

## NOTICE TO PARTICIPANTS AND STAKEHOLDERS

June 22, 2017

**Re:** Publication of Retail Market Statistics – New Format

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In June 2016 the MSA [began a consultation](#) regarding changes to its publication of retail market data. The MSA requested and received comments on its proposed changes, but the project was put on hold. Stakeholder comments received in 2016 and the MSA’s responses are attached to this notice.

The MSA has now finished the internal work necessary to implement changes to the published retail data. The MSA plans to publish the market share data in the below format starting July, 2017 after completing the necessary notifications. The MSA does not plan to publish the churn data or customer acquisition rates on a regular basis at this time.

Any questions or concerns should be directed to Mark Nesbitt at 403-705-3195 or by email at [mark.nesbitt@albertamsa.ca](mailto:mark.nesbitt@albertamsa.ca).

### Data format

Date	Commodity	Customer Type	Zone	Provider	Consumption	Consumption Share	Site Count	Site Share
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### Comments

The MSA received comments from the following parties:

- [AltaGas Utilities](#)
- [ATCO Energy](#)
- [Direct Energy](#)
- [Encor by EPCOR \(“Encor”\)](#)
- [ENMAX](#)
- [Utilities Consumer Advocate \(“UCA”\)](#)

The MSA’s responses are provided below.

### General Comments

ENMAX suggested that the MSA outline what the proposed reporting process is trying to achieve to allow stakeholders to provide more informed suggestions of new ways to present the data. The MSA believes that timely reporting of basic market share information is part of the MSA’s monitoring and reporting responsibilities, specifically with respect to the structure and

performance of the retail market. The MSA believes that the availability of relevant data, at an appropriate delay, promotes transparency and fosters competition.

Encor is of the view that competitive retail data broken out by retailer should not be published at all as it could harm the effectiveness of its marketing strategies. The MSA is not convinced that there would be any harm to marketing strategies; however, the MSA is of the view that a suitable delay in posting the data should address this concern.

### **Delay Before Posting**

Most firms and the UCA favoured the proposed three month delay although Direct Energy and Encor expressed a preference for a much longer delay citing concerns over sales strategies being revealed.

A successful sales campaign will not go un-noticed indefinitely by rivals as they observe increases in their own customer churn. The MSA's view is that monthly data updated with a delay of one quarter is sufficient to address this concern. In any event, revealing market shares does not provide a mechanism for rivals to target specific customers.

### **Granularity of Time Period**

Some stakeholders suggested that the MSA publish quarterly, rather than monthly, data because market shares change slowly and it would prevent competitors from gaining insight into sales strategies. The UCA stated that it uses monthly data in its reports.

The data received by the MSA from load settlement agents is in monthly format. The MSA is of the view that a three month delay in posting the data should address competitive concerns and is not convinced that it is necessary to obscure month to month variation in the data. As such, market share data will be published at a monthly granularity.

### **Degree of Precision**

Some degree of rounding of market shares was preferred by a number of stakeholders, while the UCA preferred a high degree of precision. None of the stakeholders in favour of rounding articulated why exact site counts or consumption would be detrimental.

The MSA has routinely published site counts by distribution zone without rounding in the past. The MSA will continue to publish exact site counts and consumption in the new data format.

### **Minimum Threshold for Naming Retailers**

There was a wide range of feedback on this matter from Direct Energy (full disclosure) to AltaGas Utilities (10% threshold).When considering this issue, the MSA is cognisant of protecting the privacy of customer consumption data.

For retailers to be named in the total (all classes of customers) and residential customer categories, the retailer must have at least a 1% share of sites or consumption. For commercial, industrial, or farm sites the threshold for inclusion will be 5% of sites or consumption. If there are five or fewer sites in any row, the retailer will not be named (and included the sites will be

labeled 'other'). Additionally, if sites are identified as self-retailing they will not be named, and labeled 'other'.

Default rate providers for each zone, including Rural Electrification Associations, are not named in the report and will be labeled 'default'.

### **Inclusion of all Customer Classes**

Most respondents supported the view that all customer segments should be reported. ENMAX offered the view that the C&I group could be reported less often since that market segment is considered more competitive. The MSA agrees that some market segments appear more competitive than others but does not agree that this provides a reason to report market share on a less frequent basis.

The MSA will publish data for all market segments with the same frequency.

### **Combining Data for Several Smaller Electricity Zones into one Group**

Most stakeholders supported the idea of combining smaller electricity zones into one group, although Direct Energy suggested grouping the small zones based on proximity might be preferable. The UCA submitted that smaller zones should not be combined.

After considering stakeholder feedback and examining the number of sites in the smaller zones, the MSA decided to combine the zones of Cardston, Crowsnest Pass, Fort Macleod, Ponoka, Red Deer, and Lethbridge. The MSA believes this higher level of aggregation will prevent the identification of individual consumers in smaller zones, particularly in the industrial and commercial categories.