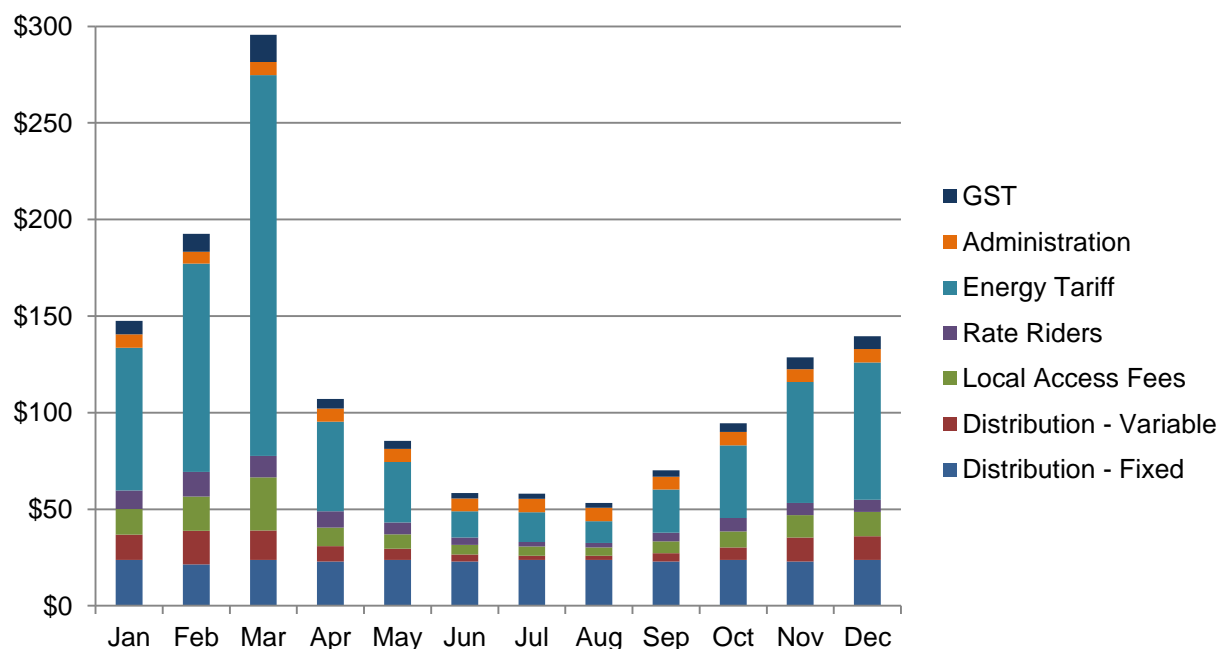
**Figure 5.2: Monthly electricity bill in the ENMAX zone, year 2014**



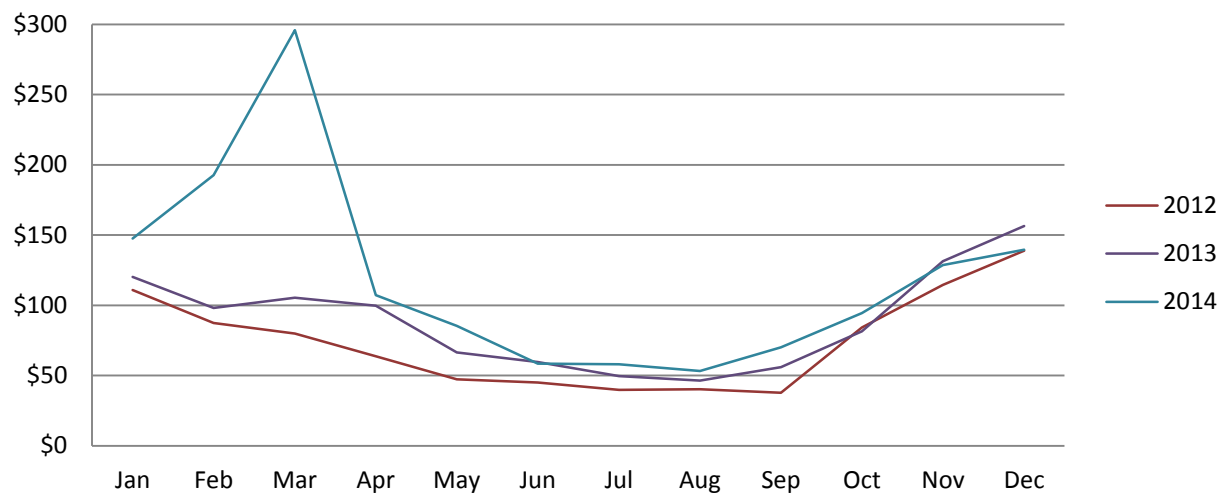
## 5.2 Natural gas

Calgary and Edmonton are treated as proxies for the ATCO-S and ATCO-N zones, respectively. Total annual bills vary moderately across the three zones as illustrated in Figure 5.3. Customers in the ATCO-N zone pay higher local access fees than people in the ATCO-S zone; this fee is collected by the retailer for the relevant local government.

In contrast to electricity, natural gas bills exhibit greater seasonality. Commodity prices and consumption both vary seasonally and have considerable effects on the total amount of the natural gas bills. The fixed component of delivery costs is invariant to seasonal changes.

**Figure 5.3: Total natural gas bill, by distribution zone, for year 2014****Figure 5.4: Monthly natural gas bill in the ATCO-S zone, year 2014**

The impact of the so-called polar vortex, which occurred in winter 2014, on natural gas bills is apparent in Figures 5.4 and 5.5. In particular, in March 2014 the typical natural gas bill in the ATCO-S zone was almost three times as great as in the same month one year earlier. Absent such an event, natural gas bills generally decline from the beginning of the year into summer, then rise from summer into the end of the year.

**Figure 5.5: Total monthly natural gas bill in the ATCO-S zone, years 2012 to 2014**

## **6. Role of co-branding on consumer decision-making in the retail electricity market**

Co-branding is where two complementary brands are associated with the same product or service. In the context of the Alberta energy market, co-branding occurs when a provider of regulated services lends its brand to an associated competitive energy retailer, typically a subsidiary of the same parent company. The brands associated with regulated products may be especially well-known and may have been established, in part at least, as a result of regulation rather than a competitively superior characteristic. To the extent this is the case, co-branding may act as a barrier to new competition, which, as discussed in this section, would confer a significant competitive advantage to retailers affiliated with providers of regulated services.

While co-branding is ubiquitous, in many cases potential entrants have trusted brands that could overcome this effect. While co-branding may affect the retail energy market, to the extent it facilitates consumer switching away from default-rate products, over time it may serve to enlarge the pool of consumers who consider their energy retail options and make the market more competitive. Moreover, a competitive electricity retailer may be able to provide consolidated utility (e.g., water services) billing services on behalf of a municipality at a lower cost than the municipality administering the billing directly. Efficiency benefits of this type are important to consider when assessing the impact of co-branding.

Co-branding effects of interest in this report generally manifest in circumstances where a competitive retailer:

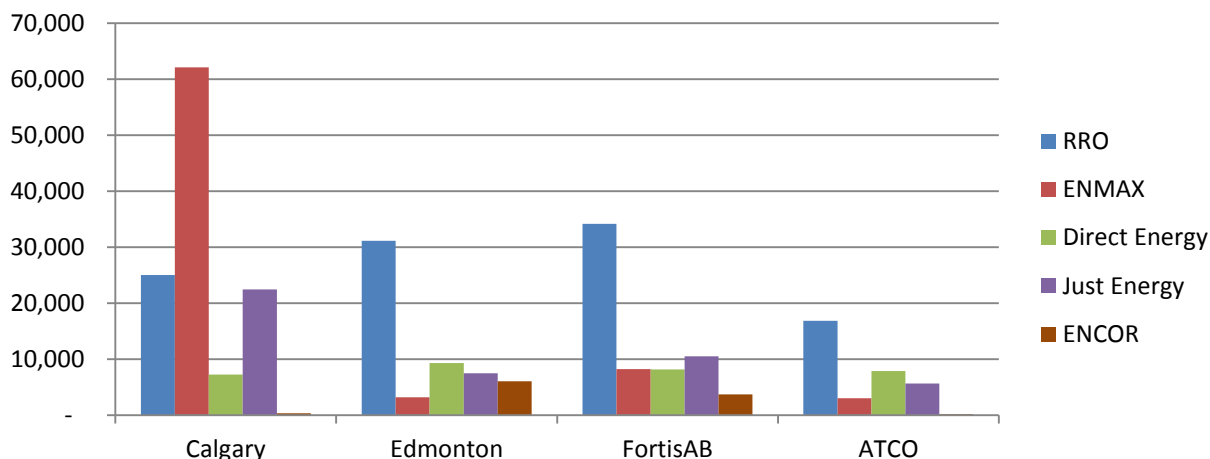
- is affiliated with a the distribution system company,
- is affiliated with a RRO provider, and / or
- administers utility billing services, such as for water services, on behalf of a municipality.

Co-branding was examined in the MSA's report "State of the market 2014: The residential retail markets for electricity and natural gas" (MSA, 2014d), which concluded that co-branding effects of various forms were still evident in customer switching decisions. This report considers whether switching decisions still appear to be influenced by co-branding. In particular, with the re-entry of EPCOR to the competitive retail space in 2014 through its ENCOR brand, there is an opportunity to observe the effect within the City of Edmonton (where EPCOR is both the electricity distribution company and the RRO provider) and possibly within the FortisAlberta territory (where EPCOR is the RRO provider). The analysis here focusses on the period March 2014 through March 2015 and customer decisions made during that time period.

Figure 4.2 illustrated a selection of fixed-price electricity contract prices. The range is fairly narrow, which suggests that price differences were unlikely to have been a key motivator for consumers to switch retailers. Figure 6.1 illustrates the gross number of electricity consumers acquired by each retailer during the period March 2014 to March 2015 in each of the four major service zones.

In all service zones the RRO gained a large proportion of new electricity customer acquisitions. Reasons for this include consumers who do not explicitly sign a competitive contract are automatically enrolled in the RRO, including those who reach the end of a competitive contract and do not sign a new one. The key point is that these data include consumers who do not make a retailer choice, as well as those who explicitly choose the RRO.

**Figure 6.1: Gross number of electricity consumers acquired, March 2014 to March 2015**



ENMAX's competitive affiliate, as illustrated in Figure 6.1, acquires a substantially larger fraction of gross consumer sign-ups in Calgary (ENMAX zone) than in any other zone. In Calgary, ENMAX is the distribution system company, the RRO provider, and the provider of consolidated utility bills on the part of the City of Calgary. The potential co-branding advantage provided to its competitive affiliate accrues from these characteristics.

ENCOR, the competitive energy retail affiliate of EPCOR, (re-)entered the market in 2014. As illustrated in Figure 6.1, it has signed-up relatively few consumers in the Calgary (ENMAX) and ATCO zones, with most of its new consumers coming from the Edmonton (EPCOR) and FortisAlberta zones. In the Edmonton and FortisAlberta zones, EPCOR is the RRO provider (as well as being the distribution system company in Edmonton). The potential co-branding advantage provided to its competitive affiliate accrues from these characteristics.

ENMAX's relative large fraction of gross competitive contract signings in Calgary and ENCOR's relatively large fraction of gross competitive contract signings in Edmonton and the FortisAlberta zone are outcomes that are consistent with the existence of a co-branding advantage. While this may create a barrier to entry or to expansion by fringe firms, to the extent that co-branding facilitates consumer switching away from default-rate products, it may serve to enlarge the pool of consumers who are willing to consider their retail energy options and make the market deeper and ultimately more competitive.

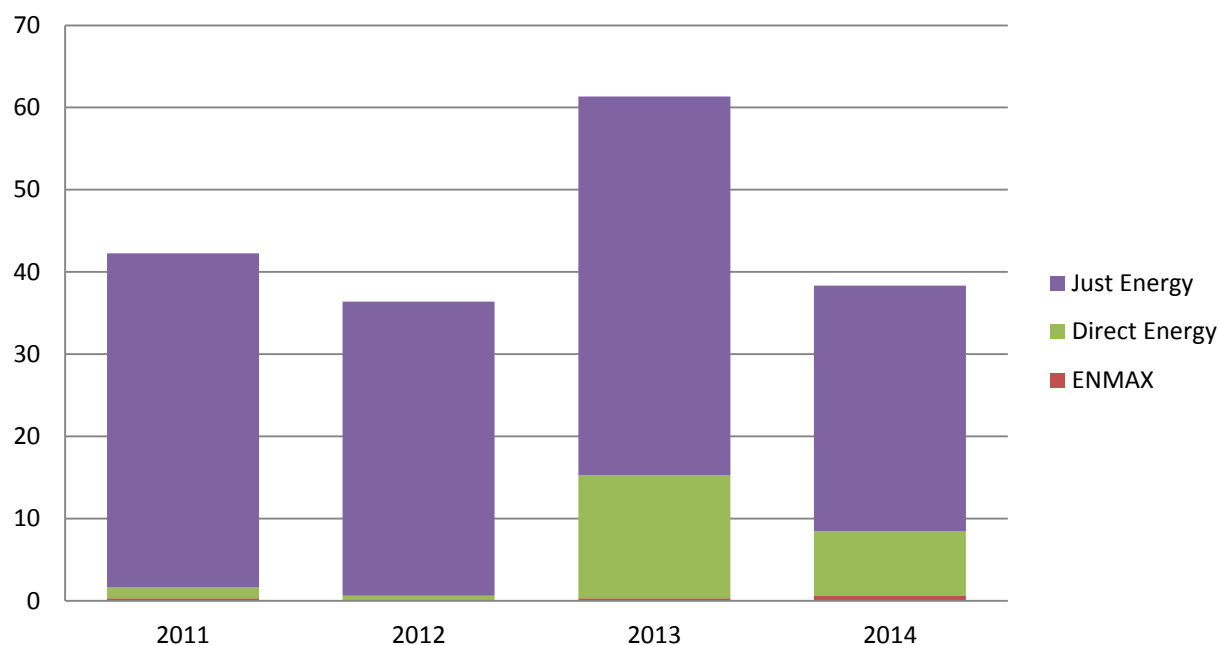
## 7. Complaints statistics

Consumers are able to complain about the conduct of retailers to the UCA, Service Alberta, and the MSA. The UCA has a mandate to promote the interests of small consumers of electricity and natural gas and often acts as a mediator between parties to resolve differences informally. The UCA refers serious allegations such as forgery, misleading consumers, undue pressure tactics, contract renewal issues, and violation of the mandatory 10-day cooling-off period following the signing of a contract to Service Alberta for further investigation. When sufficient evidence was shown, remedies can range from an issue of warning letter, settlement between parties, and even court proceedings.

Complaints about retailer conduct that undermine the fair, efficient, and openly competitive operation of the market are handled by the MSA.

Figure 7.1 reports the number of complaints per 100,000 customers for the three largest competitive energy retailers in Alberta—ENMAX, Direct Energy, and Just Energy—for the years 2011 through 2014. There is no obvious trend in the data.

**Figure 7.1: Consumer complaints about competitive energy retailers, per 100,000 customers**



Source: Service Alberta.



## 8. Electricity self-retailers

Some large commercial and industrial electricity consumers have decided to become self-retailers. In effect, these firms have decided that it is in their interest to settle their electricity account directly with the Alberta Electric System Operator (AESO), incurring the cost of becoming a retailer themselves—hence the term self-retailer—and by-passing independent retailers. A firm that is registered as a self-retailer need not, however, settle with the AESO for all of its electricity consumption; it may choose to procure some of its consumption through a competitive retailer (or enroll certain sites in the RRO if those sites are eligible; RRO eligibility is determined at the site-level not the level of the firm as whole).

As of March 2015, there were 43 electricity self-retailers in Alberta (38 counting affiliated organizations as one). The AESO has set a process that must be followed for this to occur.<sup>6</sup> Self-retailers can be categorized into five groups:

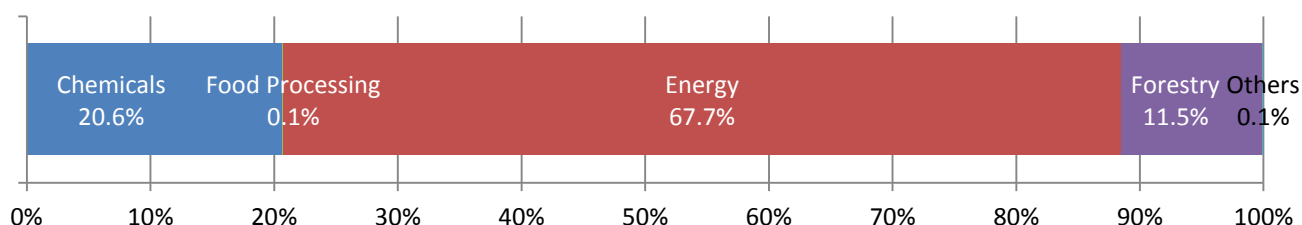
- 31 in the energy industry, including oil and gas, oil sands, pipeline operation, midstream servicing, and electricity generation,
- 5 in the forestry industry,
- 2 in the chemical industry,
- 2 in the food processing industry, and
- 3 others, including a university, a government facility, and a hotel.

The number of self-retailers has been stable over the last 4 years, having reached a maximum of 47 in 2013.

Conventional oil and gas firms tend to have many meter sites. For instance, in March 2015 one company had nearly 3,700 sites. In comparison, oil sands firms generally have less than 100 sites. For pipeline firms, the number of sites ranges from 1 to 1,000.

Figure 8.1 illustrates industry group market shares using consumption volume. Energy firms collectively consume the largest share at 68%, while consumers in the food processing and other categories collectively consume approximately 0.2% share.

**Figure 8.1: Industry group market shares, by consumption volume for electricity self-retailers, 2014**



<sup>6</sup> Alberta Electric System Operator (n.d.).

In to order better understand the qualitative aspects of the characteristics and behaviour of self-retailers, the MSA invited self-retailers to participate in a short voluntary survey in early 2015. There were 10 questions on various issues, such as:

- annual electricity consumption,
- number of sites,
- outsourcing preferences, and
- hedging behaviour.

Fourteen self-retailers (37% of all self-retailers) responded to the survey. The results of the survey potentially suffer from selection bias in the form of relatively large firms that are active participants in Alberta's electricity wholesale and forward markets being more likely than otherwise to respond to the survey.

Among the survey results:

- Of the 14 respondents, 9 firms revealed the industries that they are in: 3 owned co-generation; 2 oil producers, 1 in food manufacturing, 1 in chemical manufacturing, 1 in sawmill operation, and 1 institution.
- Nine of the respondents are "super large" self-retailers, consuming more than 100,000 MWh of electricity annually. These firms tend to participate minimally in the forward market and do not reduce consumption in the event of high pool prices, despite more than half of them having greater than 90% exposure to pool price variation.
- Twelve of the respondents reported that they would not reduce consumption when pool price is high; the other 2 indicated they would reduce consumption meaningfully when the pool price is high.
- Ten of the respondents reported to have generation assets, 6 of which also sell operating reserves to the AESO, including supplemental reserve by loads.
- Nine of the respondents indicated they procure from the forward market less than once per year; 3 said they participate more than once per year.
- One of the respondents indicated that they provide retailing services to other electricity consumers.

The information available on self-retailers as a whole suggests a diverse group of market participants. Interpreting the results of a voluntary survey of about one-third of what is a small population (43) is difficult. It is evident that self-retailers are fully aware of the Alberta market structure and use this knowledge to position their companies to best effect.

## Appendix A: Licenced energy retailers in Alberta

As of June 15, 2015 there were 13 and 14 retailers licenced by Service Alberta to provide, respectively, natural gas and electricity retail services to residential consumers. Some of these are affiliated with each other; some offer retail services under a variety of different brands. They are listed in sequential order of licence issue date (provided in brackets). These data are from Service Alberta.

### A.1 Electricity retailers

- ENMAX Energy Corporation (August 18, 2000)
- CP Energy Marketing Inc. (General Partner) (December 1, 2001)
- Direct Energy Marketing Limited, as Managing Partner of Direct Energy Partnership (June 4, 2003)
- ENMAX Commercial Energy Marketing Inc. (March 4, 2005)
- Just Energy Corp. (General Partner) (April 3, 2009)
- Utility Network & Partners Inc. (October 6, 2009)
- Encana Power and Processing ULC (August 24, 2010)
- Alberta Municipal Services Corporation (November 1, 2010)
- AltaGas Ltd. (January 1, 2011)
- Hudson Energy Canada Corp. (August 12, 2011)
- Vector Energy Ltd. (December 16, 2011)
- Link Energy Supply Inc. / Approvisionnement Energie Link Inc. (October 10, 2013)
- 1772387 Alberta Limited Partnership, operating as ENCOR (May 7, 2014)
- Superior Energy Management Electricity LP (July 16, 2014)

### A.2 Natural gas retailers

- Shell Energy North America (Canada) Inc. (August 19, 1998)
- ENMAX Energy Corporation (August 18, 2000)
- CP Energy Marketing Inc. (General Partner) (December 1, 2001)
- Direct Energy Marketing Limited, as Managing Partner of Direct Energy Partnership (June 4, 2003)
- ENMAX Commercial Energy Marketing Inc. (October 17, 2005)
- Just Energy Corp. (General Partner) (April 3, 2009)
- Alberta Municipal Services Corporation (November 1, 2010)

- AltaGas Ltd. (January 1, 2011)
- Capital Power GP Holdings Inc. (March 23, 2011)
- Hudson Energy Canada Corp. (August 12, 2011)
- Utility Network & Partners Inc. (June 29, 2012)
- Vector Energy Ltd. (November 15, 2013)
- 1772387 Alberta Limited Partnership, operating as ENCOR (May 7, 2014)

## Appendix B: Regional market shares and churn rates

### B.1 Electricity

#### B.1.1 ENMAX-zone electricity market shares

Figure B.1: Retailer market shares, by site count of ENMAX-zone, residential-class electricity consumers

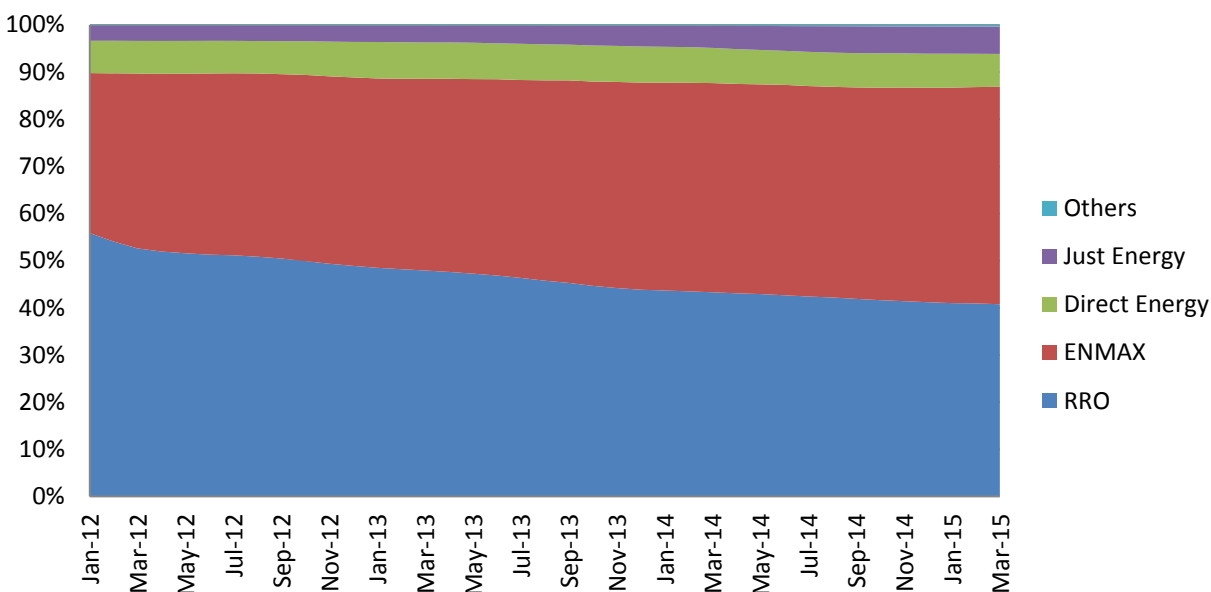
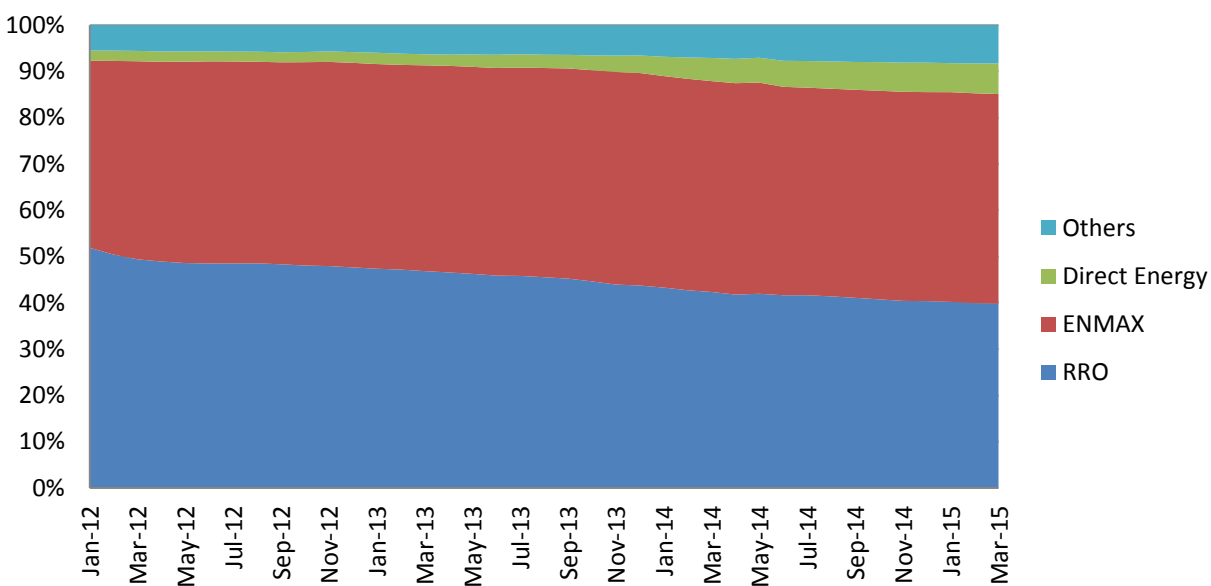
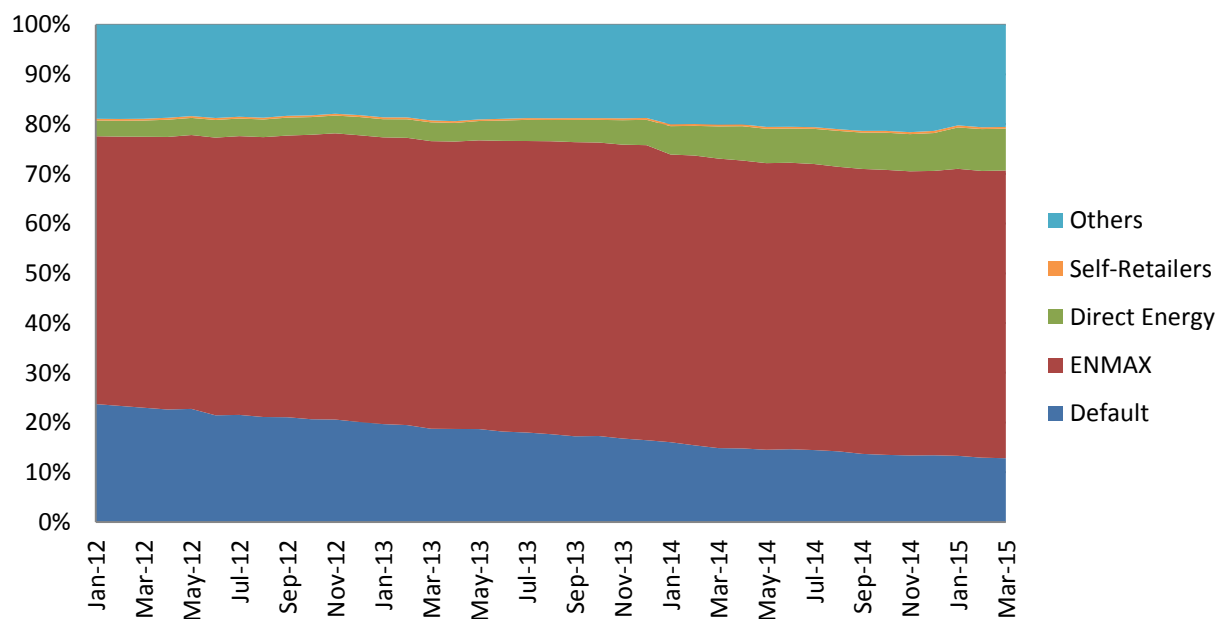


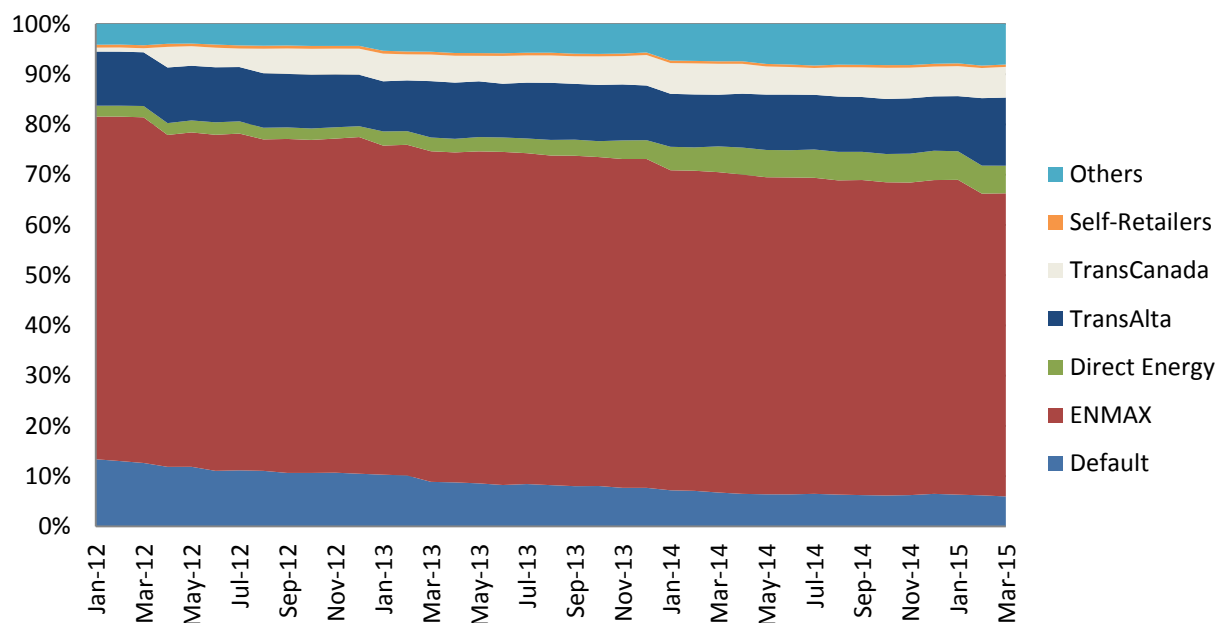
Figure B.2: Retailer market shares, by site count of ENMAX-zone, small commercial and industrial-class electricity consumers



**Figure B.3: Retailer market shares, by site count of ENMAX-zone, large commercial and industrial-class electricity consumers**



**Figure B.4: Retailer market shares, by consumption volume of ENMAX-zone, large commercial and industrial-class electricity consumers**



### B.1.2 ENMAX-zone electricity churn rates

Figure B.5: Churn rates of ENMAX-zone, residential-class electricity consumers

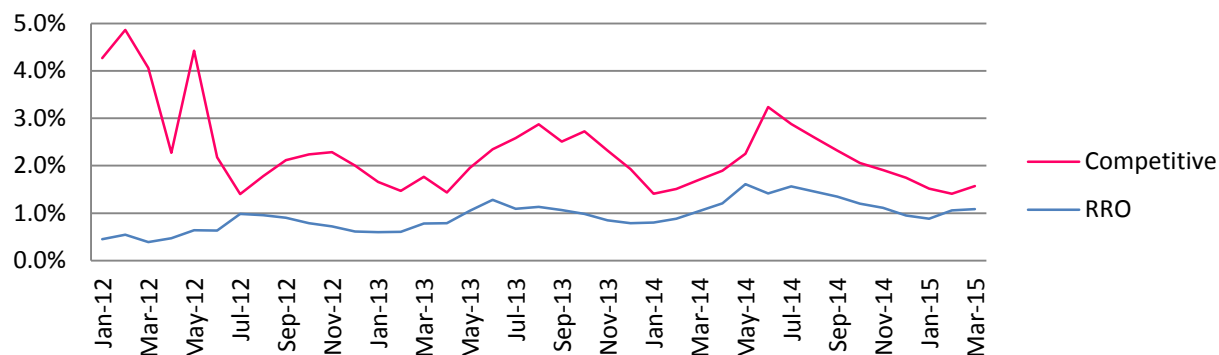
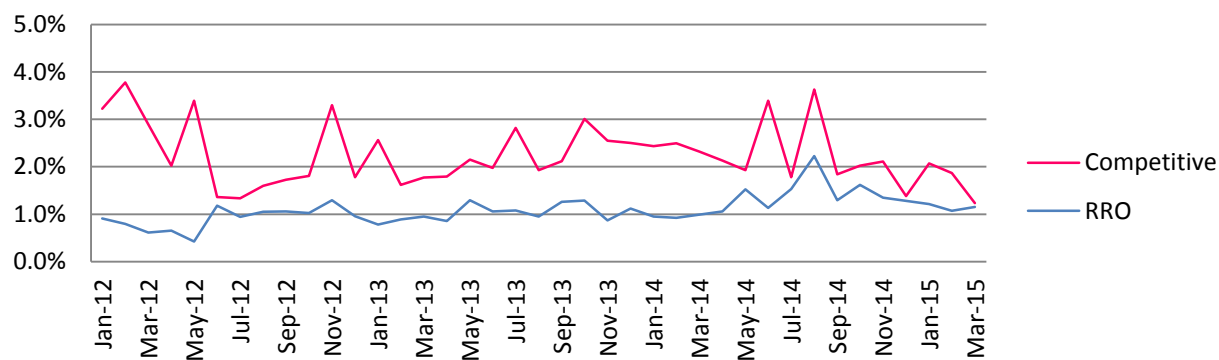


Figure B.6: Churn rates of ENMAX-zone, small commercial and industrial-class electricity consumers



### B.1.3 EPCOR-zone electricity market shares

Figure B.7: Retailer market shares, by site count of EPCOR-zone, residential-class electricity consumers

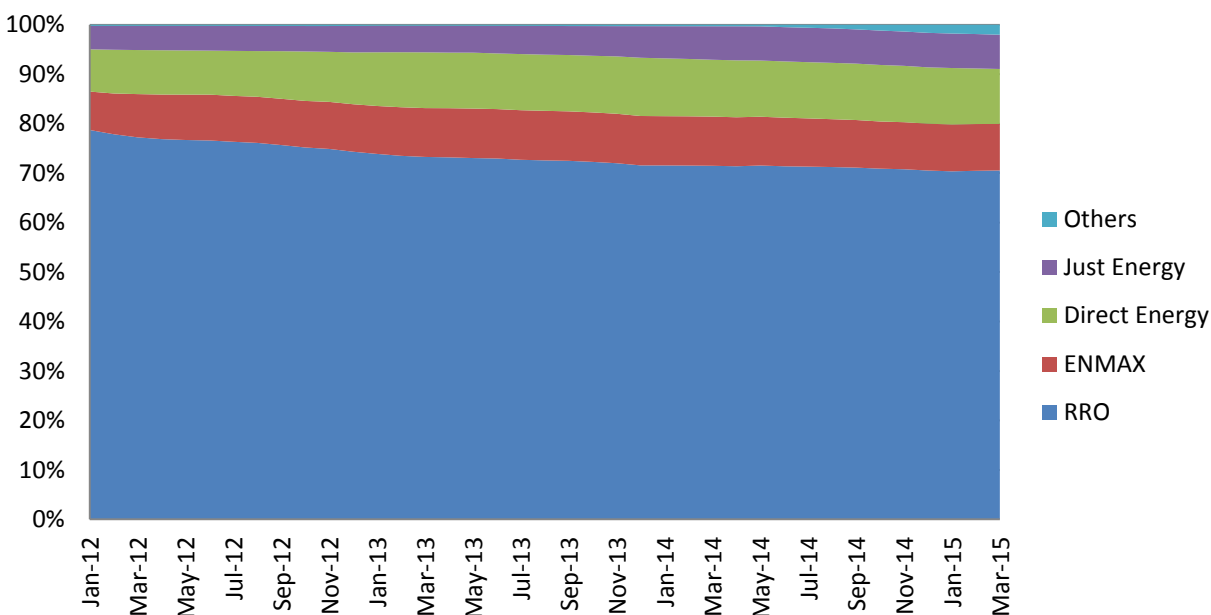
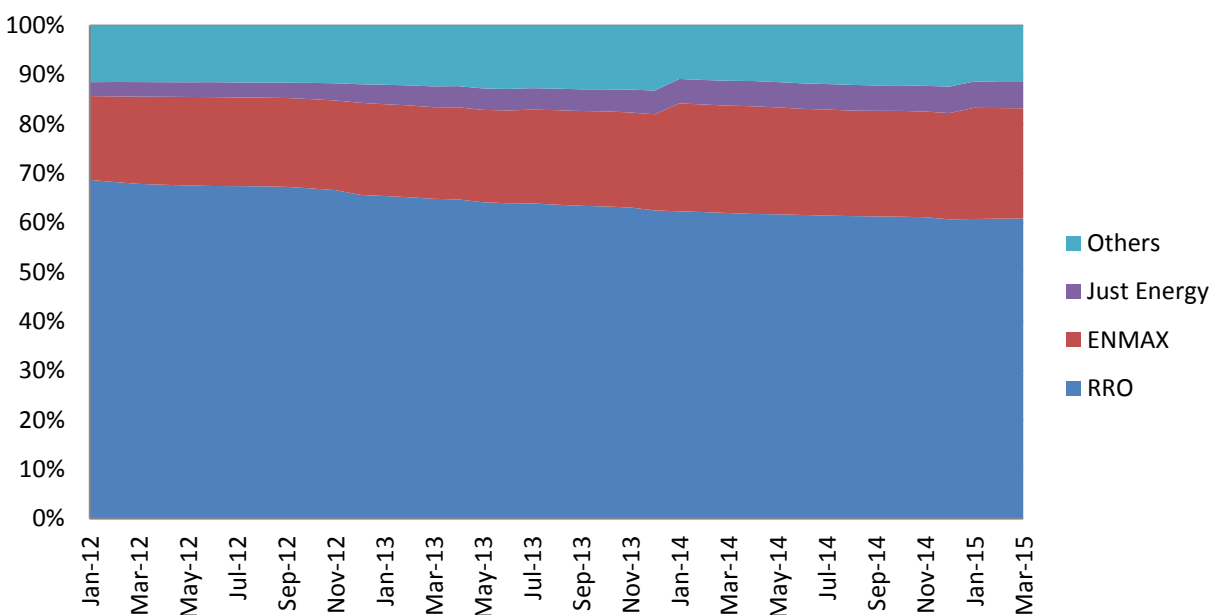
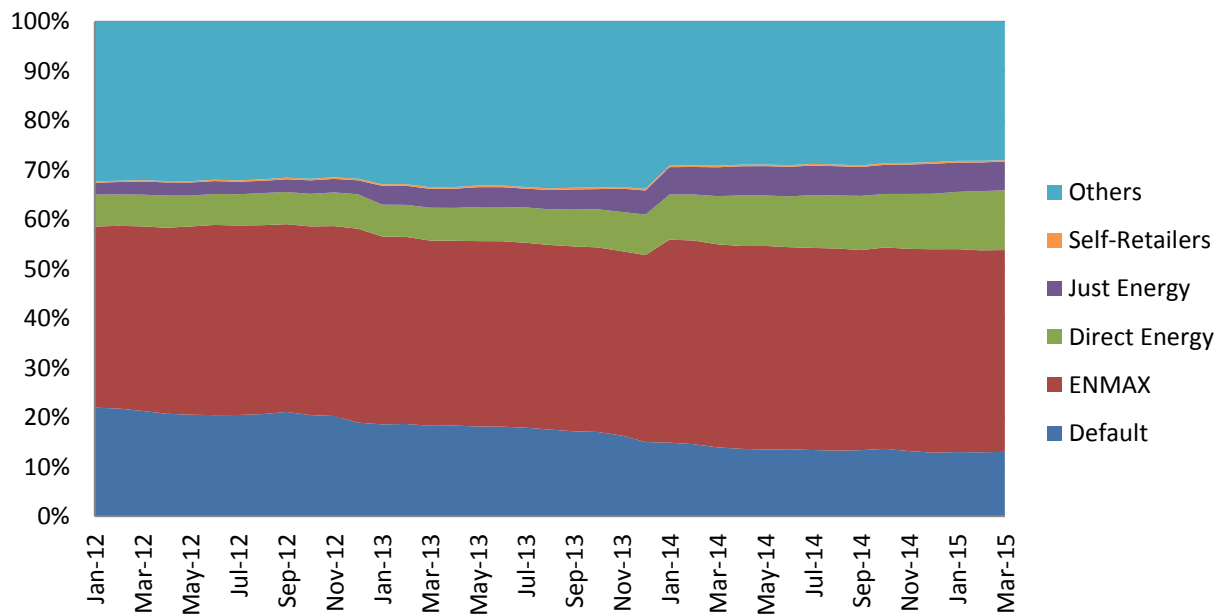


Figure B.8: Retailer market shares, by site count of EPCOR-zone, small commercial and industrial-class electricity consumers

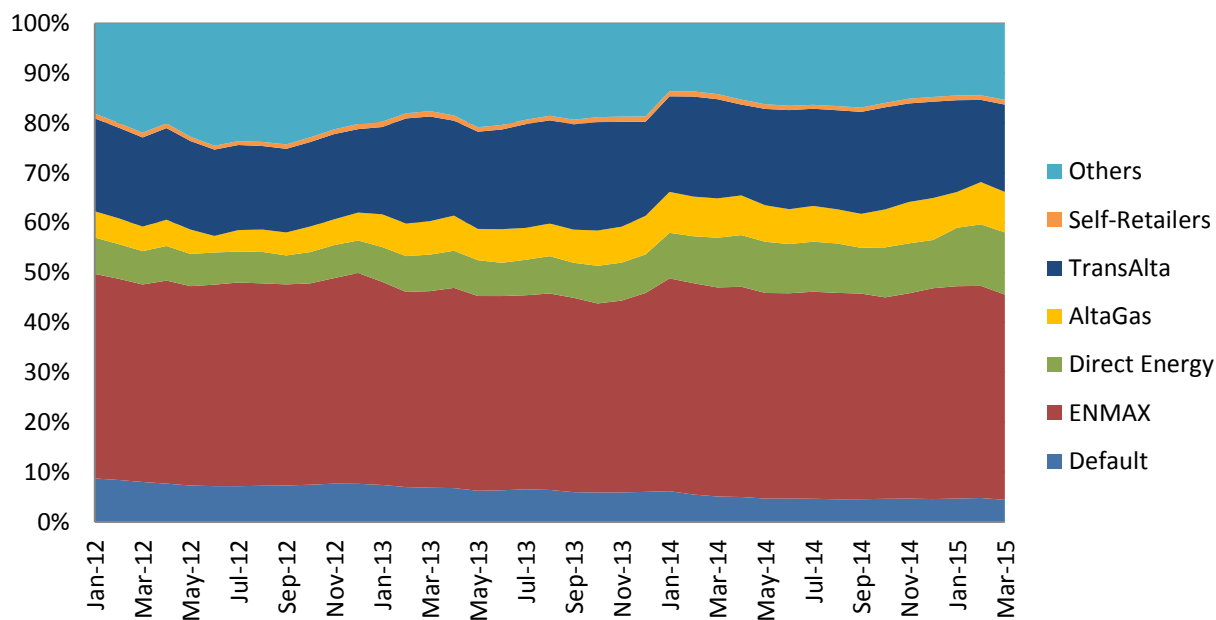




**Figure B.9: Retailer market shares, by site count of EPCOR-zone, large commercial and industrial-class electricity consumers**



**Figure B.10: Retailer market shares, by consumption volume of EPCOR-zone, large commercial and industrial-class electricity consumers**



### B.1.4 EPCOR-zone electricity churn rates

Figure B.11: Churn rates of EPCOR-zone, residential-class electricity consumers

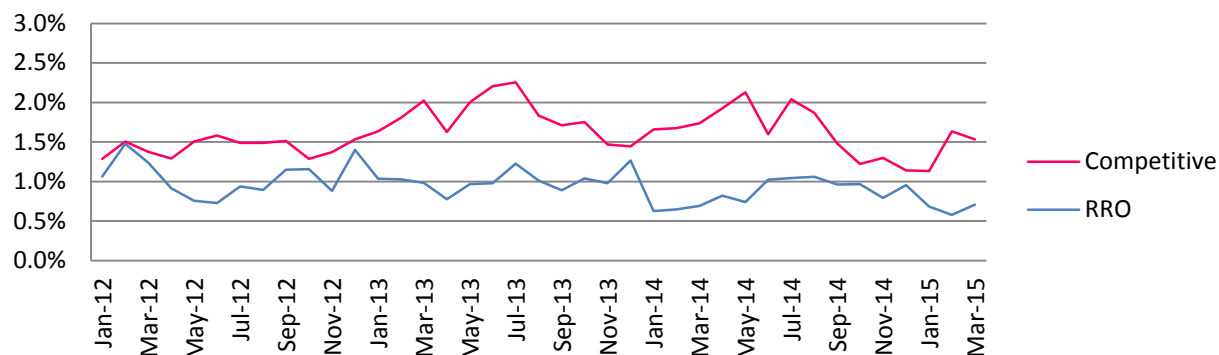
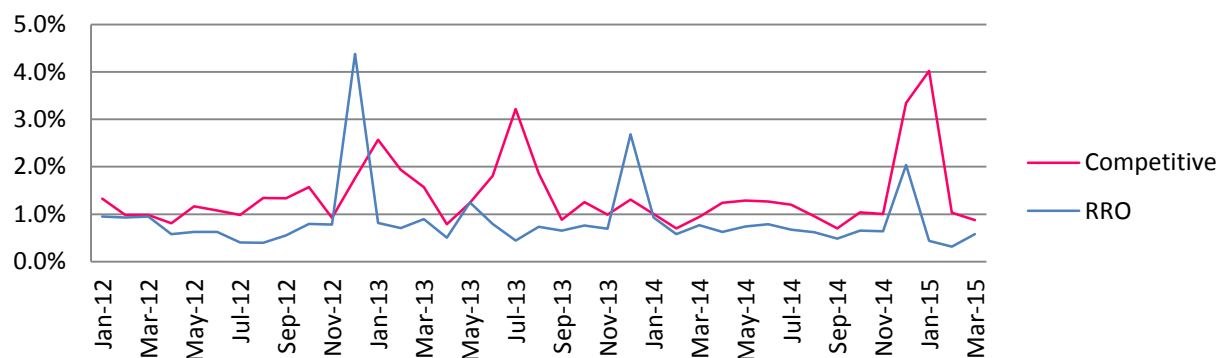


Figure B.12: Churn rates of EPCOR-zone, small commercial and industrial-class electricity consumers



### B.1.5 ATCO-zone electricity market shares

Figure B.13: Retailer market shares, by site count of ATCO-zone, residential-class electricity consumers

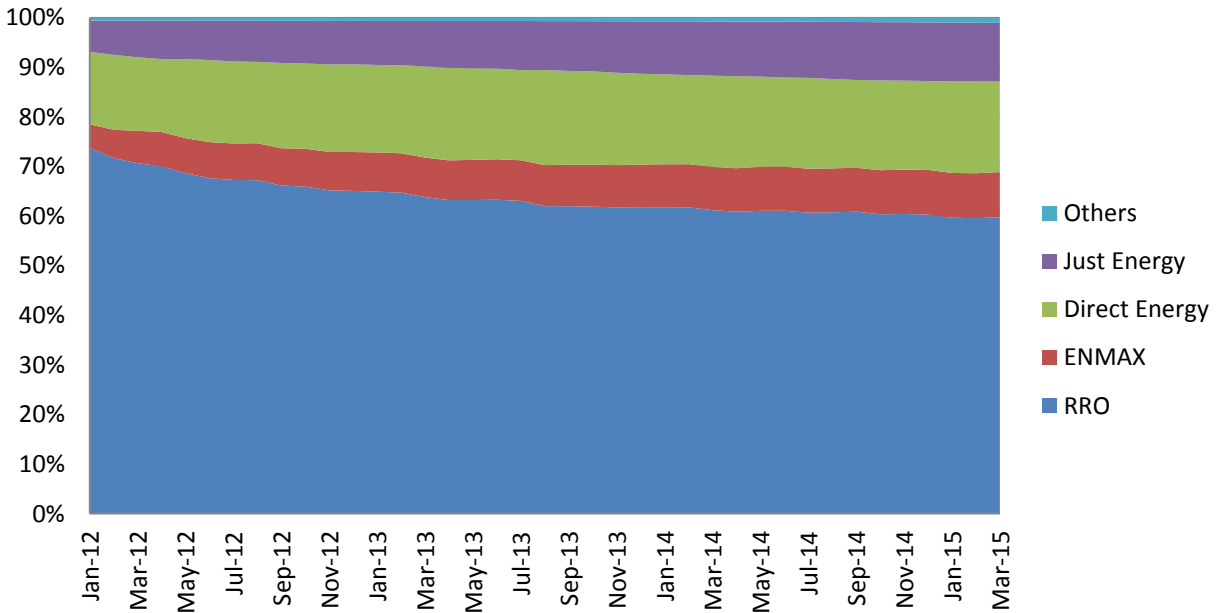
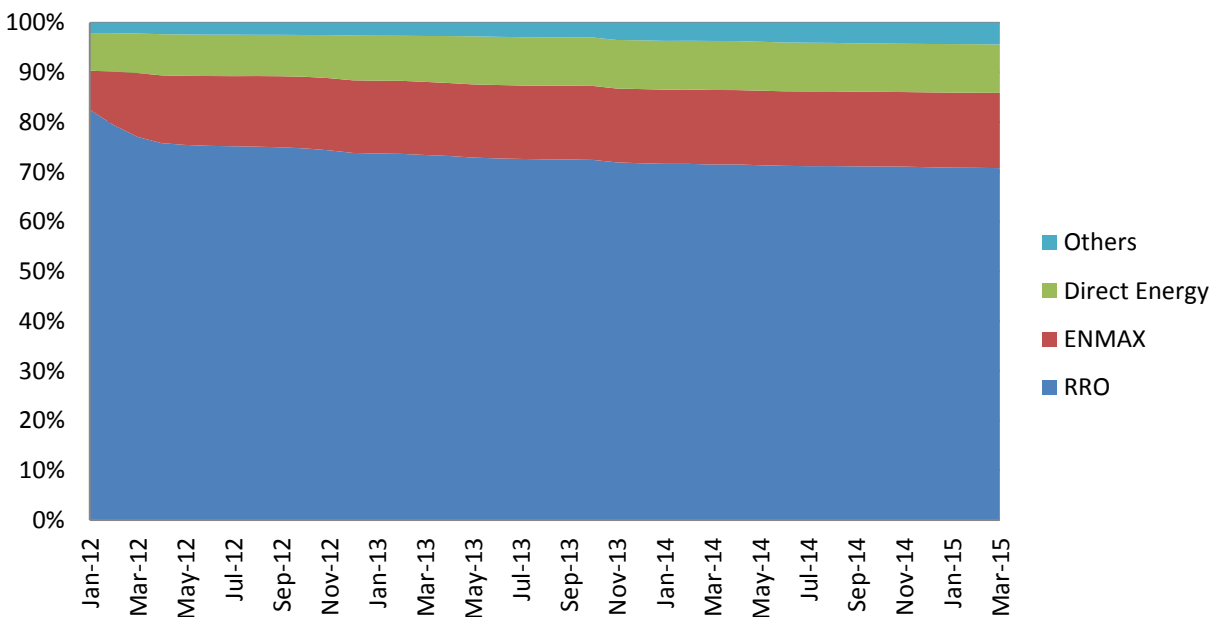
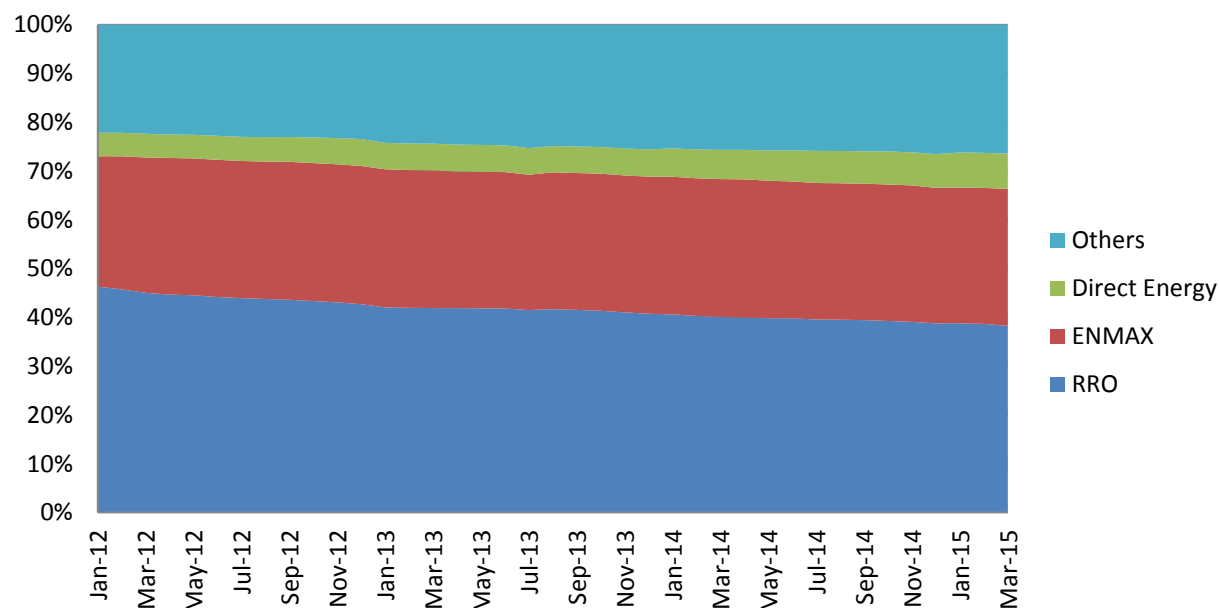


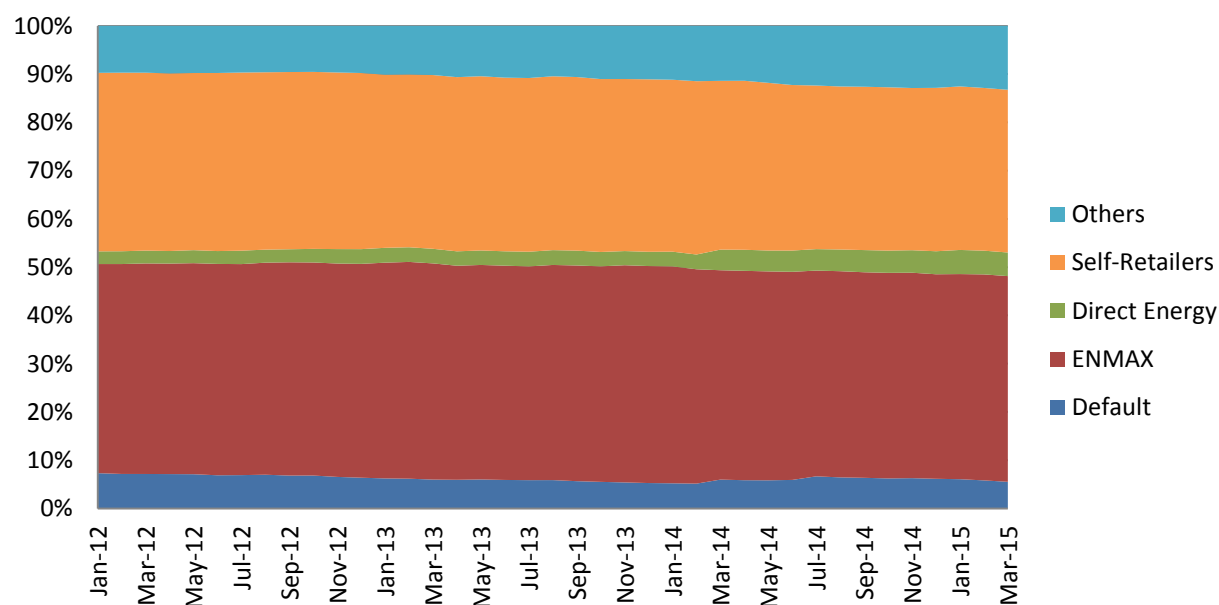
Figure B.14: Retailer market shares, by site count of ATCO-zone, agricultural-class electricity consumers



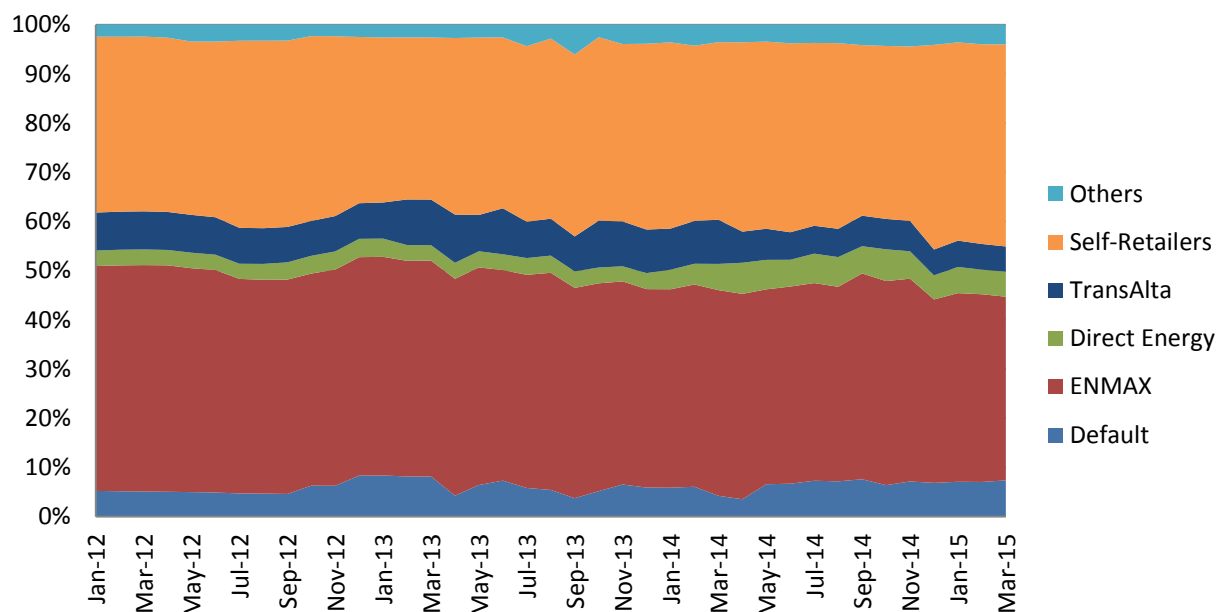
**Figure B.15: Retailer market shares, by site count of ATCO-zone, small commercial and industrial-class electricity consumers**



**Figure B.16: Retailer market shares, by site count of ATCO-zone, large commercial and industrial-class electricity consumers**

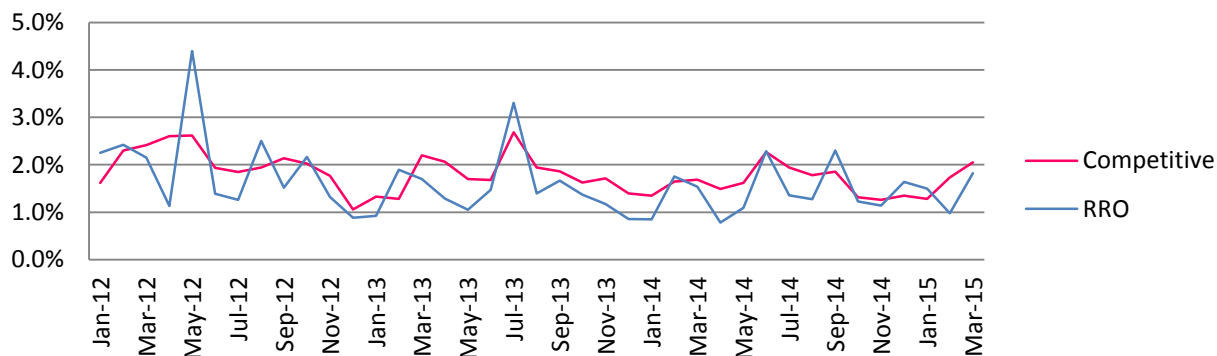


**Figure B.17: Retailer market shares, by consumption volume of ATCO-zone, large commercial and industrial-class electricity consumers**

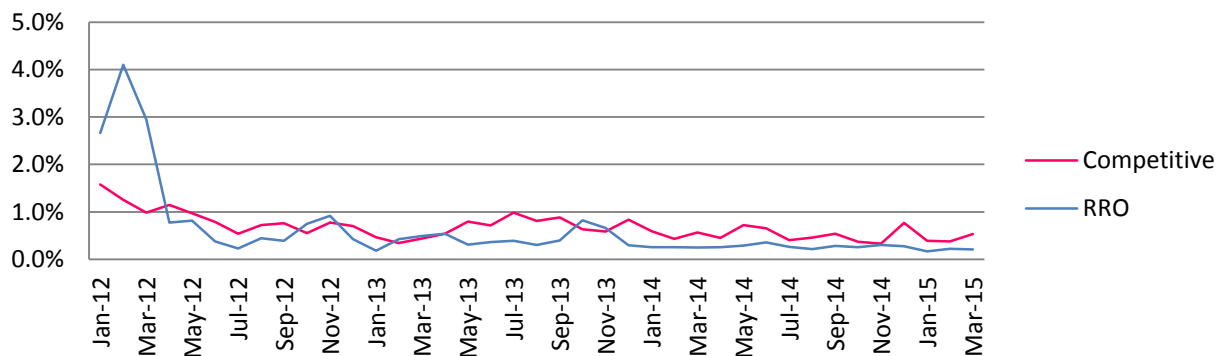


### B.1.6 ATCO-zone electricity churn rates

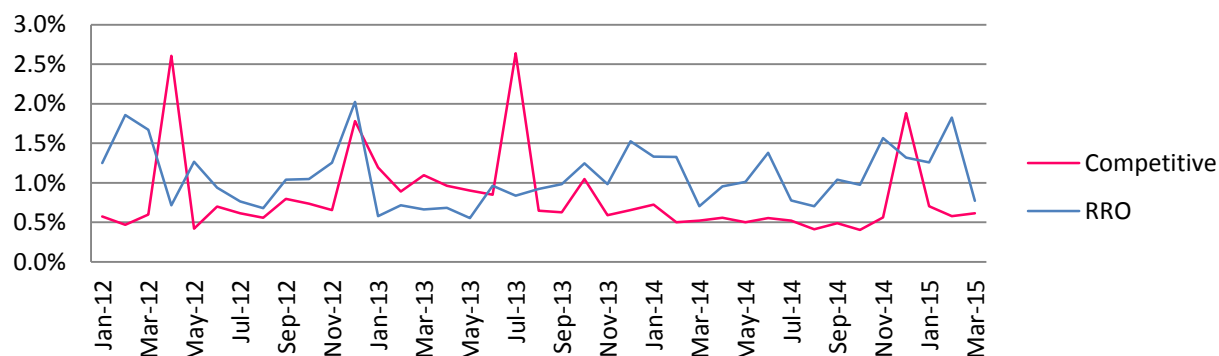
**Figure B.18: Churn rates of ATCO-zone, residential-class electricity consumers**



**Figure B.19: Churn rates of ATCO-zone, agricultural-class electricity consumers**

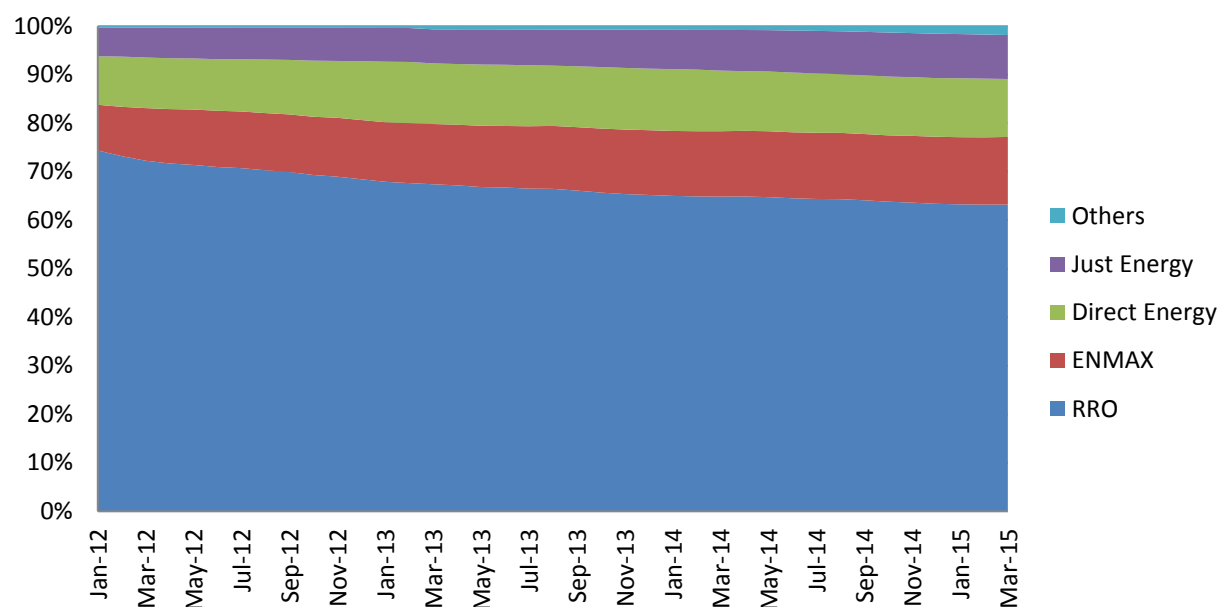


**Figure B.20: Churn rates of ATCO-zone, small commercial and industrial-class electricity consumers**

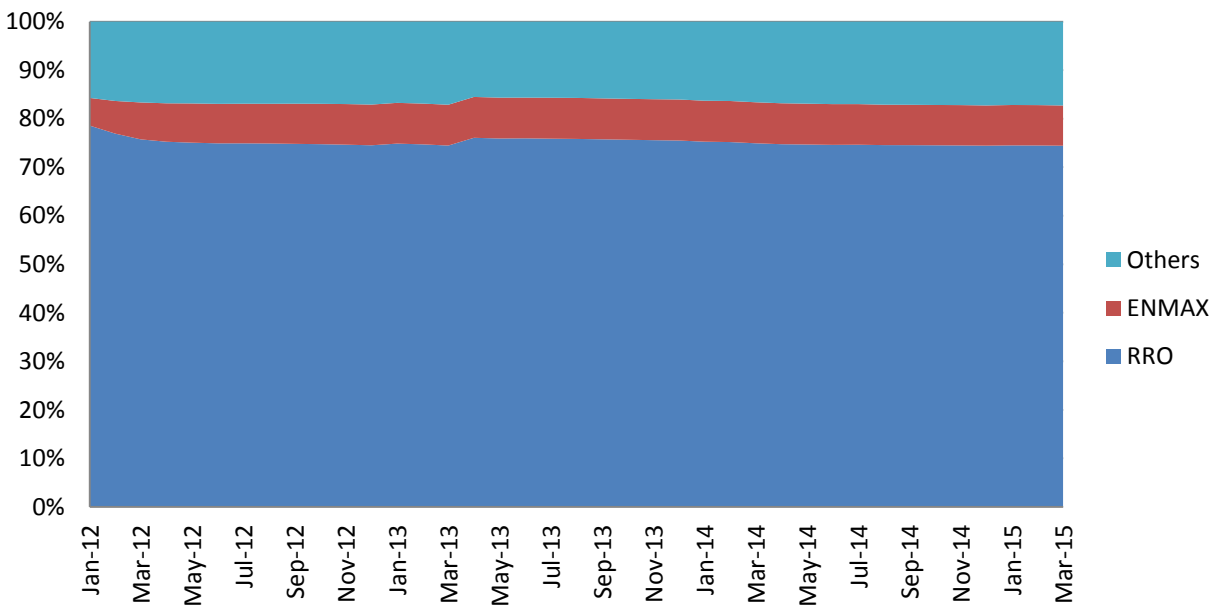


### B.1.7 FortisAlberta-zone electricity market shares

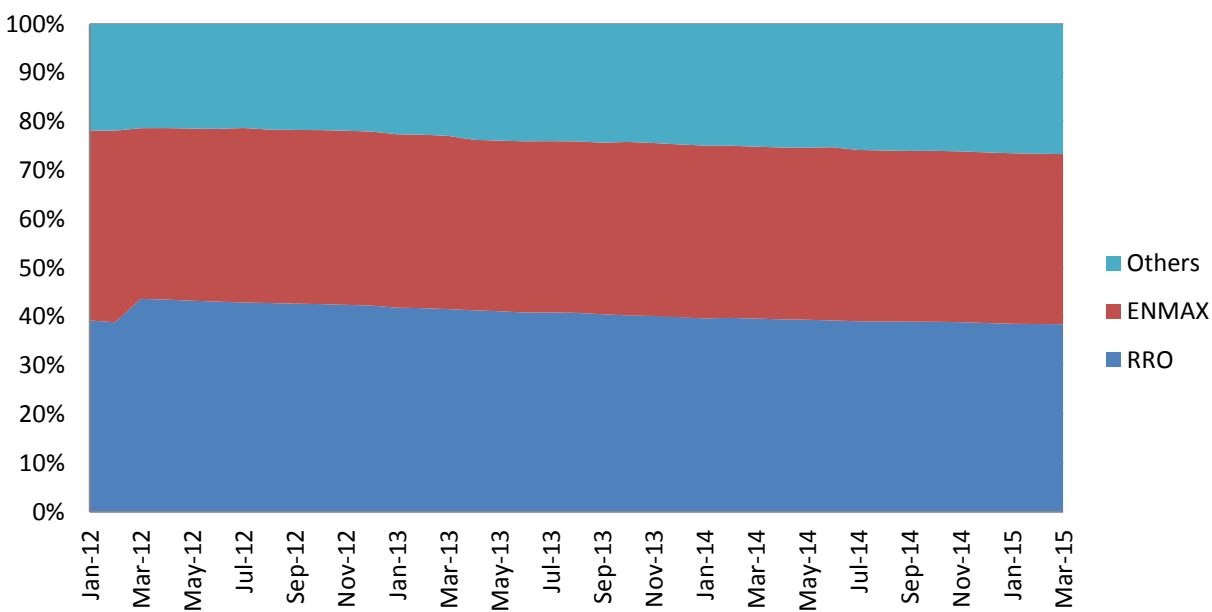
**Figure B.21: Retailer market shares, by site count of FortisAlberta-zone, residential-class electricity consumers**



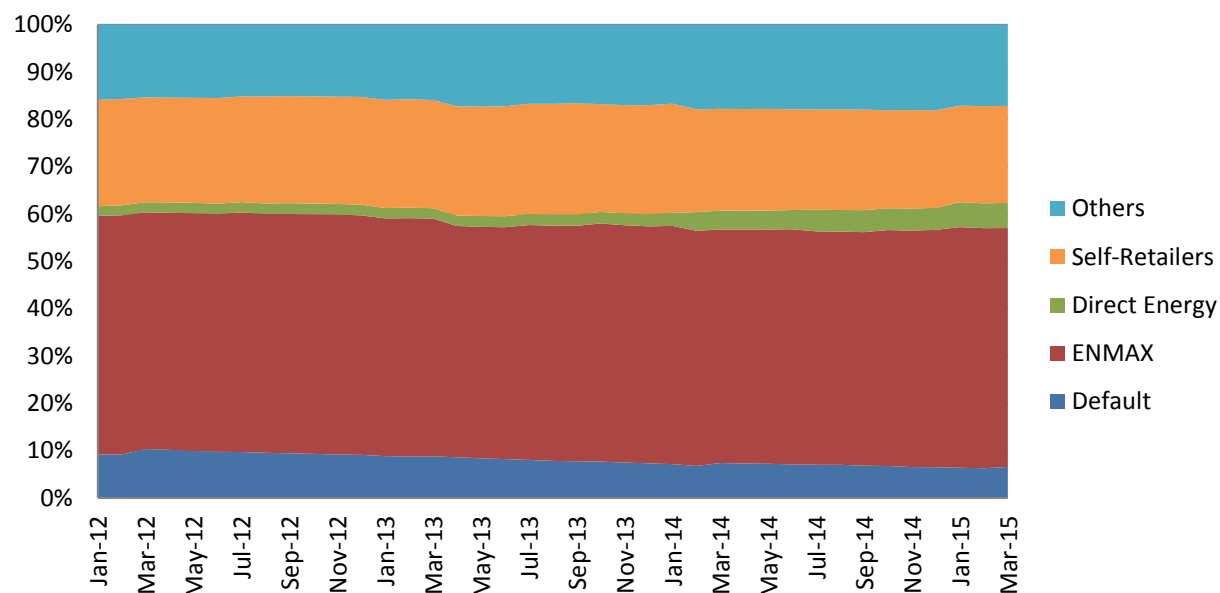
**Figure B.22: Retailer market shares, by site count of FortisAlberta-zone, agricultural-class electricity consumers**



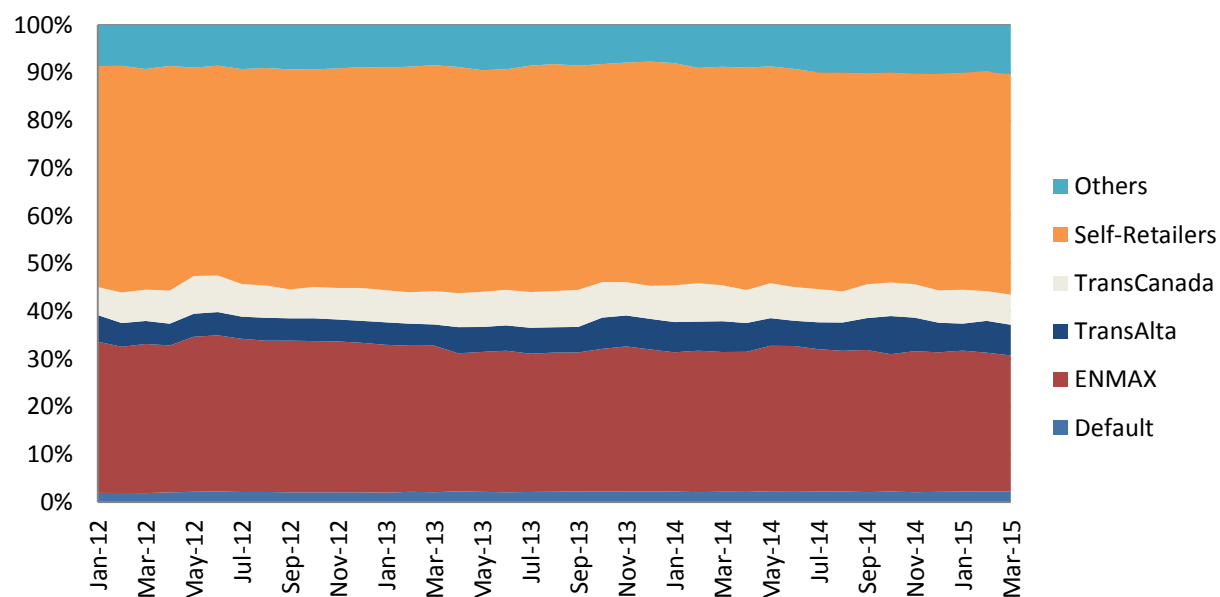
**Figure B.23: Retailer market shares, by site count of FortisAlberta-zone, small commercial and industrial-class electricity consumers**



**Figure B.24: Retailer market shares, by site count of FortisAlberta-zone, large commercial and industrial-class electricity consumers**



**Figure B.25: Retailer market shares, by consumption volume of FortisAlberta-zone, large commercial and industrial-class electricity consumers**





### B.1.8 FortisAlberta-zone electricity churn rates

Figure B.26: Churn rates of FortisAlberta-zone, residential-class electricity consumers

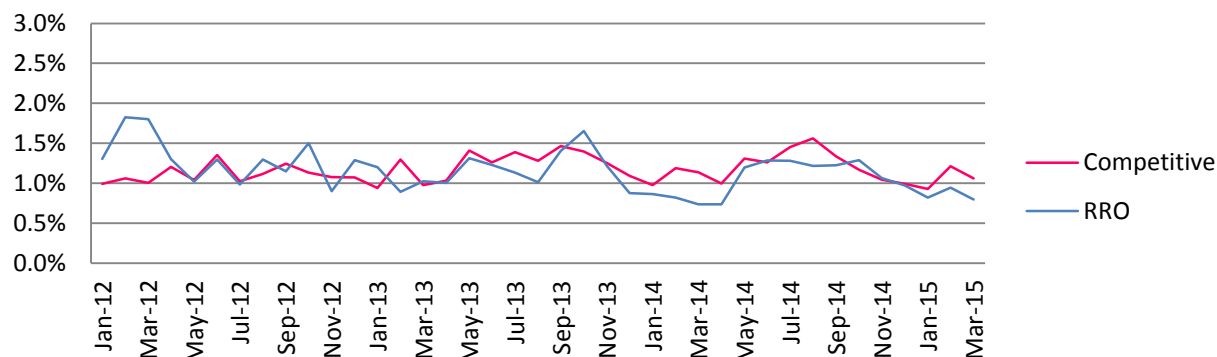


Figure B.27: Churn rates of FortisAlberta-zone, agricultural-class electricity consumers

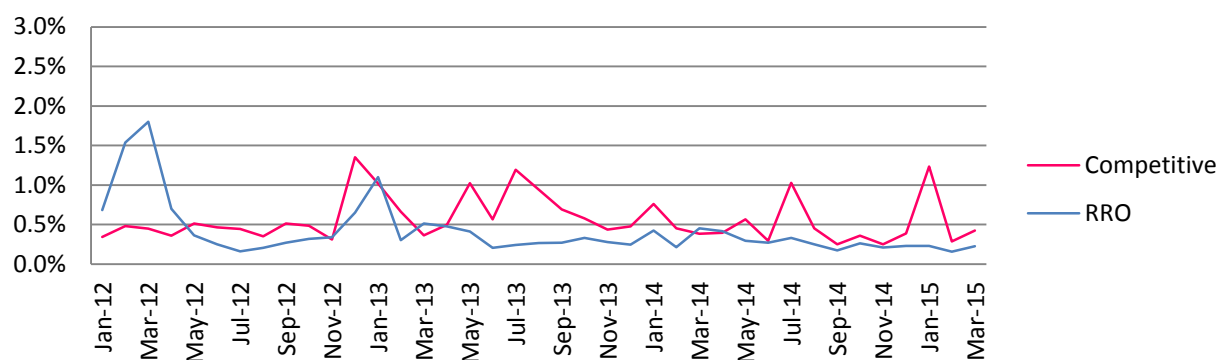
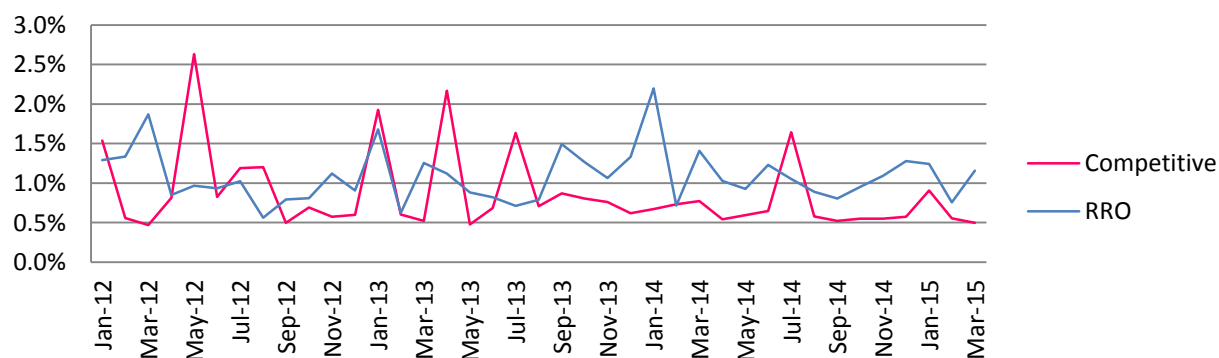


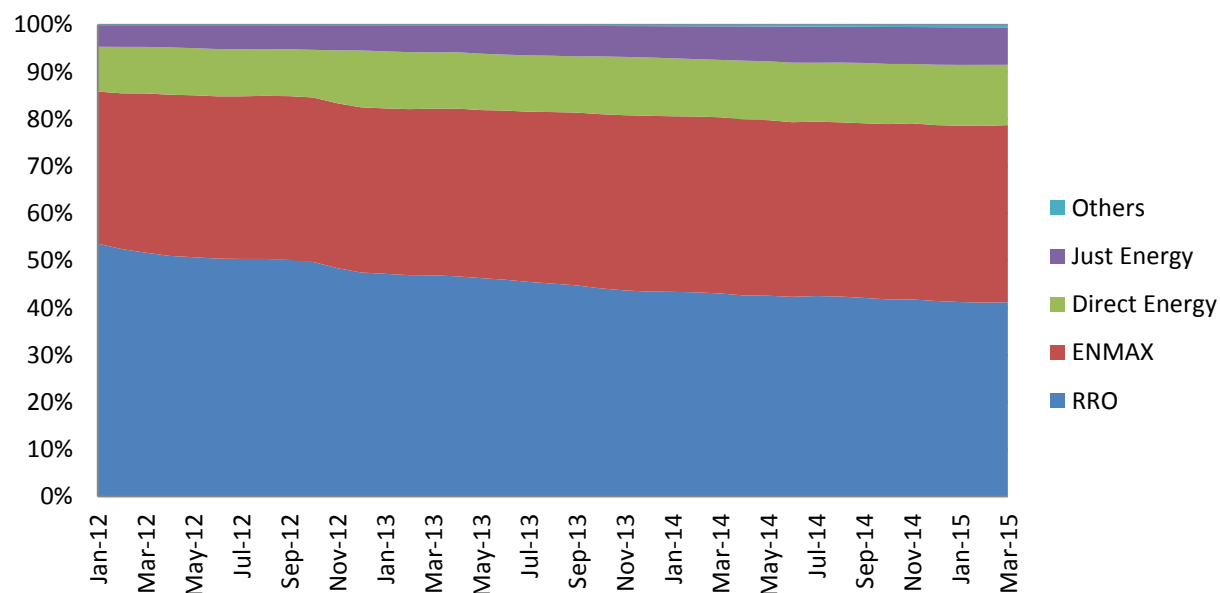
Figure B.28: Churn rates of FortisAlberta-zone, small commercial and industrial-class electricity consumers



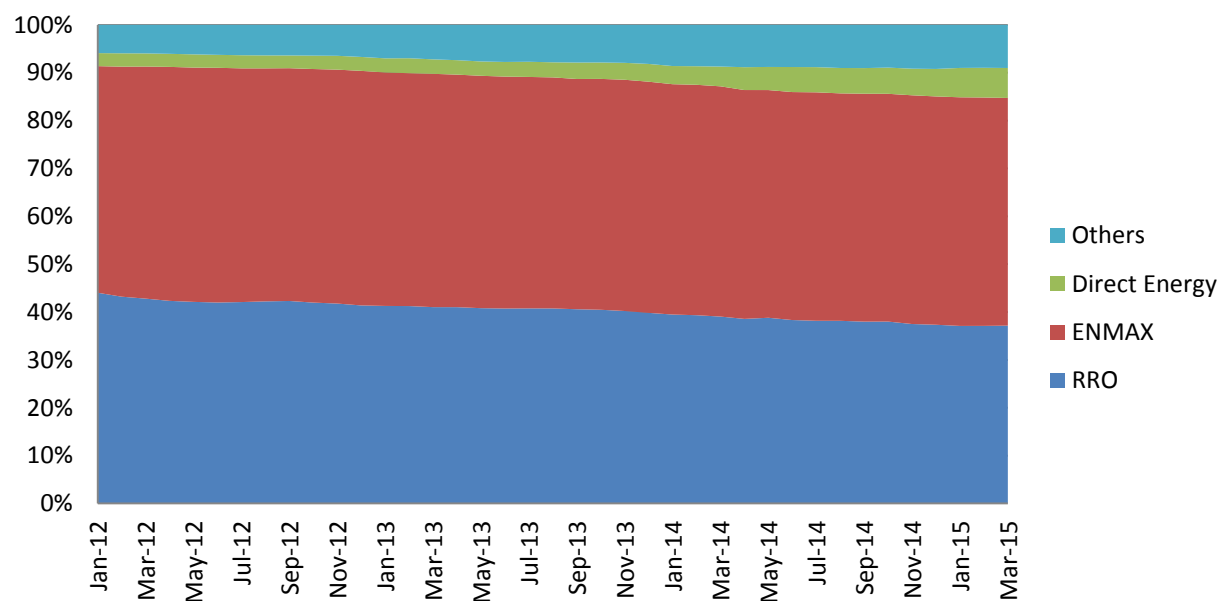
### B.1.9 Other-zone market shares

‘Other’ zone comprises a number of municipalities not located in the ENMAX, EPCOR, ATCO, or FortisAlberta zones, specifically Lethbridge, Red Deer, Cardston, Crowsnest Pass, Fort MacLeod, and Ponoka.

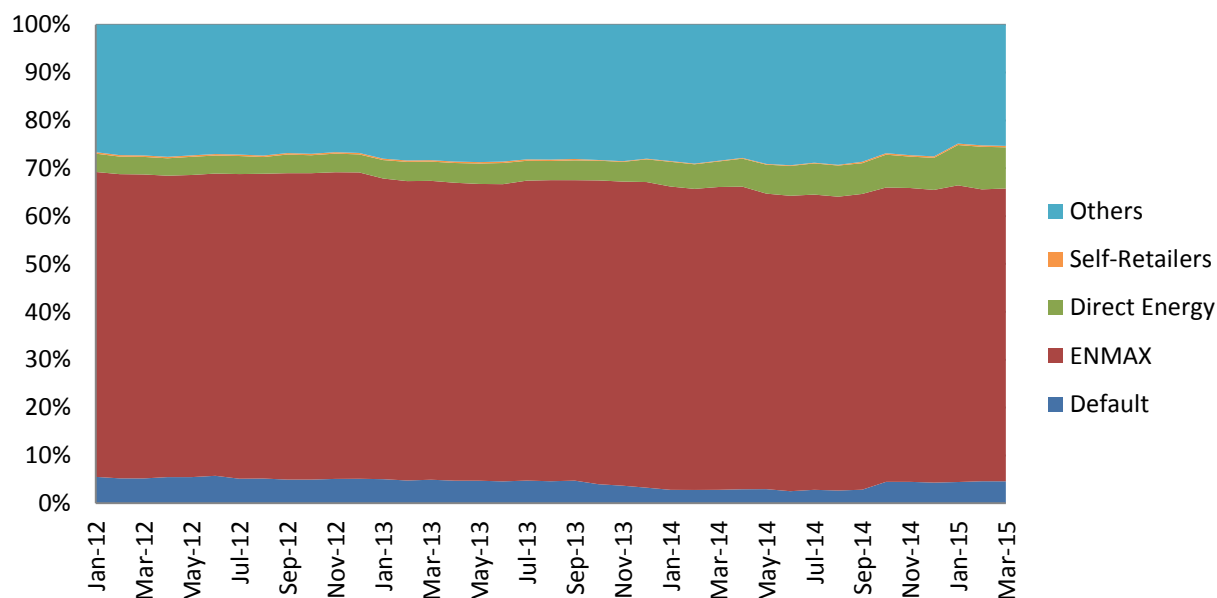
**Figure B.29: Retailer market shares, by site count of Other-zone, residential-class electricity consumers**



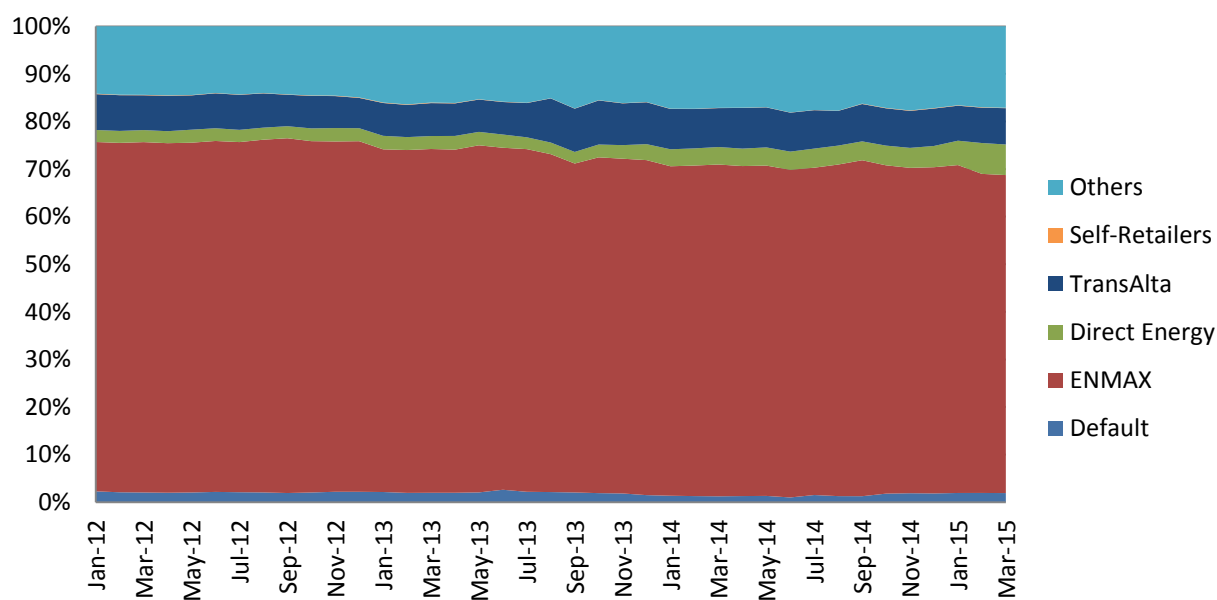
**Figure B.30: Retailer market shares, by site count of Other-zone, small commercial and industrial-class electricity consumers**



**Figure B.31: Retailer market shares, by site count of Other-zone, large commercial and industrial-class electricity consumers**



**Figure B.32: Retailer market shares, by consumption volume of Other-zone, large commercial and industrial-class electricity consumers**



### B.1.10 Other-zone electricity churn rates

Figure B.33: Churn rates of Other-zone, residential-class electricity consumers

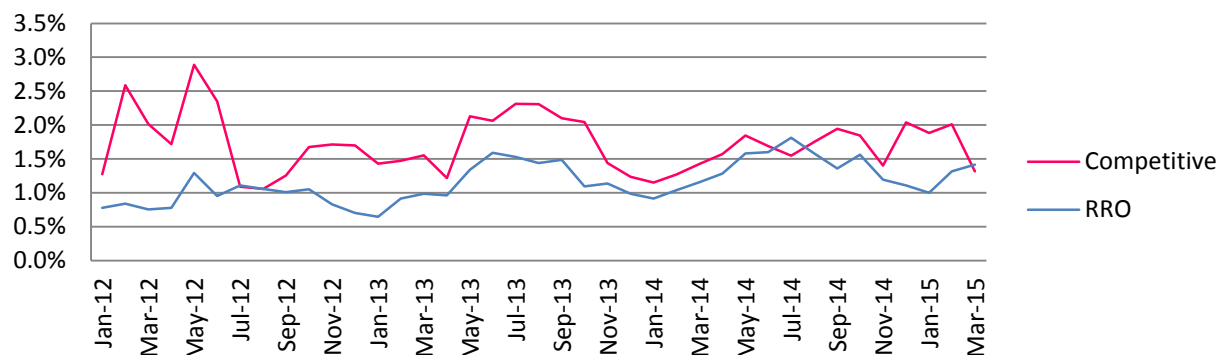
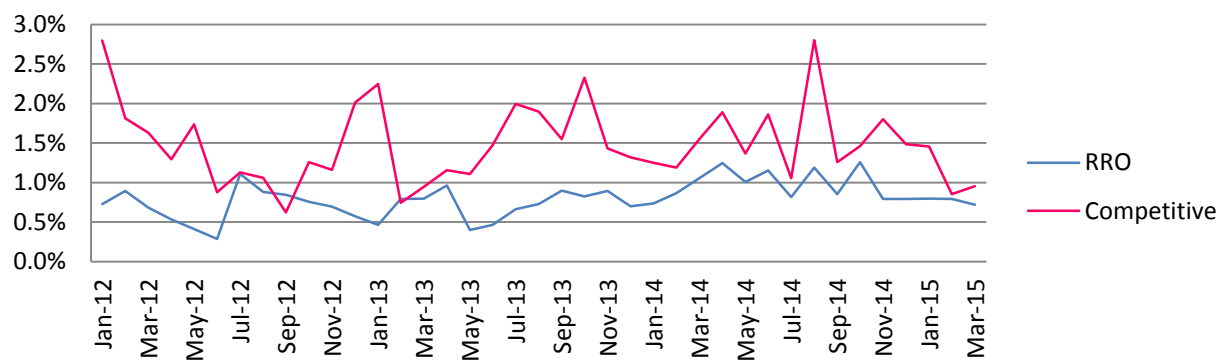


Figure B.34: Churn rates of Other-zone, small commercial and industrial-class electricity consumers



## B.2 Natural gas

### B.2.1 ATCO-N-zone natural gas market shares

Figure B.35: Retailer market shares, by site count of ATCO-N-zone, residential-class natural gas consumers

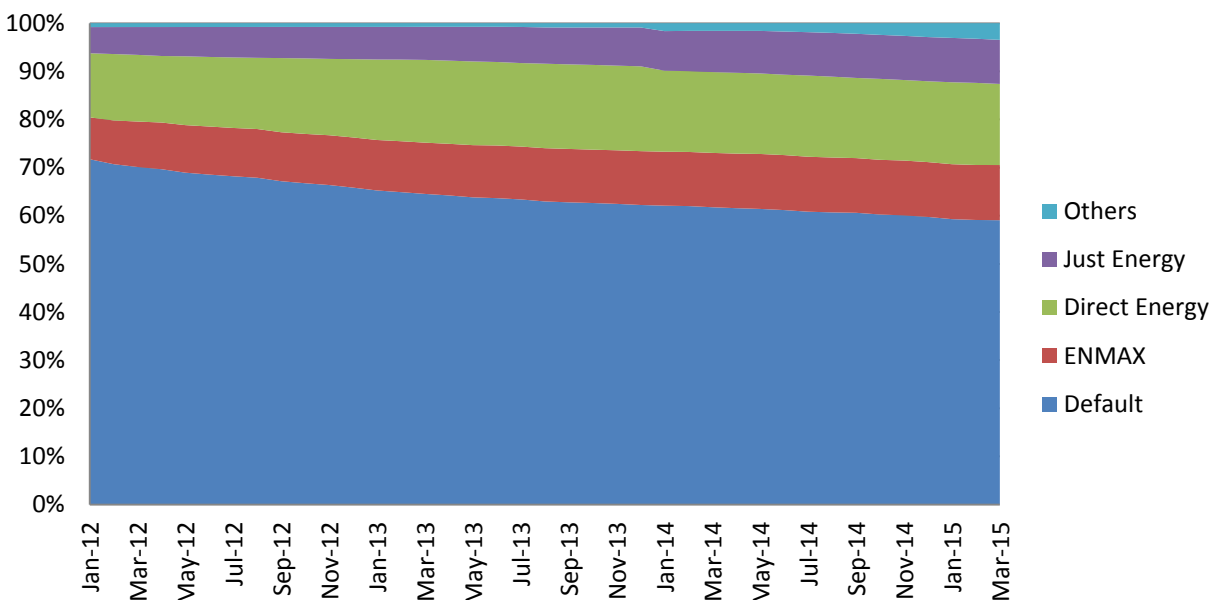
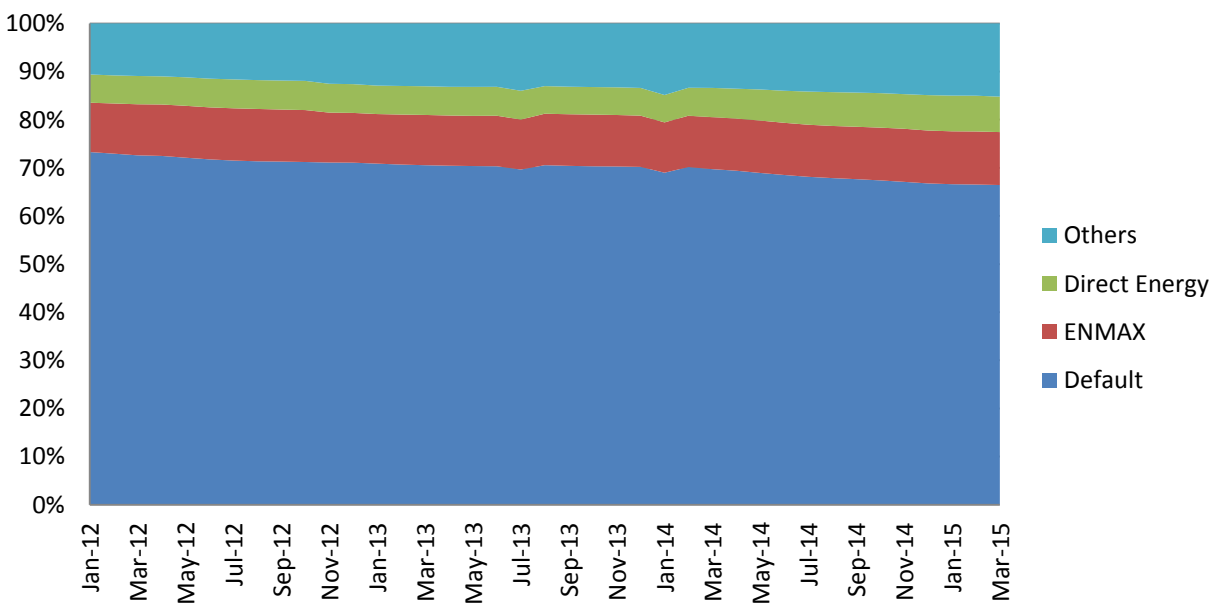
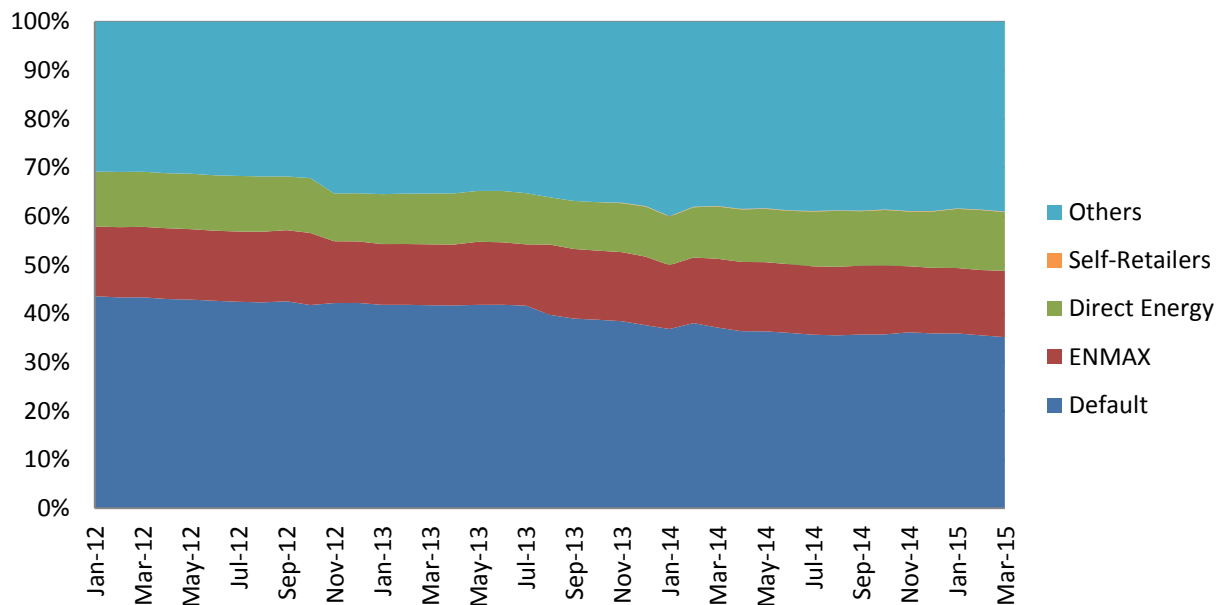


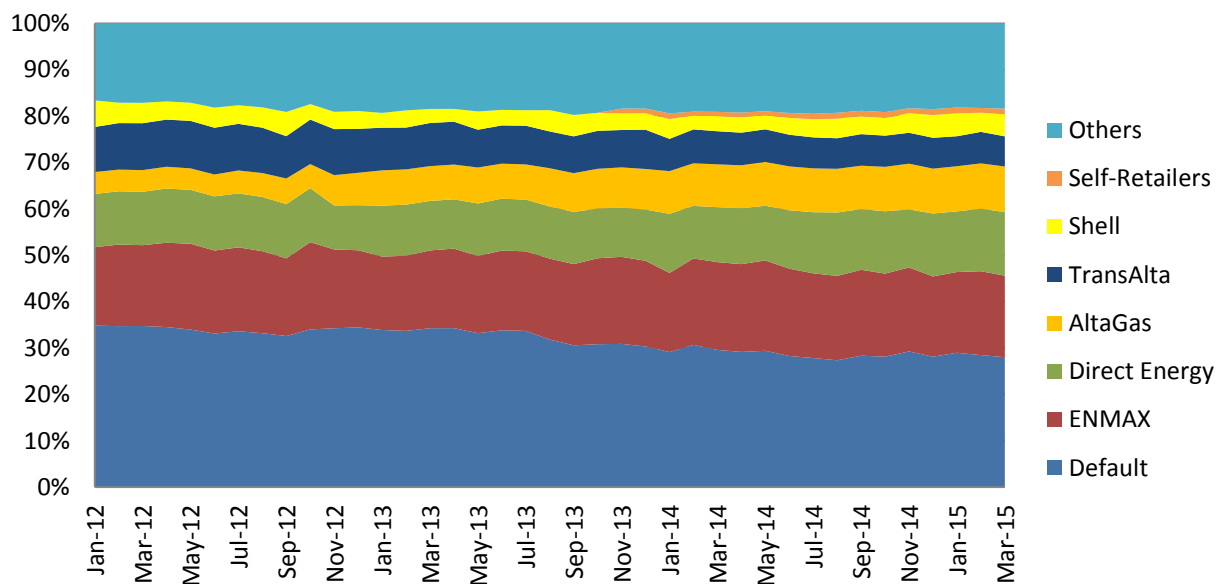
Figure B.36: Retailer market shares, by site count of ATCO-N-zone, small commercial and industrial-class natural gas consumers



**Figure B.37: Retailer market shares, by site count of ATCO-N-zone, large commercial and industrial-class natural gas consumers**



**Figure B.38: Retailer market shares, by consumption volume of ATCO-N-zone, large commercial and industrial-class natural gas consumer**



### B.2.2 ATCO-N-zone natural gas churn rates

Figure B.39: Churn rates of ATCO-N-zone, residential-class natural gas consumers

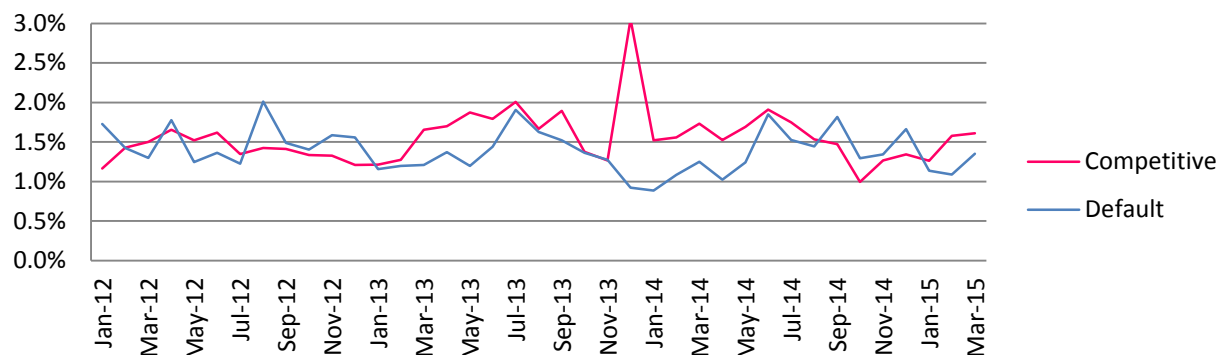
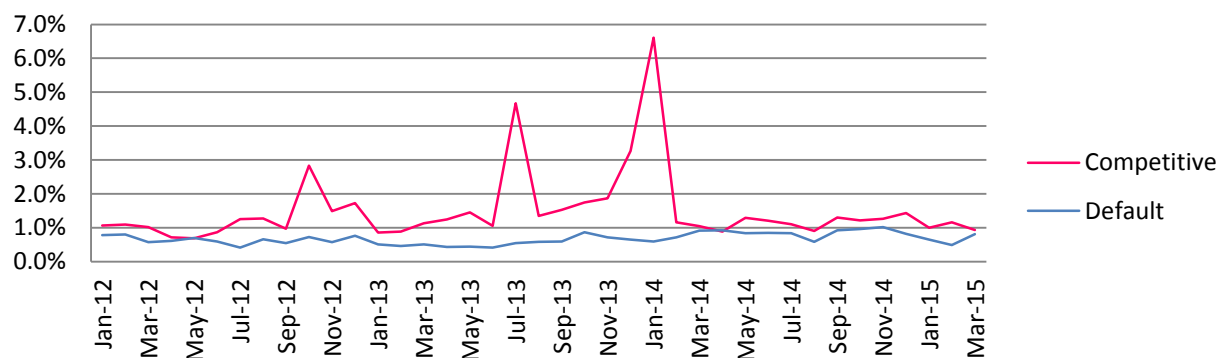


Figure B.40: Churn rates of ATCO-N-zone, small commercial and industrial-class natural gas consumers



### B.2.3 ATCO-S-zone market shares

Figure B.41: Retailer market shares, by site count of ATCO-S-zone, residential-class natural gas consumers

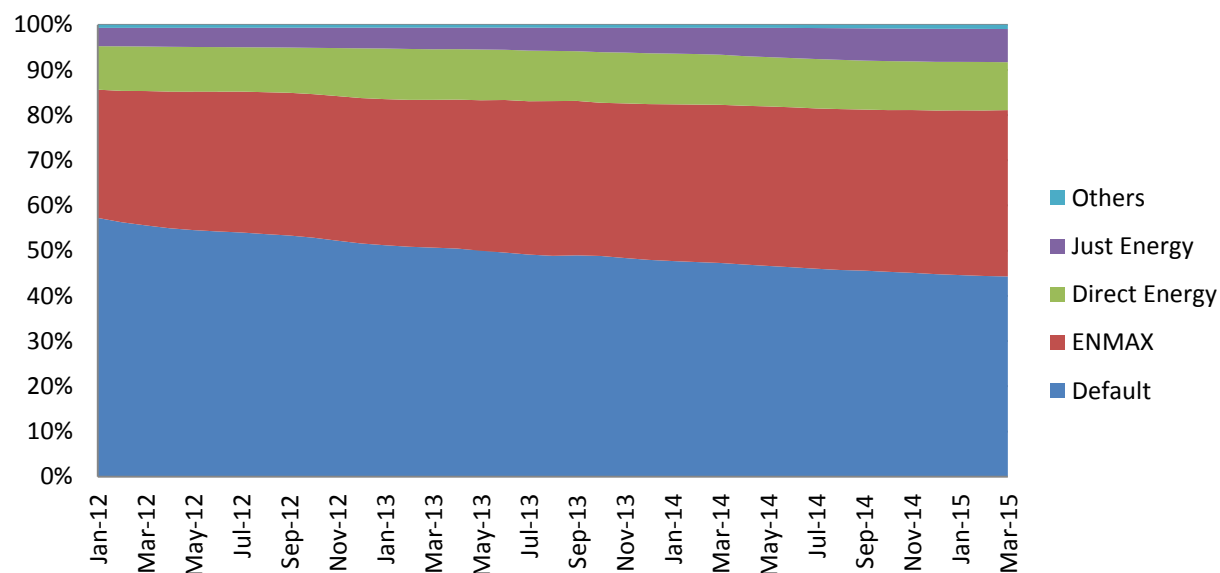
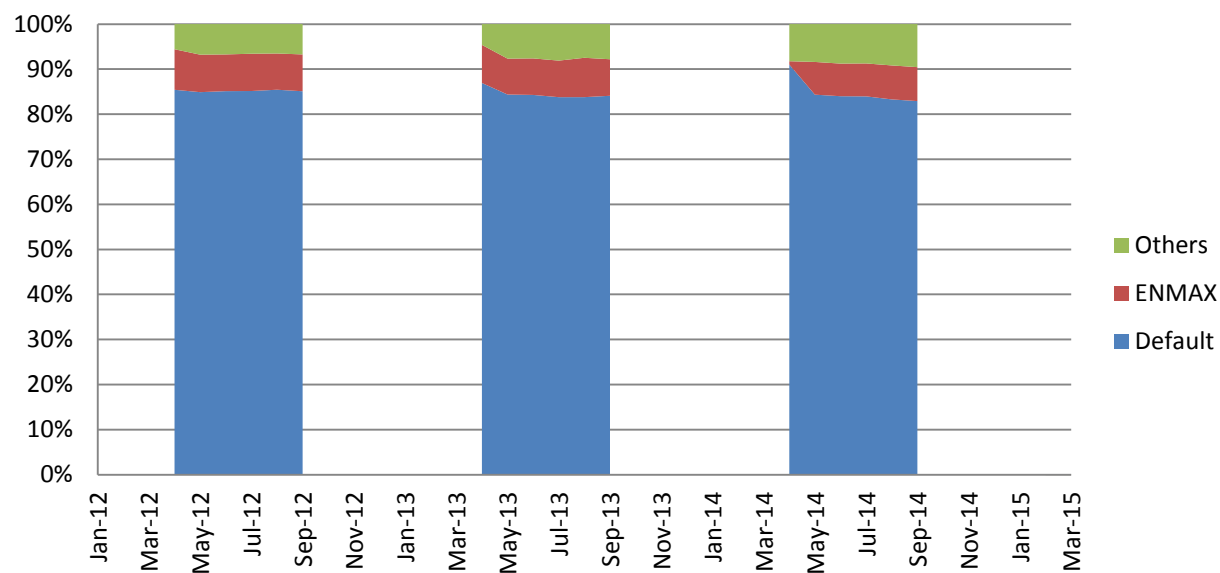
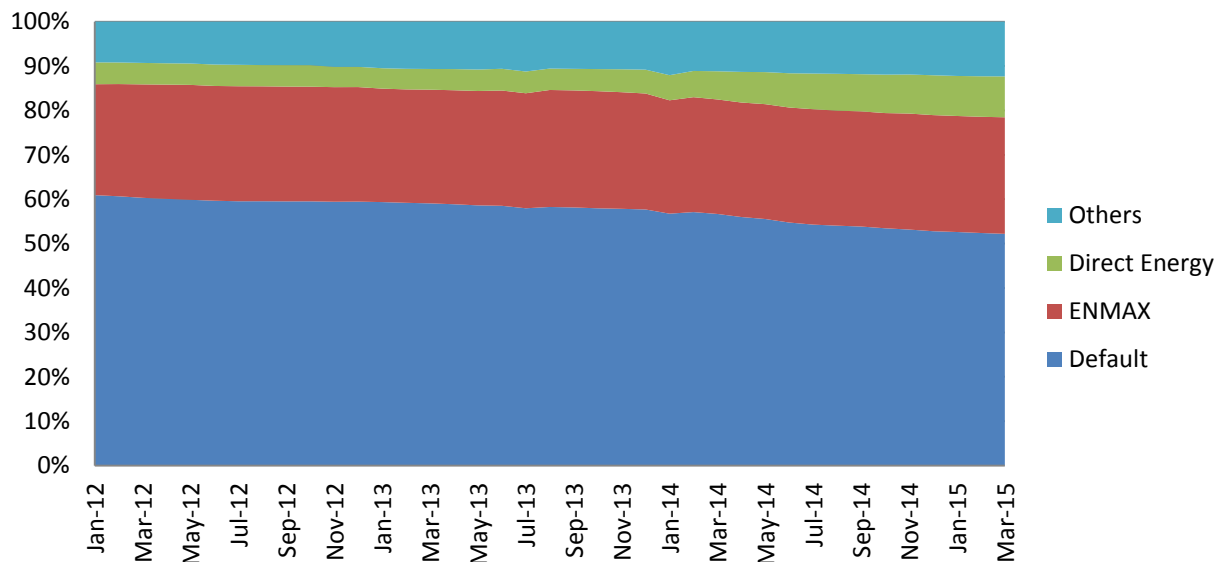


Figure B.42: Retailer market shares, by site count of ATCO-S-zone, agricultural-class natural gas consumers

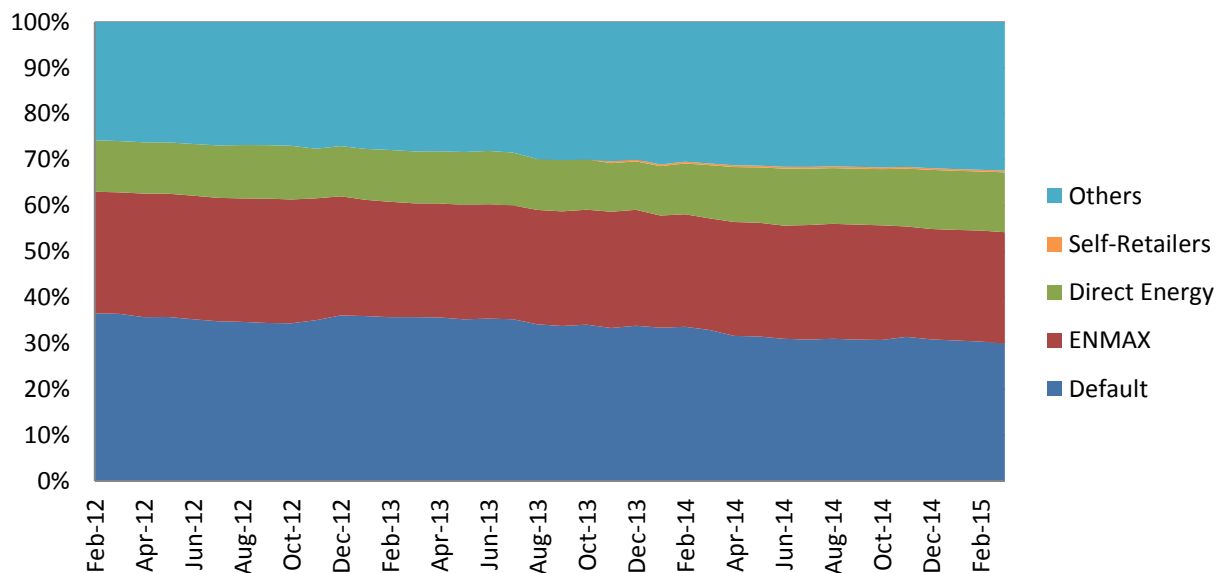




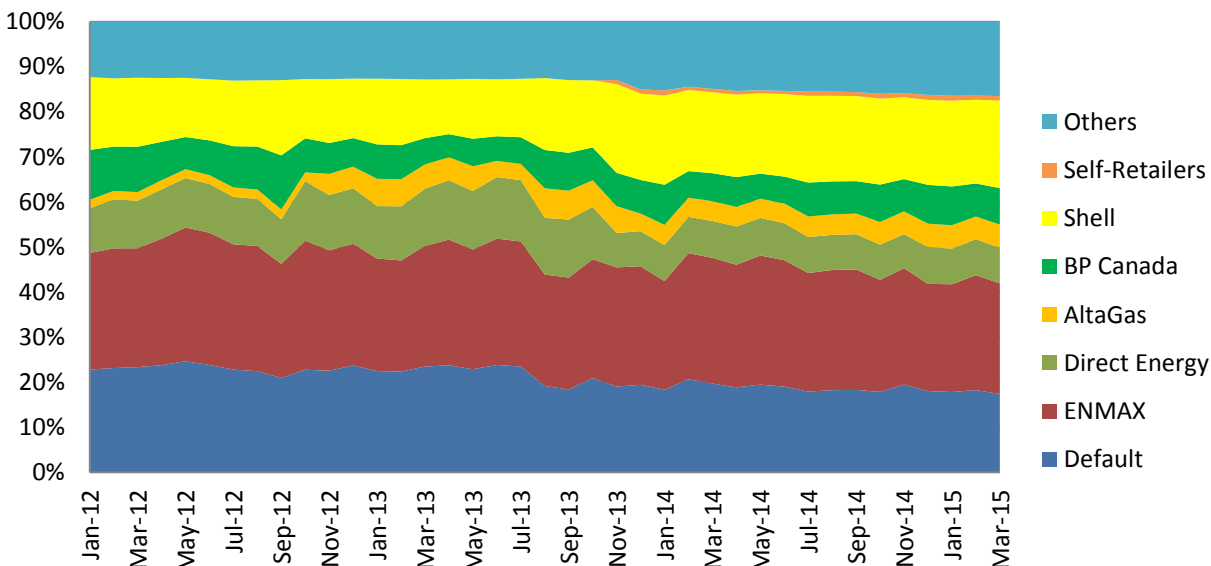
**Figure B.43: Retailer market shares, by site count of ATCO-S-zone, small commercial and industrial-class natural gas consumers**



**Figure B.44: Retailer market shares, by site count of ATCO-S-zone, large commercial and industrial-class natural gas consumers**

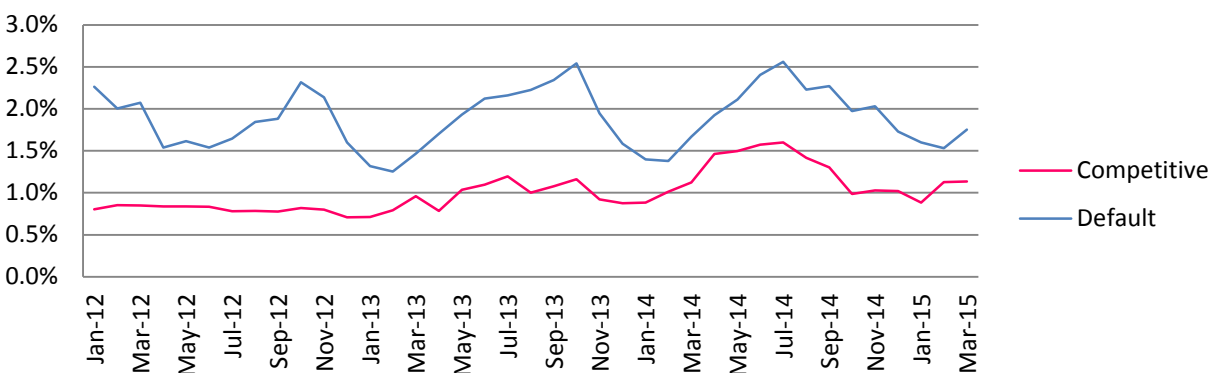


**Figure B.45: Retailer market shares, by consumption volume of ATCO-S-zone, large commercial and industrial-class natural gas consumers**

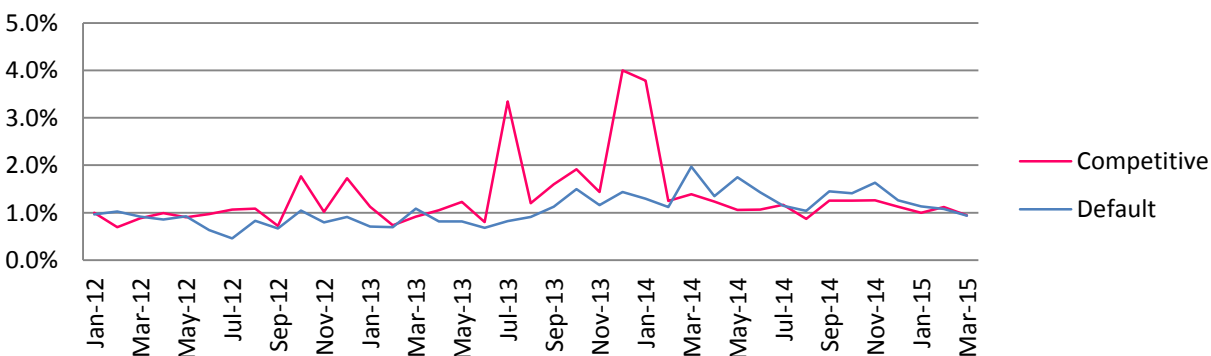


#### B.2.4 ATCO-S-zone natural gas churn rates

**Figure B.46: Churn rates of ATCO-S-zone, residential-class natural gas consumers**

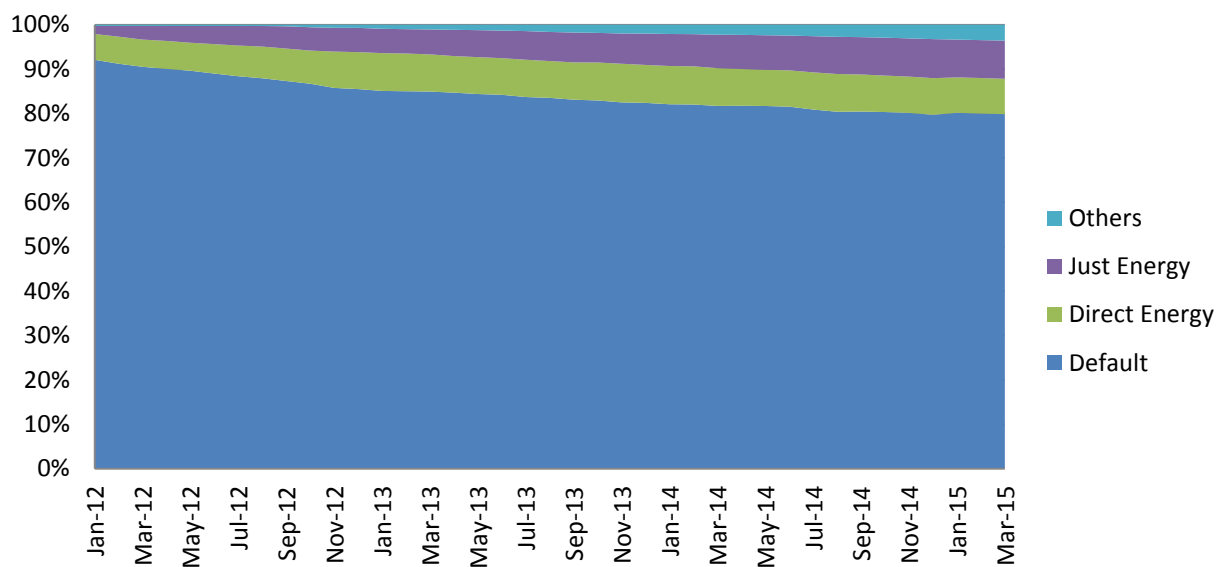


**Figure B.47: Churn rates of ATCO-N-zone, small commercial and industrial-class natural gas consumers**

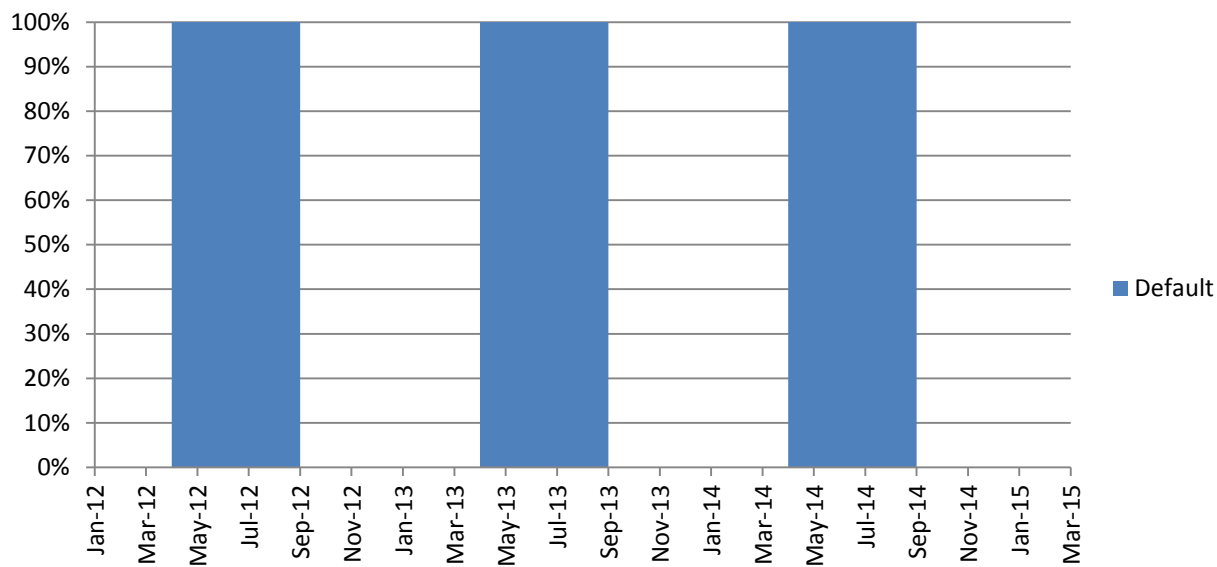


### B.2.5 AltaGas Utilities-zone natural gas market shares

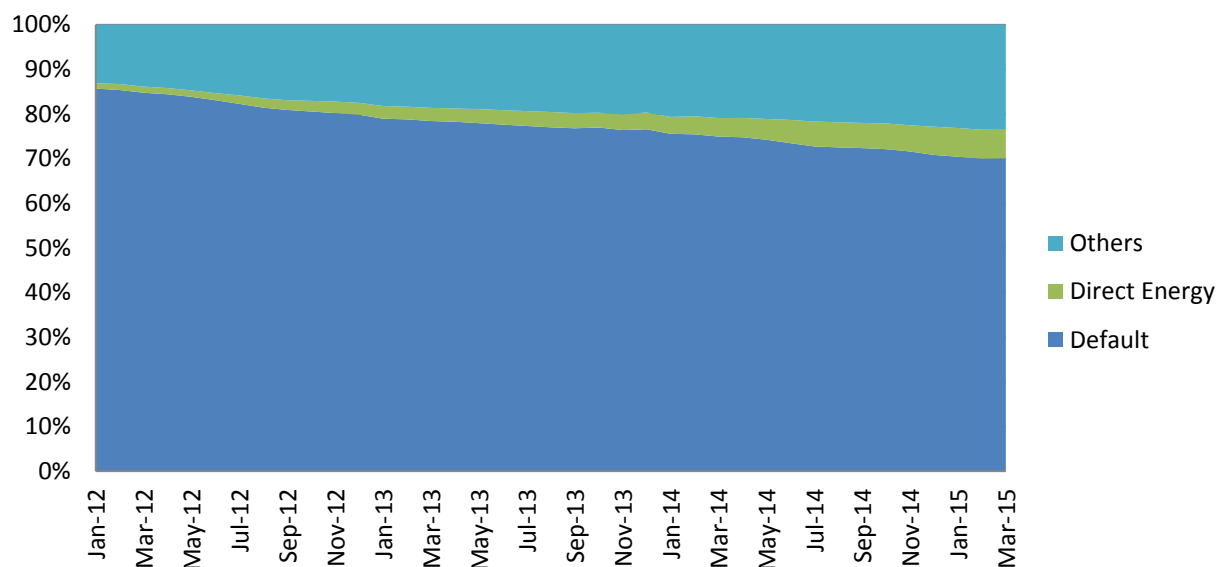
**Figure B.48: Retailer market shares, by site count of AltaGas Utilities -zone, residential-class natural gas consumers**



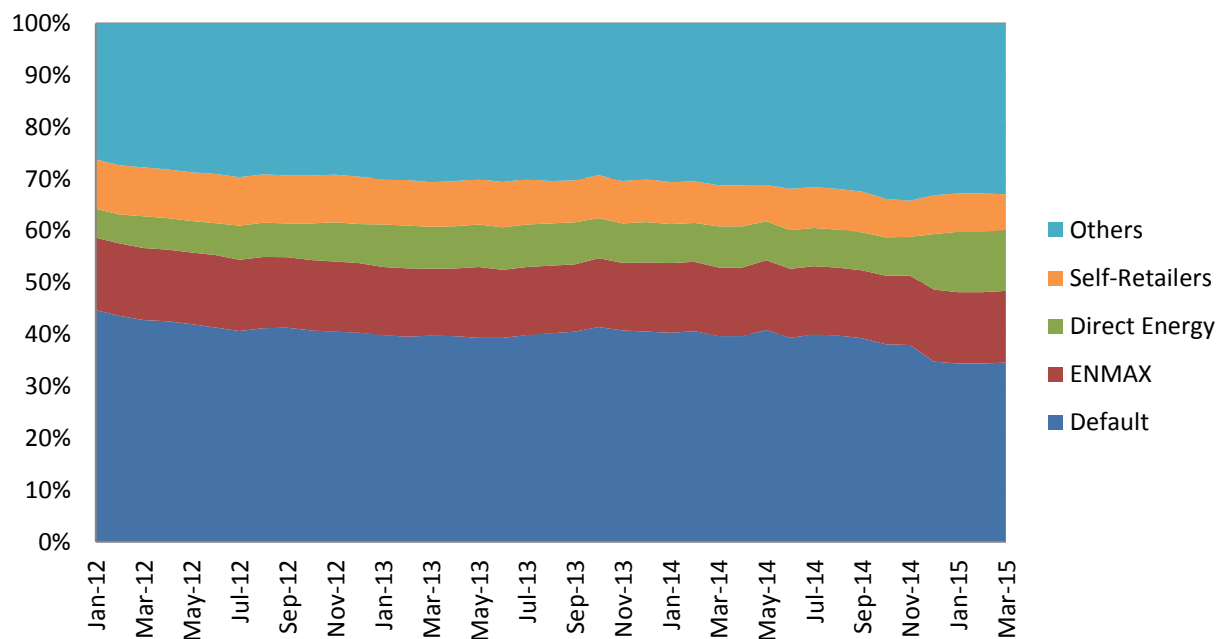
**Figure B.49: Retailer market shares, by site count of AltaGas Utilities -zone, agricultural-class natural gas consumers**



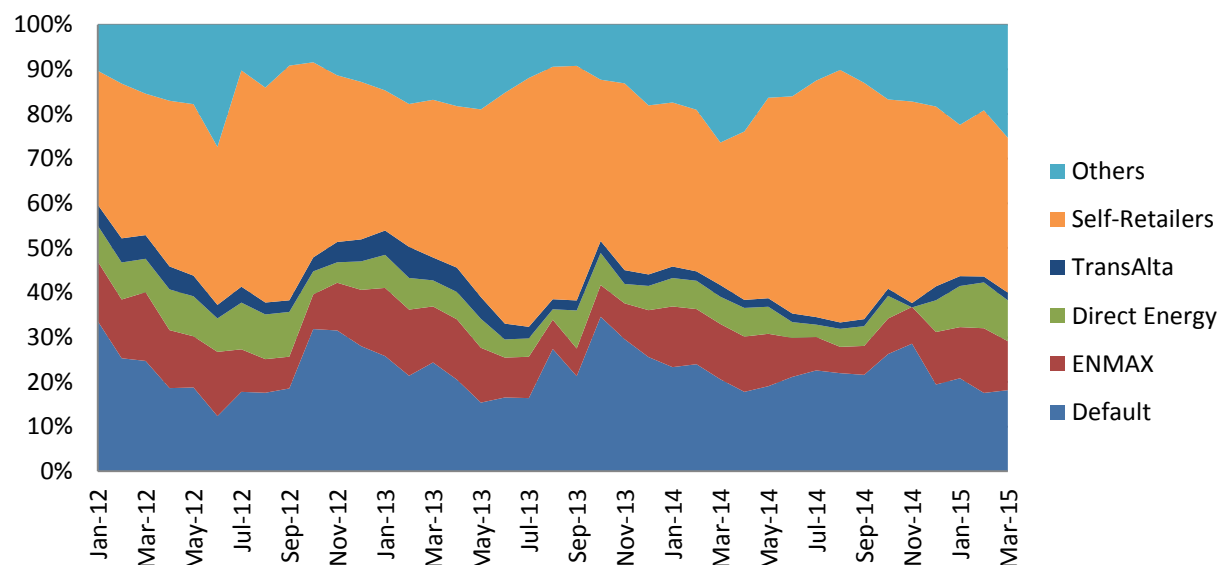
**Figure B.50: Retailer market shares, by site count of AltaGas Utilities -zone, small commercial and industrial-class natural gas consumers**



**Figure B.51: Retailer market shares, by site count of AltaGas Utilities -zone, large commercial and industrial-class natural gas consumers**

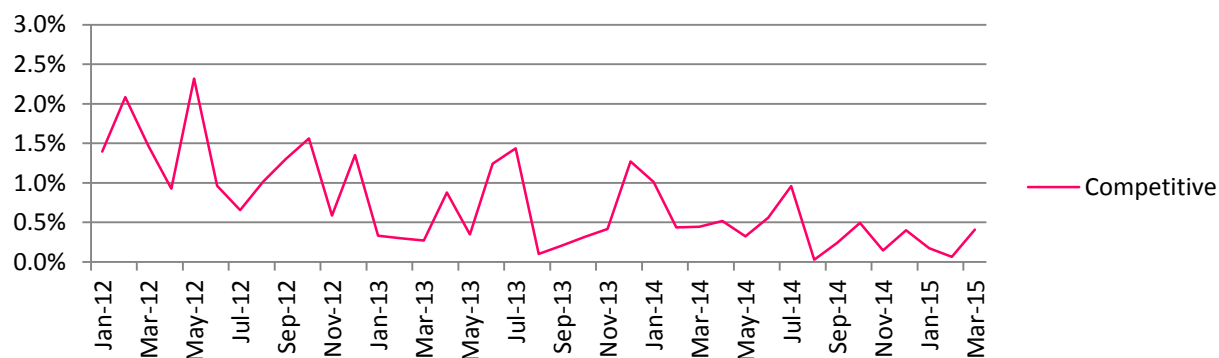


**Figure B.52: Retailer market shares, by consumption volume of AltaGas Utilities -zone, large commercial and industrial-class natural gas consumers**



### B.2.6 AltaGas Utilities-zone natural gas churn rates

**Figure B.53: Churn rates of AltaGas Utilities-zone, residential-class natural gas consumers**



Due to low-quality data, churn rates of AltaGas Utilities-zone, small commercial and industrial-class consumers are not reported.

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Market Surveillance Administrator (2014b). "Annual retail statistics report 2014." Available at: <http://albertamsa.ca/uploads/pdf/Archive/00-2014/Annual%20Retail%20Stats%20Report%20041614.pdf>. (Accessed on August 4, 2015.)

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Office of Gas and Electricity Markets (2014). "State of the market assessment." Available at: [https://www.ofgem.gov.uk/sites/default/files/docs/2014/03/assessment\\_document\\_published\\_1.pdf](https://www.ofgem.gov.uk/sites/default/files/docs/2014/03/assessment_document_published_1.pdf). (Accessed on August 4, 2015.)



The Market Surveillance Administrator is an independent enforcement agency that protects and promotes the fair, efficient and openly competitive operation of Alberta's wholesale electricity markets and its retail electricity and natural gas markets. The MSA also works to ensure that market participants comply with the Alberta Reliability Standards and the Independent System Operator's Rules.