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MSA REPORT

Publication of Retail Market Statistics

STRAWDOG DRAFT

11 June, 2009

MARKET SURVEILLANCE
ADMINISTRATOR

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1 INTRODUCTION

For a number of years, the MSA has published various statistics concerning the retail electricity market. As of January 2008 the MSA took on the role of oversight of the retail natural gas market in addition to that of the retail electricity market. These statistics have usually been published in our annual reports, sometimes in our quarterly reports and occasionally in stand-alone reports such as the one in February 2009 ([http://www.albertamsa.ca/files/Public_Retail_Report_021309\(1\).pdf](http://www.albertamsa.ca/files/Public_Retail_Report_021309(1).pdf)).

It has become apparent that there seems to be much more detailed readily available data and statistics concerning the wholesale electricity market as compared with the retail electricity and natural gas markets. Further, it appears that a case can be made that the retail markets would benefit from a broader spectrum of relevant statistics than are currently published by the MSA. The MSA has examined retail statistics in other jurisdictions and it is clear that there is no 'standard' *per se*. Suffice to say that all the proposed changes outlined herein are adopted in at least one other market.

In general, the MSA is supportive of increased transparency in any of the markets that it has responsibility for oversight, constrained only by the legitimate need to protect confidentiality and appropriately earned commercial interests.

In considering publishing more detailed statistics on the retail markets, there is a natural tension that exists between the larger retailers who would tend to gain less from this process and the smaller players who have more to gain, and less to 'lose'.

The MSA has decided that the best way to canvas the views of the broader market on this matter as a way of helping us decide what changes, if any, to make concerning the retail statistics that we publish, is through the MSA's Stakeholder Consultation Process. A fuller description of this process is provided at [http://www.albertamsa.ca/files/Principles_and_Framework_for_MSA_Public_Projects_-_Revised_01-15-08\(2\).pdf](http://www.albertamsa.ca/files/Principles_and_Framework_for_MSA_Public_Projects_-_Revised_01-15-08(2).pdf).

In this 'Strawdog' we first describe the general nature and extent of retail market statistics that are currently published by the MSA. It then describes the various proposed changes that are contemplated to the current suite of retail market statistics:

- Provide the sizes of the market segments.
- Also provide regional distributions for the various retail market statistics.
- Also provide the names of retail firms and their associated market shares by segment and region.

It can be seen that the proposed changes for consideration are incremental in nature.

Depending on the responses received through this stakeholder process, and the MSA's assessment, the changes actually implemented may range through the

whole spectrum from none through to revealing the most detailed market information contemplated herein.

In the final section of this ‘Strawdog’ we set out the expected timeline for this stakeholder consultation.

2 RETAIL MARKET STATISTICS – CURRENT PUBLICATION

The two key areas that the MSA routinely reports on are switching rates and market shares by segment. The Department of Energy already publishes more detailed data on switching statistics than the MSA and likely the MSA will adopt a similar form of publication in the near future.

Market shares are shown for various market segments including:

Electricity:

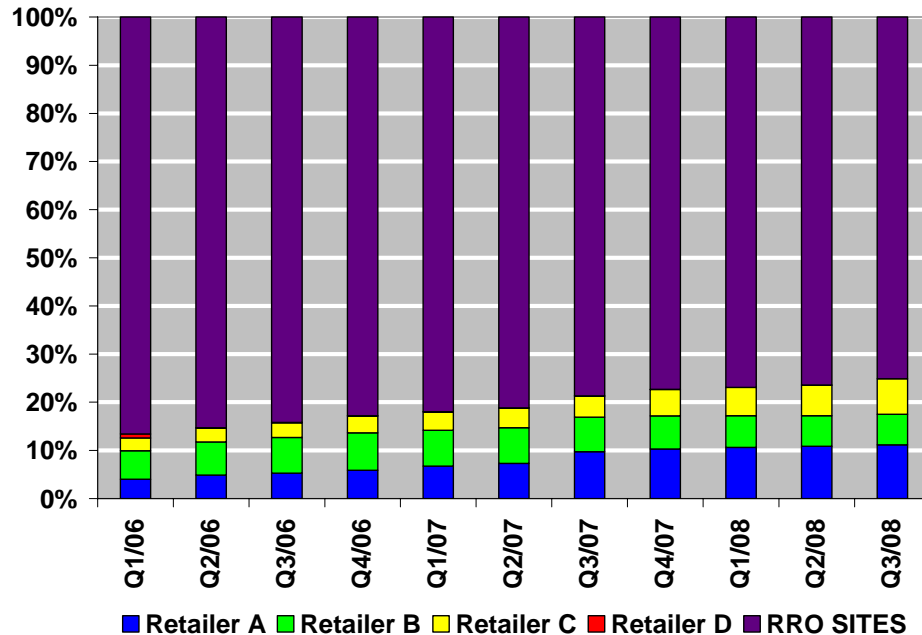
- Residential customers not on the RRO
- Small Commercial/Industrial Class not on the RRO
- Large electricity customers not eligible for the RRO

Natural Gas:

- ‘Small’ volume customers not on the DRS

Typically, the information looks like that presented in Figure 1. Note that the trends in market shares are readily apparent but not the total number of sites involved.

Figure 1: Change in Market Share in Residential Customer Class (Sites)





Request for feedback: The MSA is interested in stakeholder feedback about the existing publication of retail market statistics by the MSA and the value to market participants.

3 RETAIL MARKET STATISTICS – PROPOSED CHANGES

As noted in the Introduction, the proposed changes that are being considered and upon which the MSA would appreciate reasoned stakeholder feedback are considered incremental in nature.

3.1 Provision of Specific Switching Amounts and Market Sizes by Segment

If such a change was implemented, Figure 1 would have the total size of the relevant market segment and the market shares of (un-named) retailers would be available by market segment.

3.2 Provision of Regional Distributions of the Various Retail Statistics

There is significant geographic variability to the retail statistics that the MSA published in its reports. Knowledge of this geographic distribution may well be valuable to existing and potential retailers competing for market share.

In this case, Figure 1 would be repeated for each applicable geographic zone and market segment.

If this idea was adopted, some care would need to be taken in choosing the appropriate geographic regions to use.

3.3 Provision of Retailer Names and Market Shares by Volume/Sites

The provision of market shares by retailer for each segment and geographic region would be a yet further degree of disclosure of information. It is easy to imagine that some retailers might not be enthusiastic about such a high level of disclosure of their commercial situation. The counter point to that of course is the availability of information of the equivalent situation of the competition. The efficiency of the wholesale market has been well served by a high level of transparency.



Request for feedback: The MSA is interested in the views of market participants on each of the three sets of changes plus any others they feel may assist the development of robust competitive retail markets for electricity and natural gas.

4 NEXT STEPS

The expected timeline for this stakeholder consultation is set out in Table 1 and will be updated throughout the process. We are currently in the ‘INITIATE’ phase. Stakeholder comments on the Strawdog are due by **June 30, 2009**.

Table 1: Project Schedule

Stage	Results	End Date
INITIATE	Publish Strawdog for Retail Market Statistics	June 11, 2009
DEVELOP	Receive Stakeholder comments on Strawdog	June 30, 2009
DRAFT	Revised (as applicable) Draft Retail Market Statistics	July 17, 2009
DEBATE	Receive stakeholder comments on Draft	July 31, 2009
DECIDE	Finalize Retail Market Statistics	August 14, 2009