

May 17, 2004

## **Notice To Interested Parties**

### **RE: USE OF DEFAULT SUPPLY CUSTOMER INFORMATION – ENMAX**

Earlier this year the Market Surveillance Administrator (MSA) entered into discussions with ENMAX Energy Corporation (ENMAX) around the use of default supply customer information for sales and marketing purposes. The discussions arose after ENMAX informed the MSA that it had engaged in this practice upon the understanding that it was acceptable under the *Code of Conduct Regulation* (Code).

The Code governs aspects of the retail electricity market, including the relationships between owners of electric distribution systems and affiliated retailers, and the use of customer information held by the parties.

The MSA clarified to ENMAX its view that the practice was, in fact, not allowable under the Code, and requested from ENMAX detailed information around the circumstances involved. The MSA sought to assess the extent of any harm caused by the misuse of the customer information, and the appropriate remedial action.

ENMAX was very cooperative in providing the information requested, and in suggesting measures which could be taken to address any concerns.

In April, the MSA completed its assessment of the matters. The MSA concluded that the measures suggested by ENMAX, along with some added conditions, would be sufficient to address the circumstances at issue. The remedial measures are described below.

Based upon information provided, the MSA accepted the view of ENMAX that a total of five customers were signed to contracts through misuse of their customer information during the period in question.

ENMAX will offer to those customers the right to exit from their existing contract during the remaining term, without notice and without penalty. In respect of ongoing communications with the five customers for sales and marketing purposes, ENMAX will not approach the customer at any time to initiate discussions as to a subsequent contract for electricity.

However, the customer is free to initiate discussions in this regard, and in such a case ENMAX may then correspond with the customer freely after the customer has initiated the discussions. This restriction will only apply to the next contract signed by the customer (if any), and will not apply to communications after that point.

In the event that the customer does enter into a new contract with ENMAX, the MSA will be notified as to the circumstances by way of written confirmation that related discussions were initiated by the customer and not by ENMAX.

To the extent that there is a renewal clause in the existing contract, the letter from ENMAX will make it clear that the contract will not automatically renew (extend) past the initial term without further written instruction from the customer.

The MSA will be following up to ensure that the measures are enacted as contemplated.

The MSA again takes this opportunity to note the excellent cooperation offered by ENMAX over the past few months toward resolving these matters.

Any questions in respect of this notice can be directed to the undersigned, or to Rob Spragins, Manager, Investigations, at 403-705-3195, or [rob.spragins@albertamsa.ca](mailto:rob.spragins@albertamsa.ca).

Yours truly,

***“Wayne Silk”***

W.W. (Wayne) Silk,  
Vice President, C.O.O.,  
Market Surveillance Administrator.