



Annual Retail Statistics Report - 2014

April 16, 2014

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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1. Introduction

In 2013, the MSA began publishing retail statistics on its web site at www.AlbertaMSA.ca comprising the percentage of customers on competitive contracts as opposed to being on regulated prices for both electricity and natural gas.

It was always contemplated that the MSA would prepare an annual report of retail market statistics likely published early in the year. This is that report.

The MSA is working on more analyses in the retail market sector and will be informing stakeholders of the details in due course. This report is essentially a data report.

The data included in this report are:

- Market shares by customer class and by settlement zone, each retailer being denoted by a letter
- Churn rates by settlement zone for customers on regulated rates and competitive rates
- Statistics on residential dual fuel contracts green energy contracts.¹

The MSA retail data base spans January 2012 through to the present. For the purpose of this report the data covers the two years 2012 and 2103 and has been aggregated to quarters as a suitable scale to demonstrate any general trends that there may be in the data. Retailers with market shares less than 5% have been aggregated as 'others'. Some retailers have market shares that cross back and forth this level and we have used some discretion in these cases. In cases where a retailer has market share of greater than 5% in one or more zones, but not in the province overall we have elected to show that retailer's share in all zones.

In most cases market shares are reported based on site counts. However, because the variability of size within the Large Commercial/Industrial categories for that group we have provided market share by both site count and by volume.

Churn rates are the loss of customers in a given period, quarters in this report, not including customers that move away. For a retailer to maintain its customer base, it must acquire at least as many new customers as its churn. Herein they are expressed as percent per month, averaged over the quarter.

In electricity the four largest settlement zones are:

ENMAX – city of Calgary

EPCOR – city of Edmonton

ATCO – widespread area in Alberta

FORTIS – widespread area in Alberta

There are several smaller settlement zones and we have combined them into their own 'Others' zone:

- Lethbridge
- Red Deer
- Cardston

¹ This information was collected directly from the competitive retailers and the MSA wishes to acknowledge their cooperation.

- Crowsnest Pass
- Fort MacLeod
- Ponoka

In natural gas there are three settlement zones:

ATCO – NORTH

ATCO – SOUTH

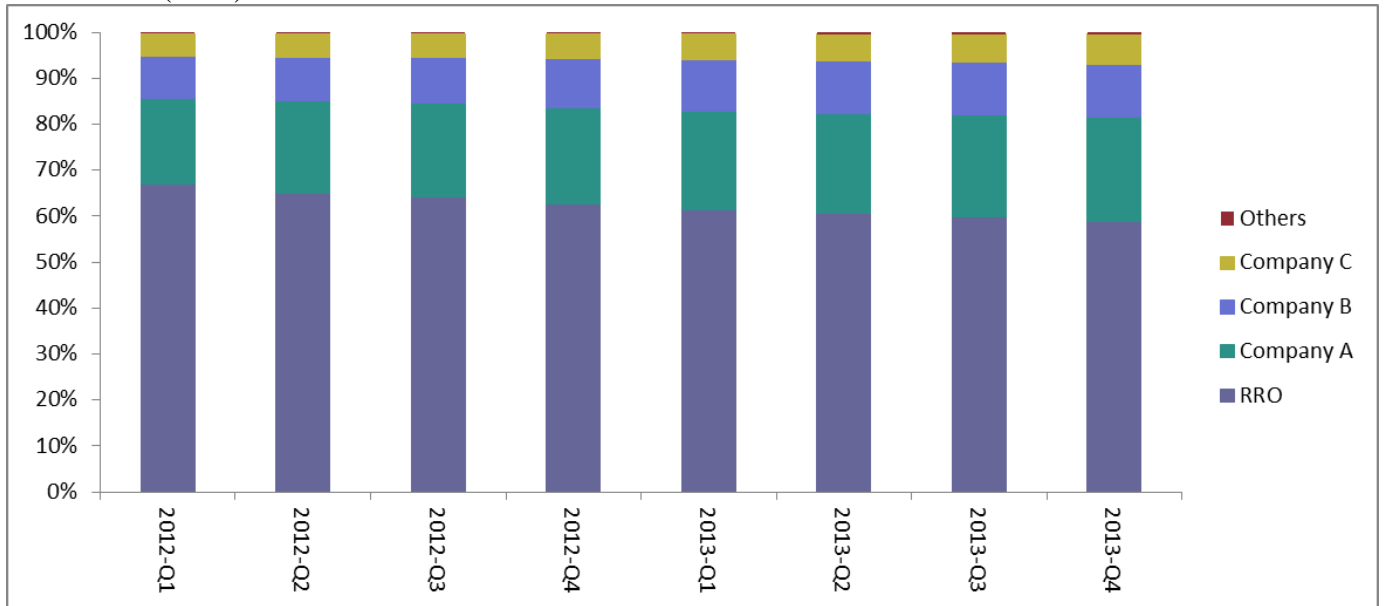
ALTAGAS

2. Market Shares

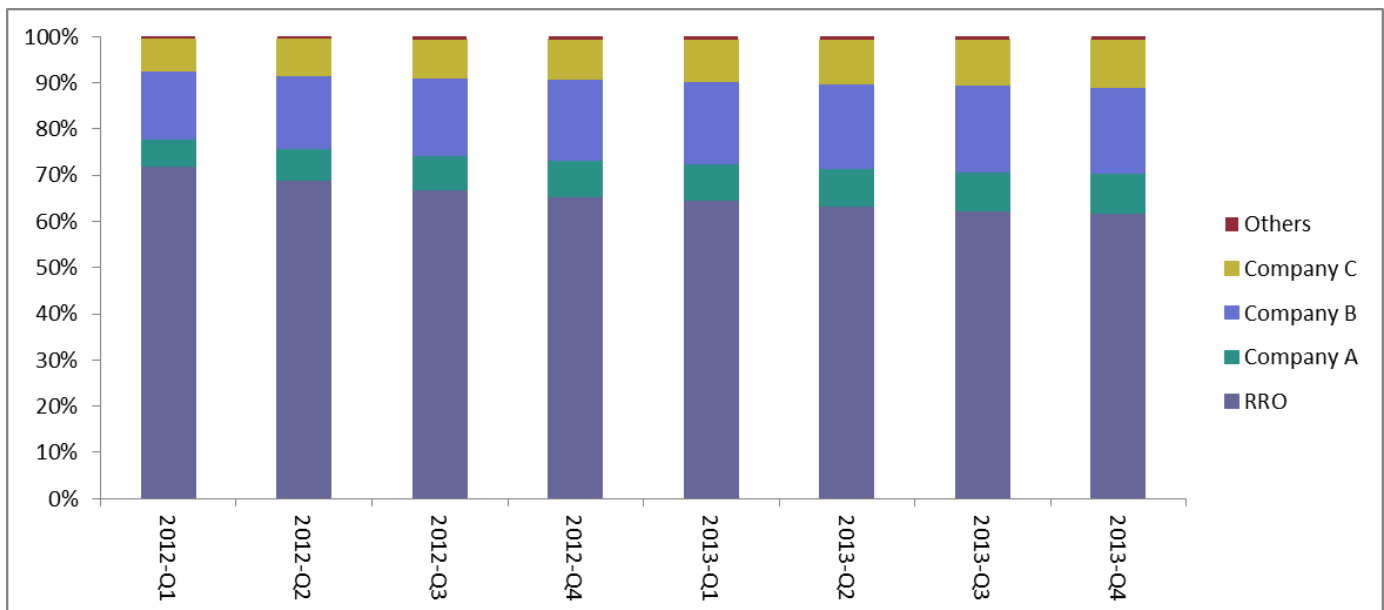
2.1 Electricity

2.1.1 Residential

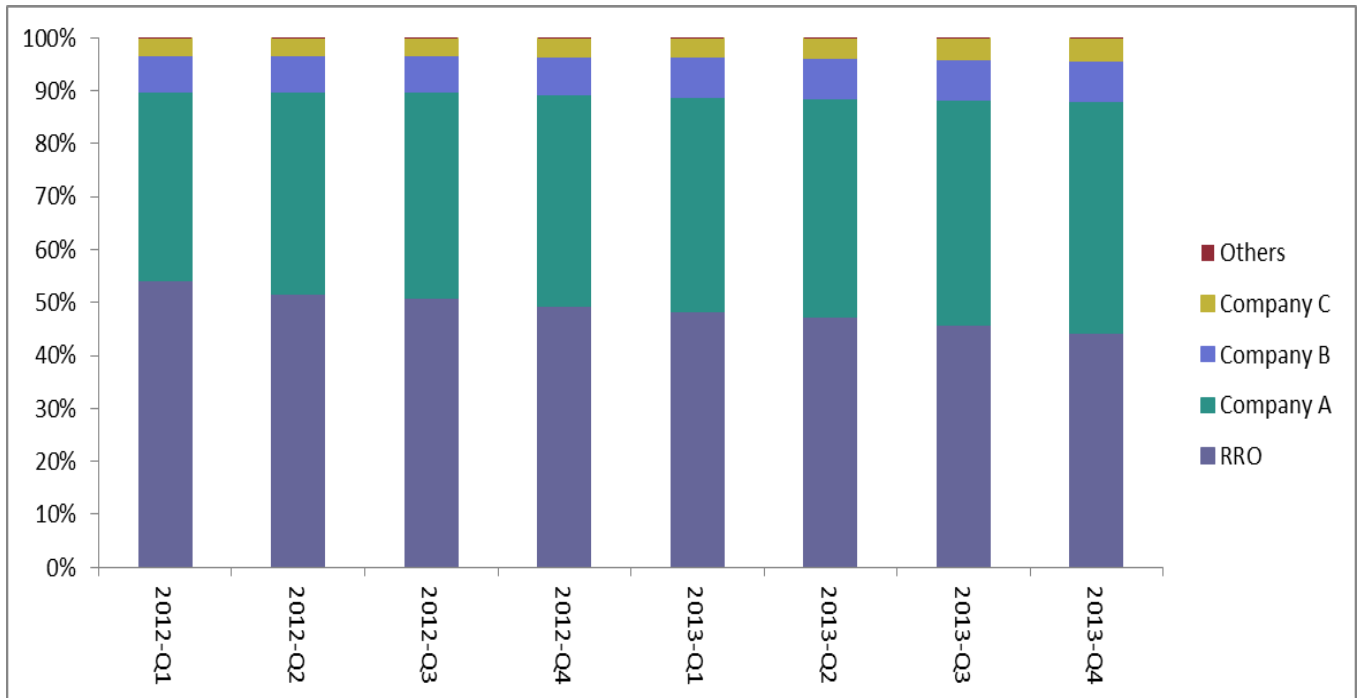
ALBERTA (Sites)



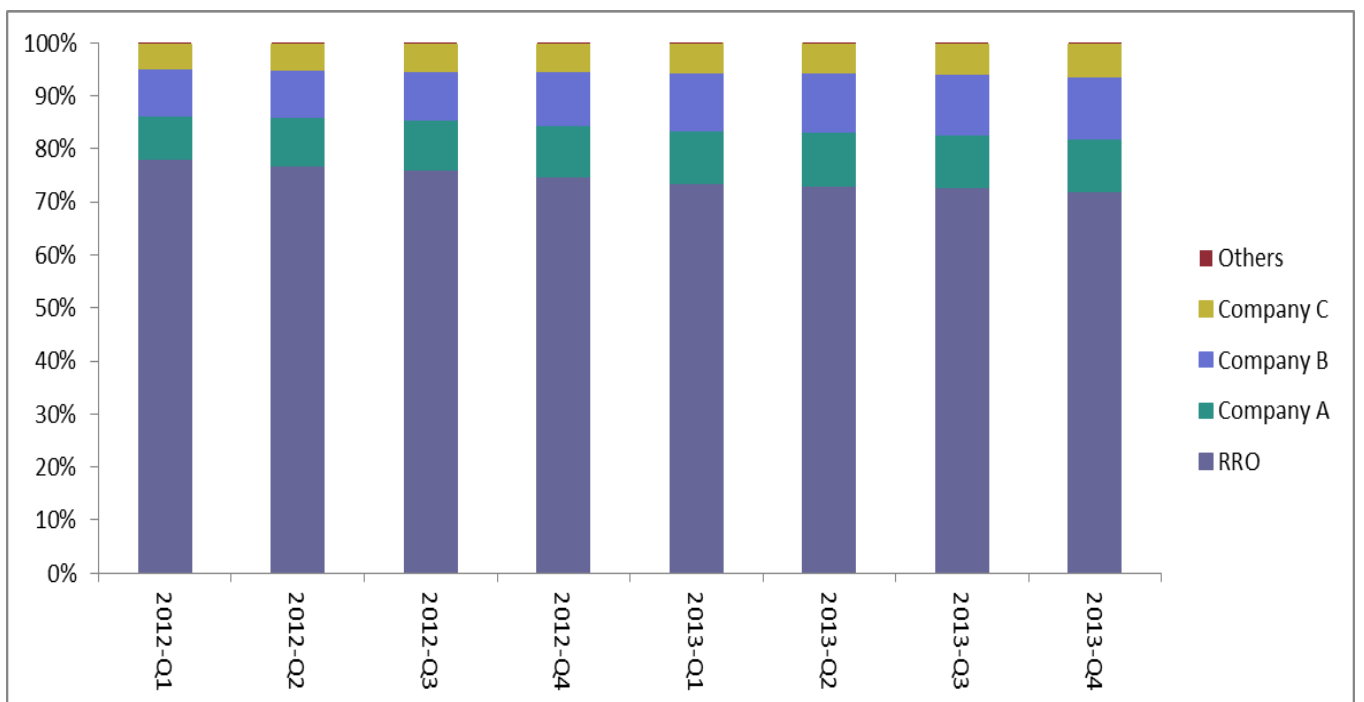
ATCO Settlement Zone (Sites)



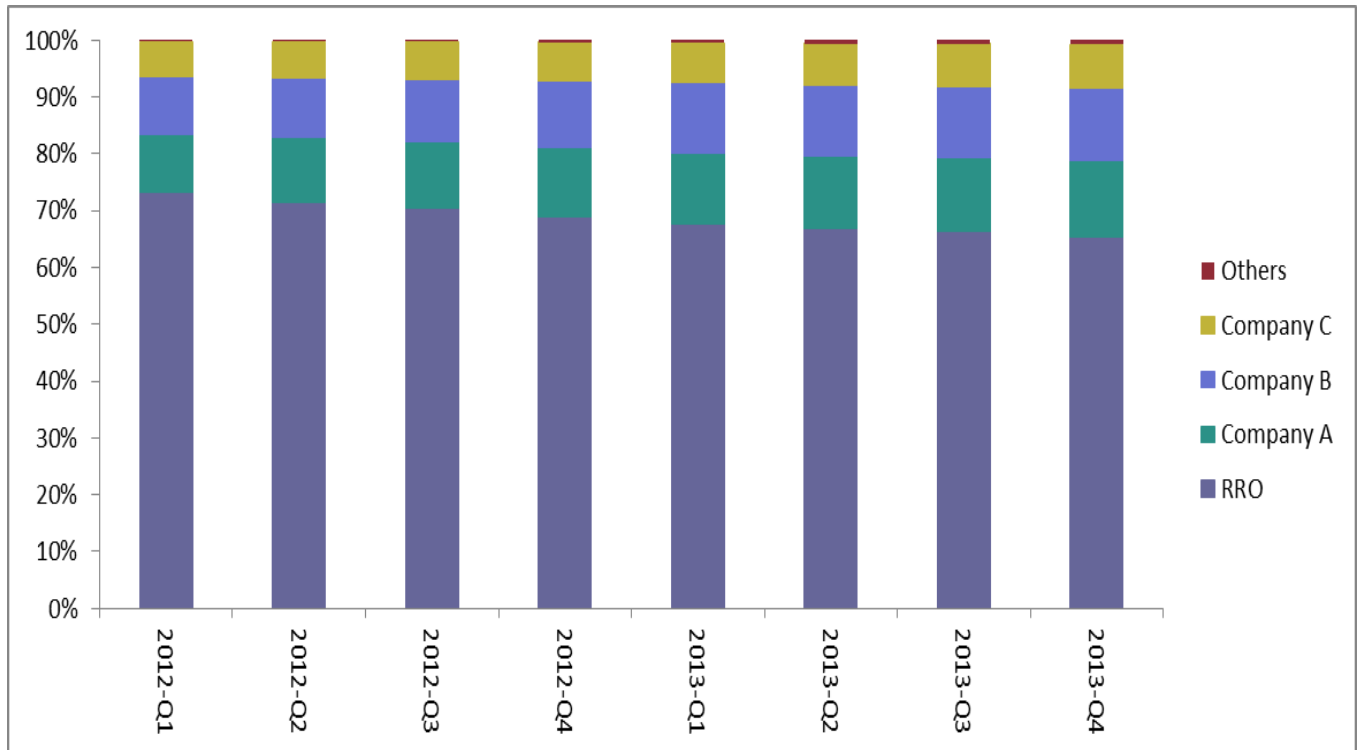
ENMAX Settlement Zone (Sites)



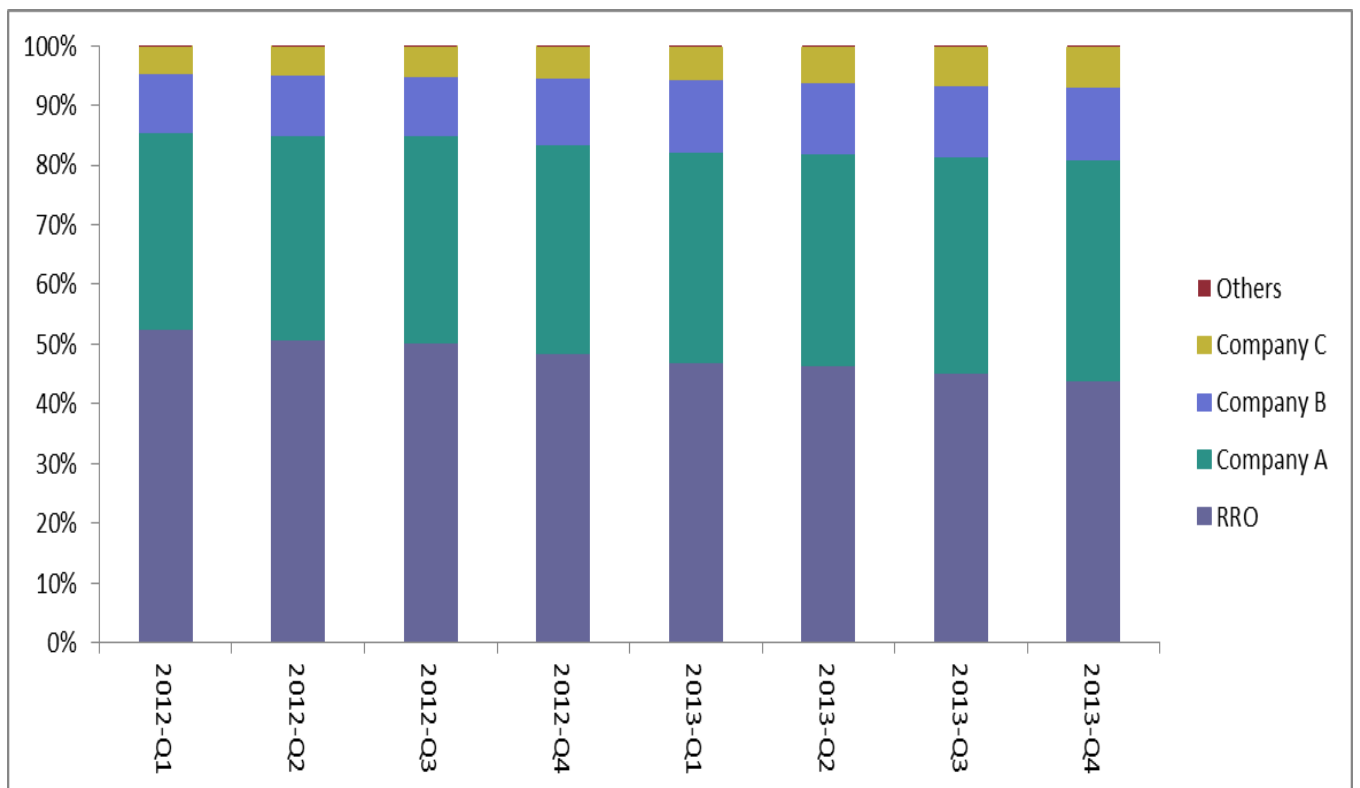
EPCOR Settlement Zone (Sites)



FORTIS Settlement Zone (Sites)

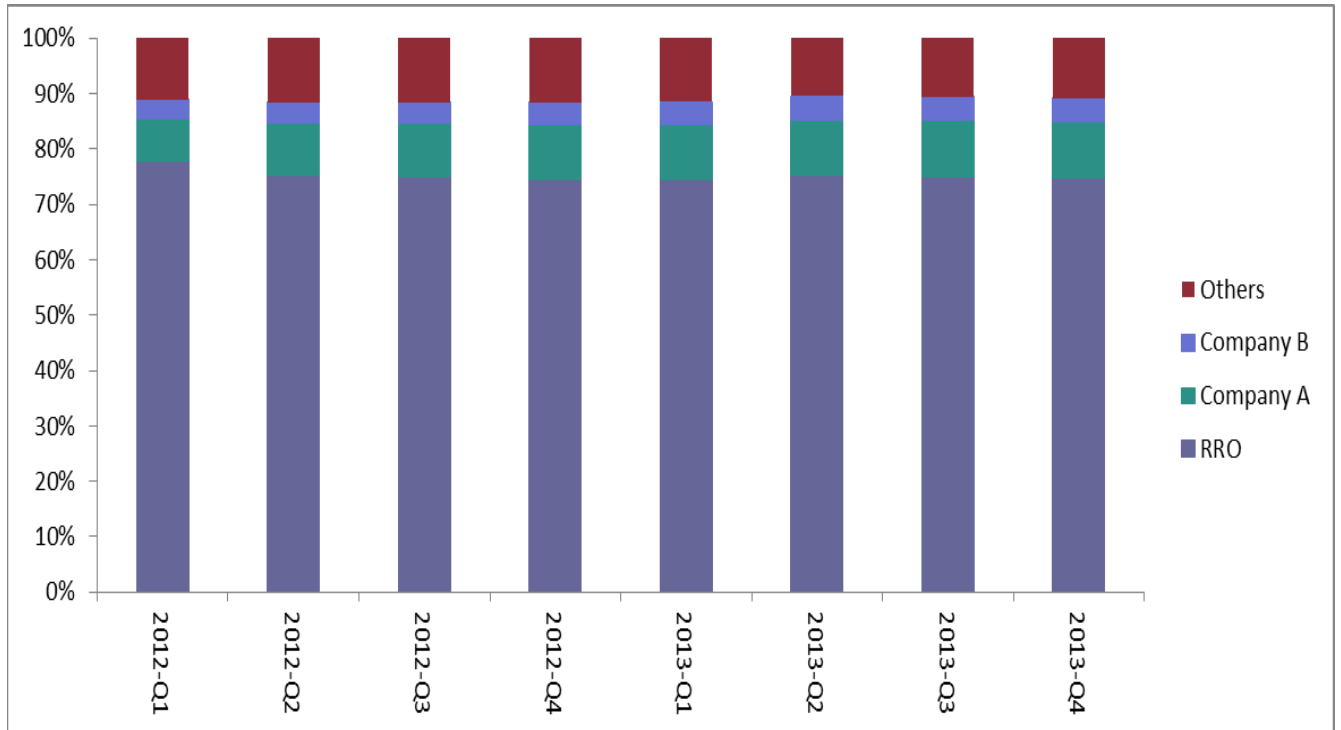


OTHERS Settlement Zone (Sites)

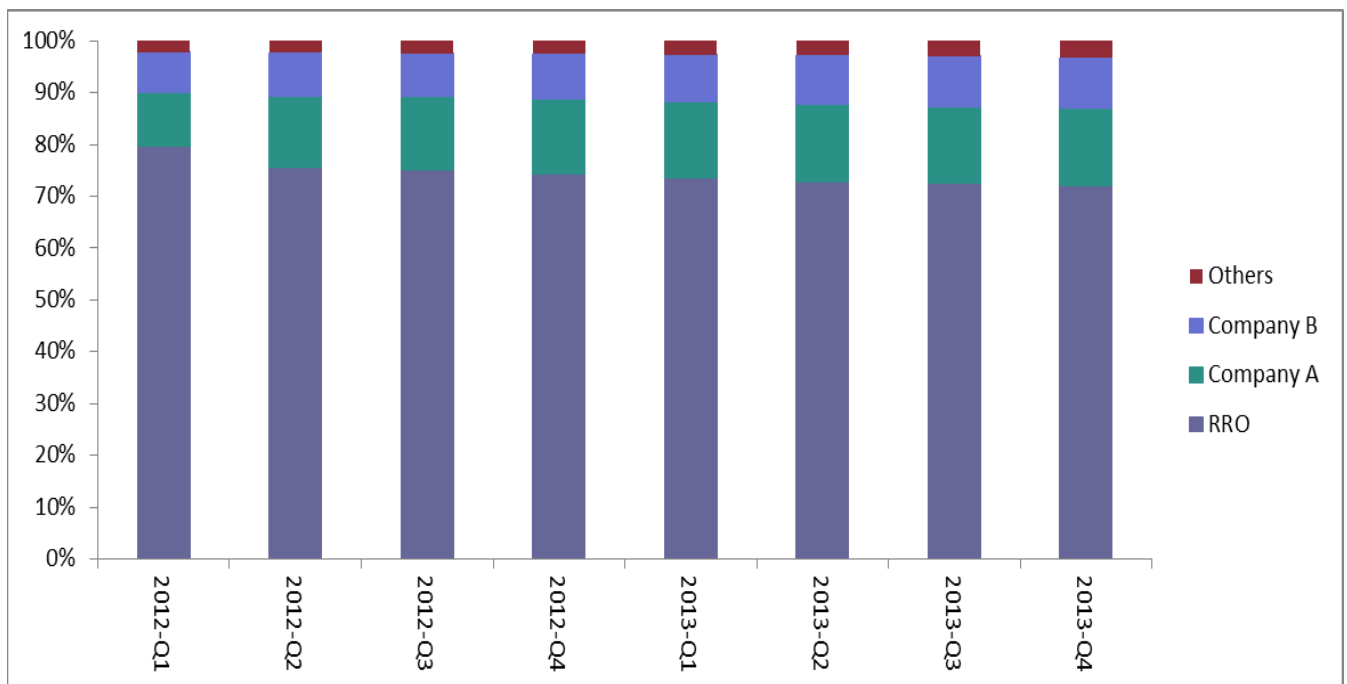


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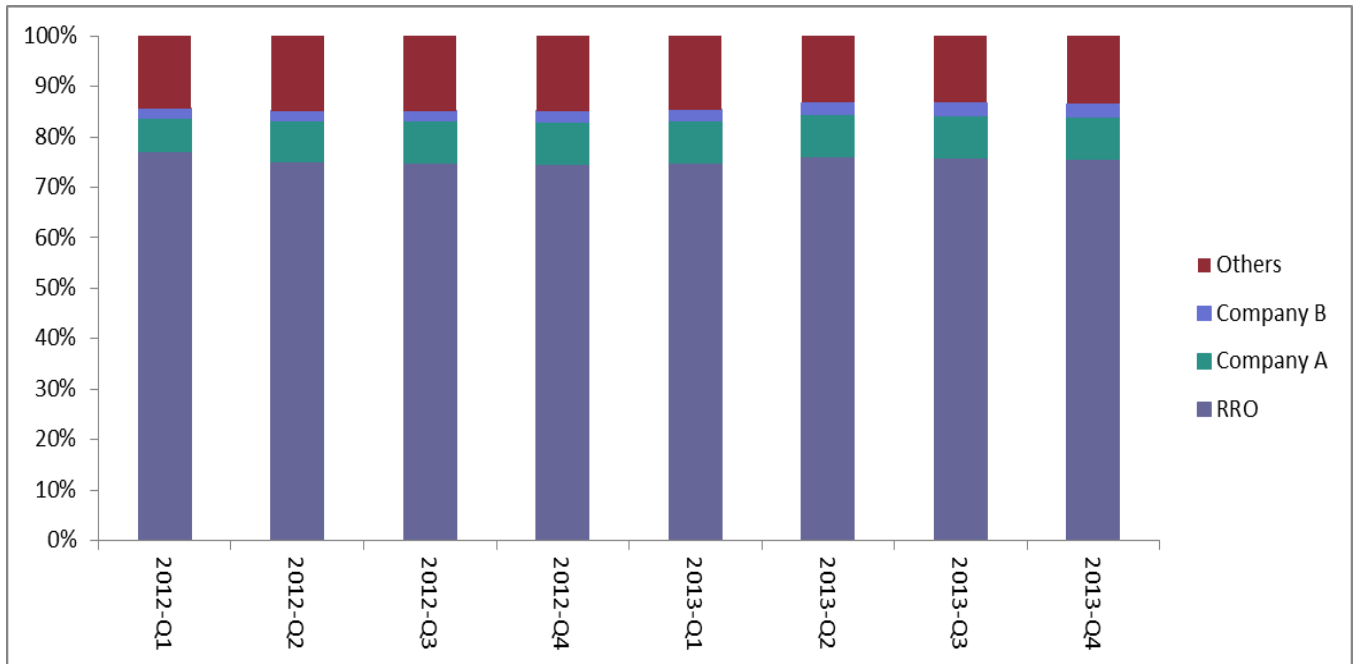
ALBERTA (Sites)



ATCO Settlement Zone (Sites)

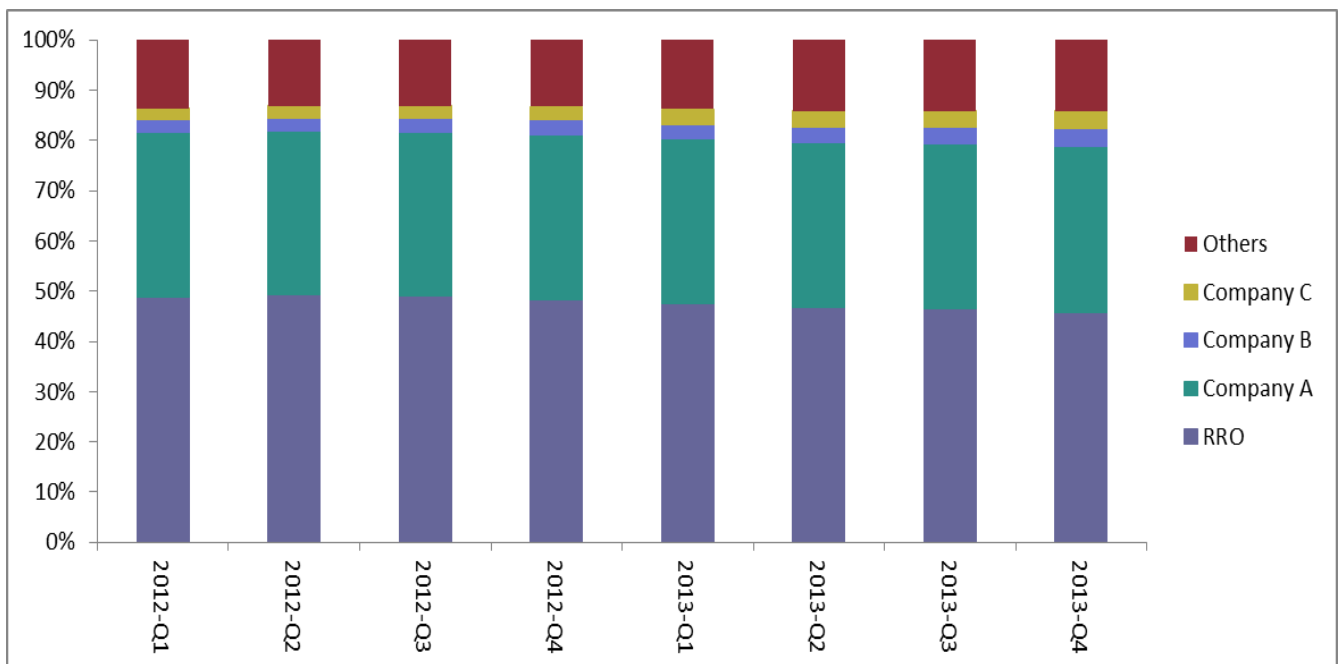


FORTIS Settlement Zone (Sites)

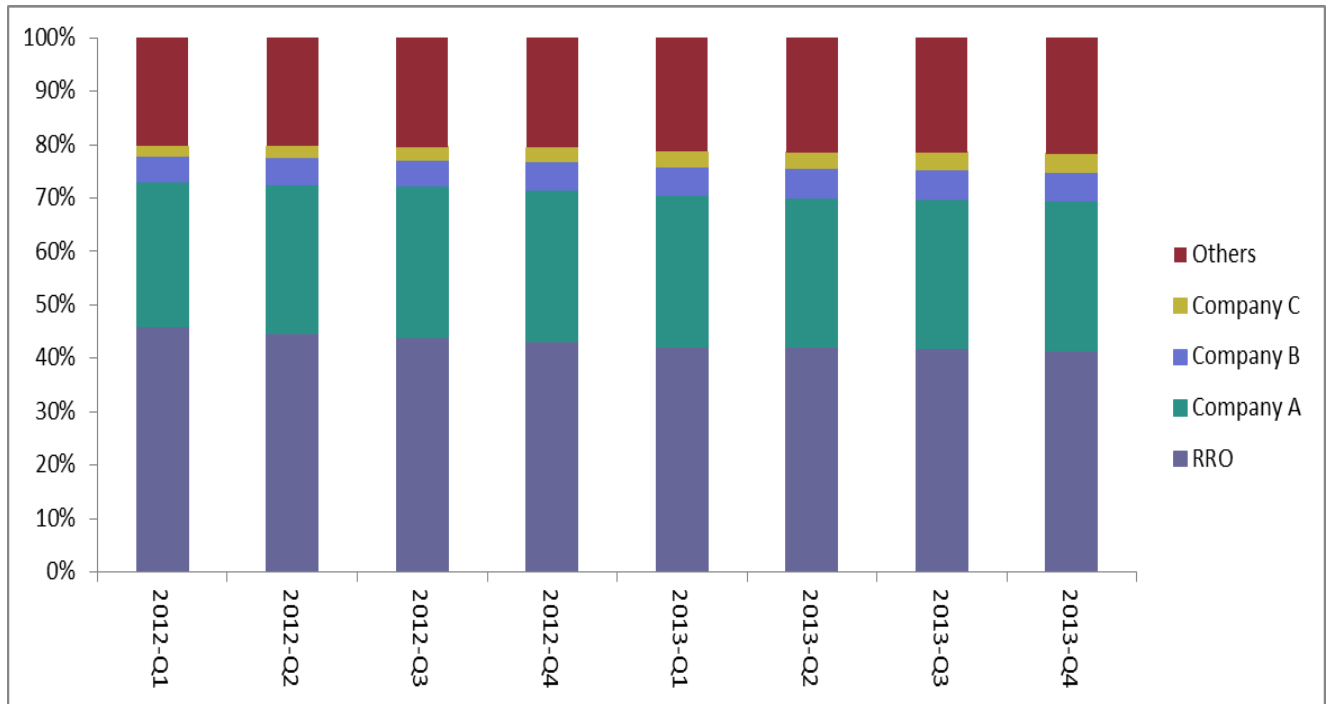


2.1.3 Small Commercial/Industrial

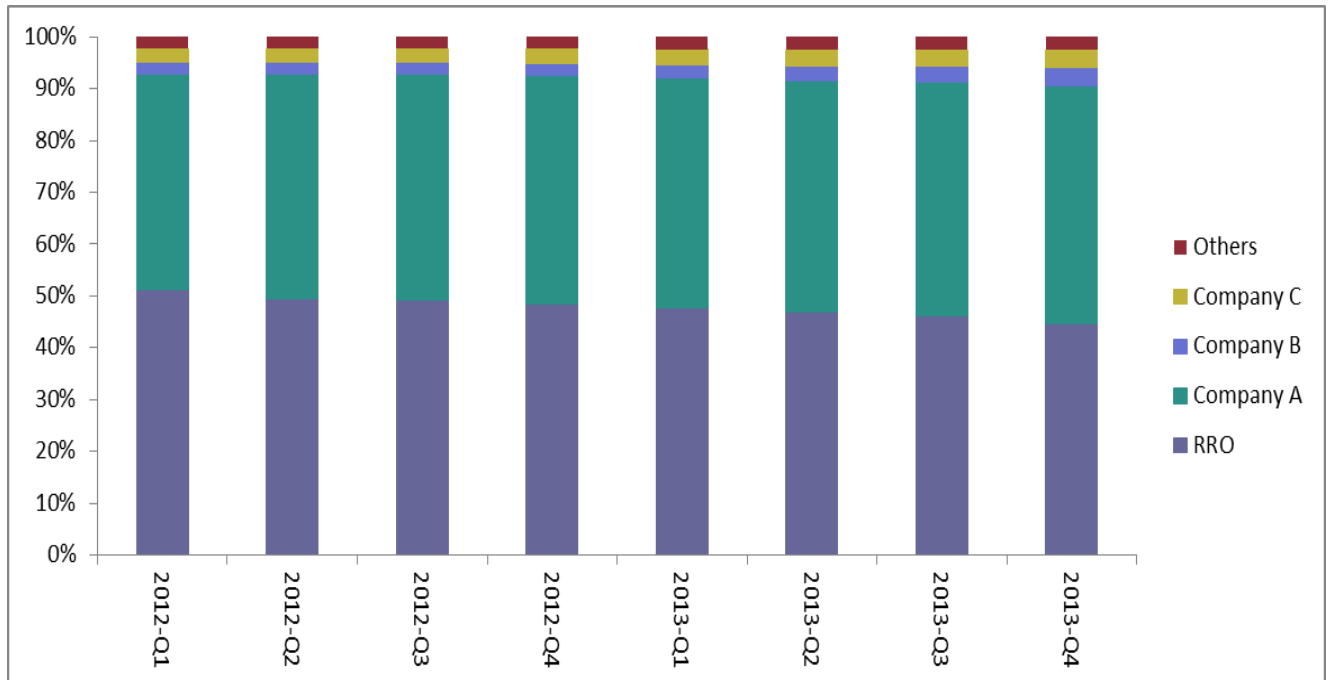
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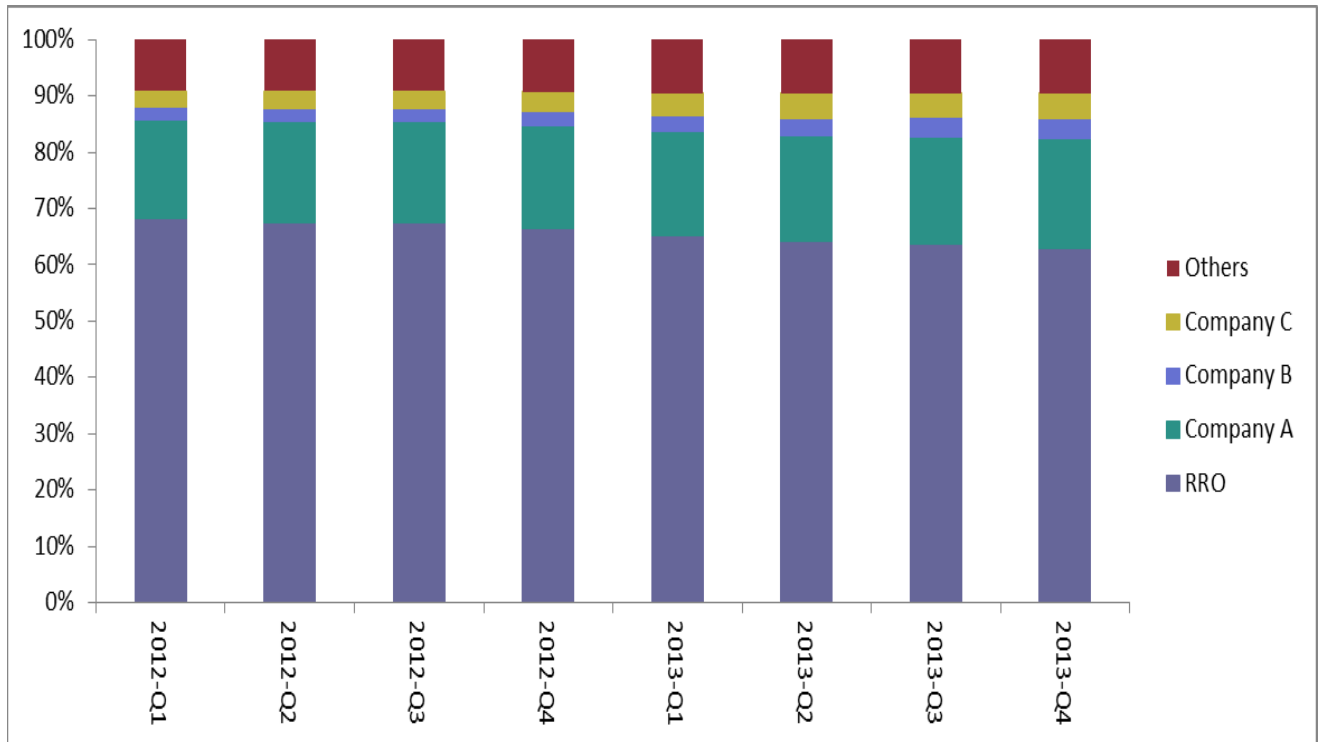
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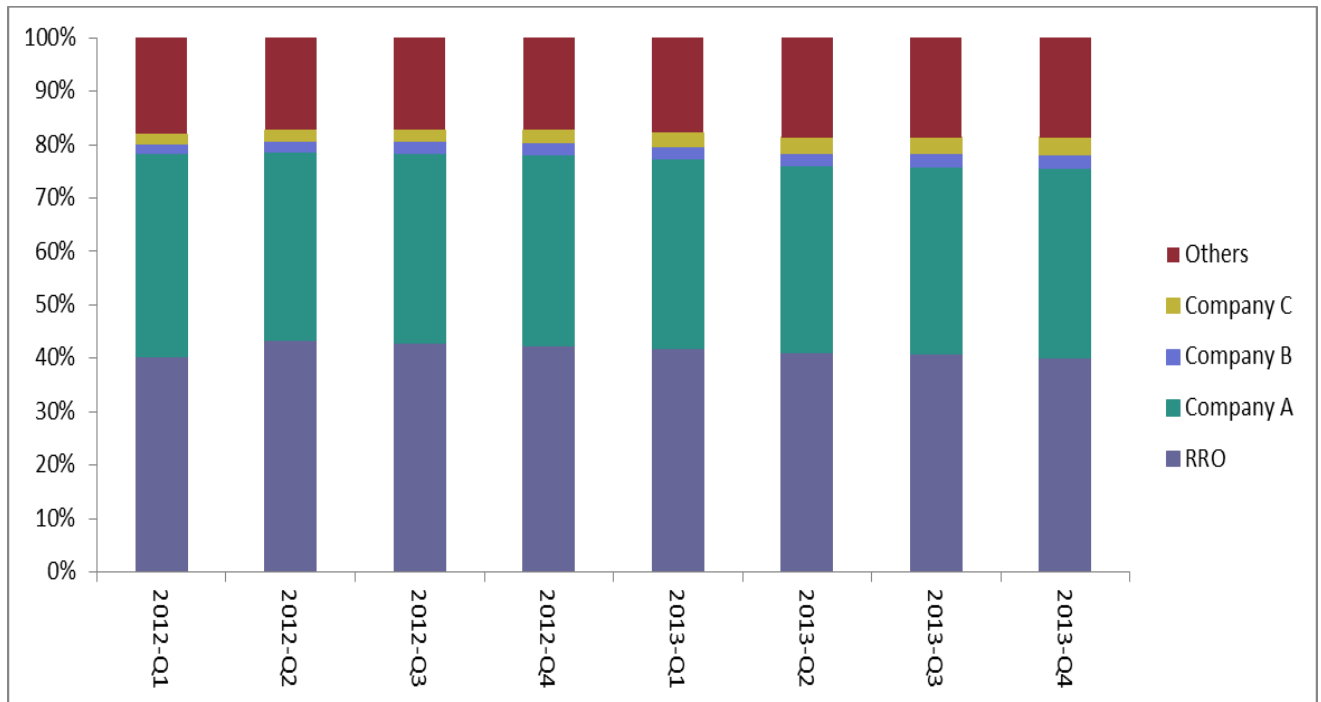
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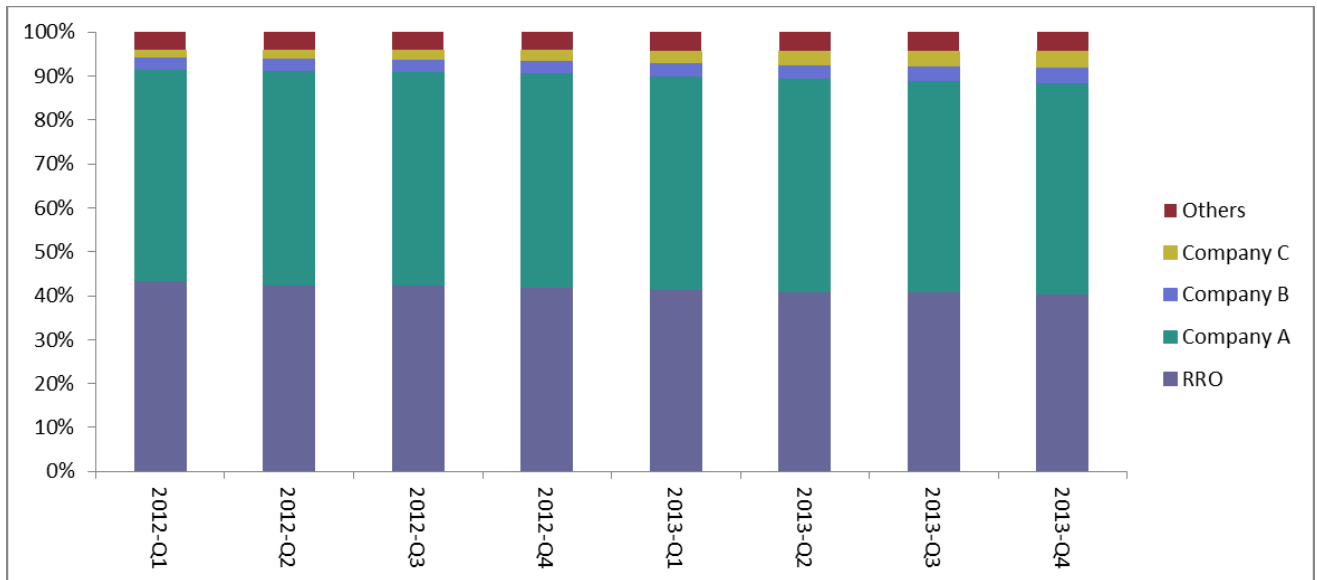
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FORTIS Settlement Zone (Sites)

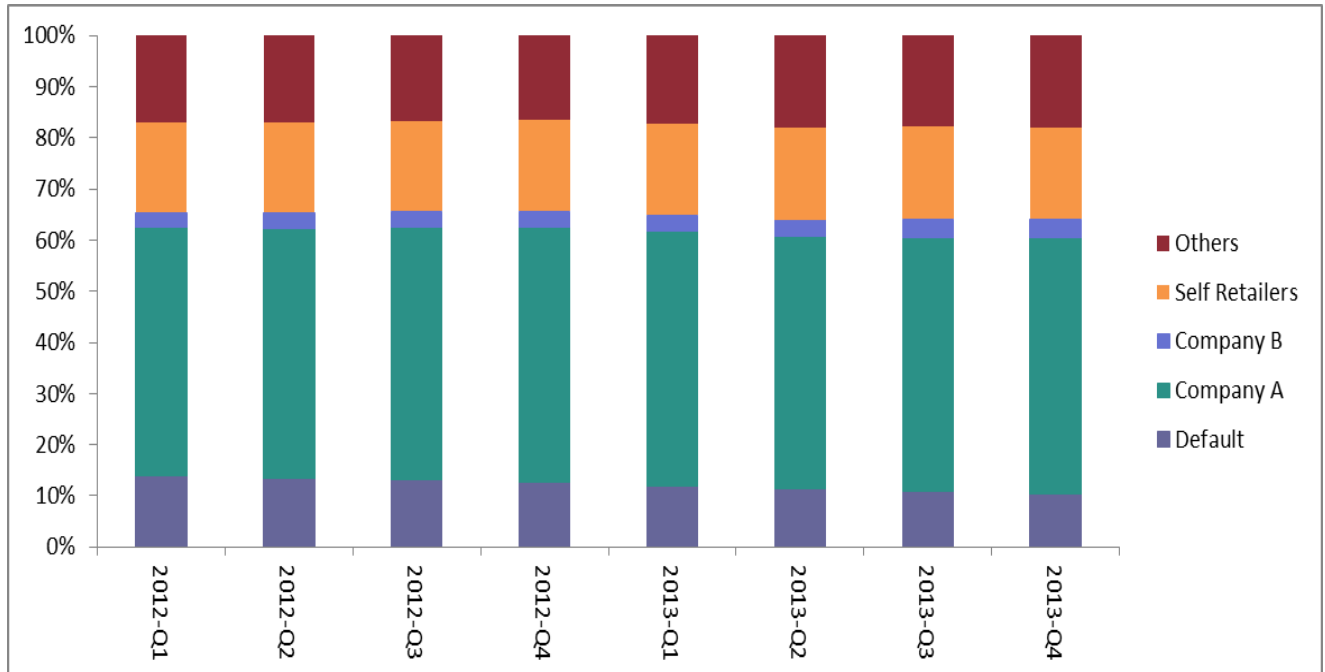


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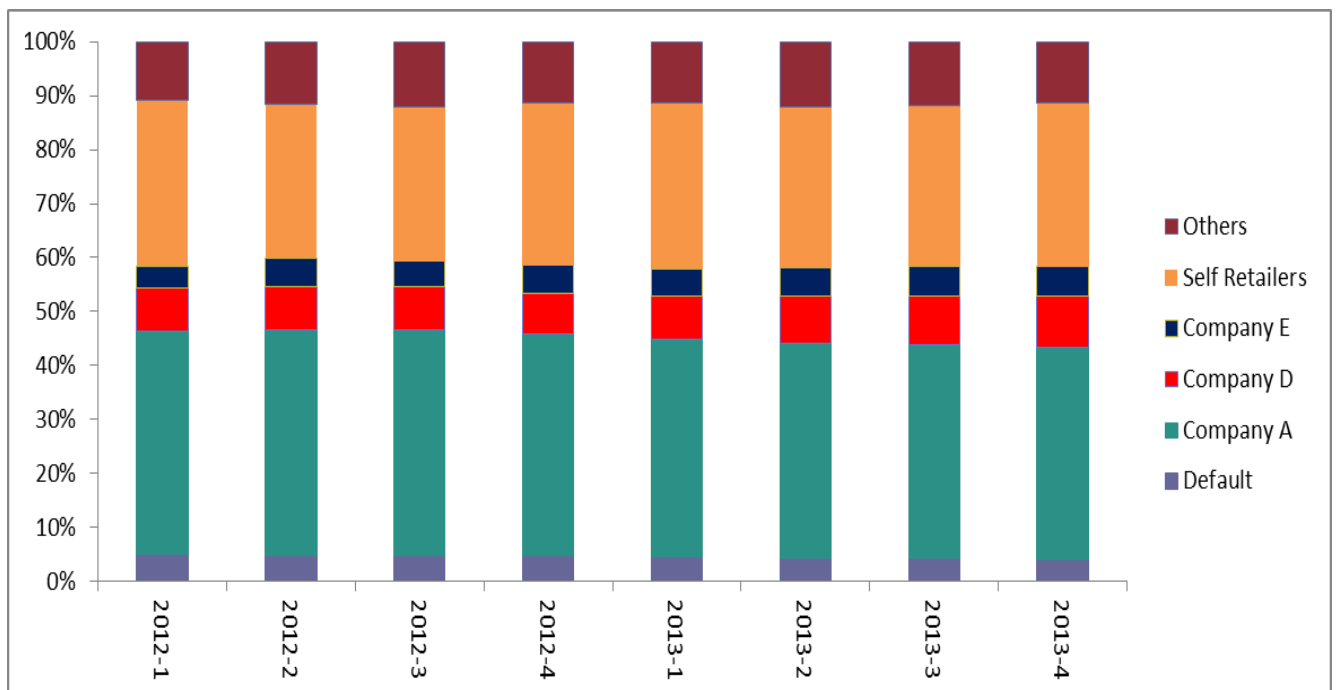


2.1.4 Large Commercial/Industrial

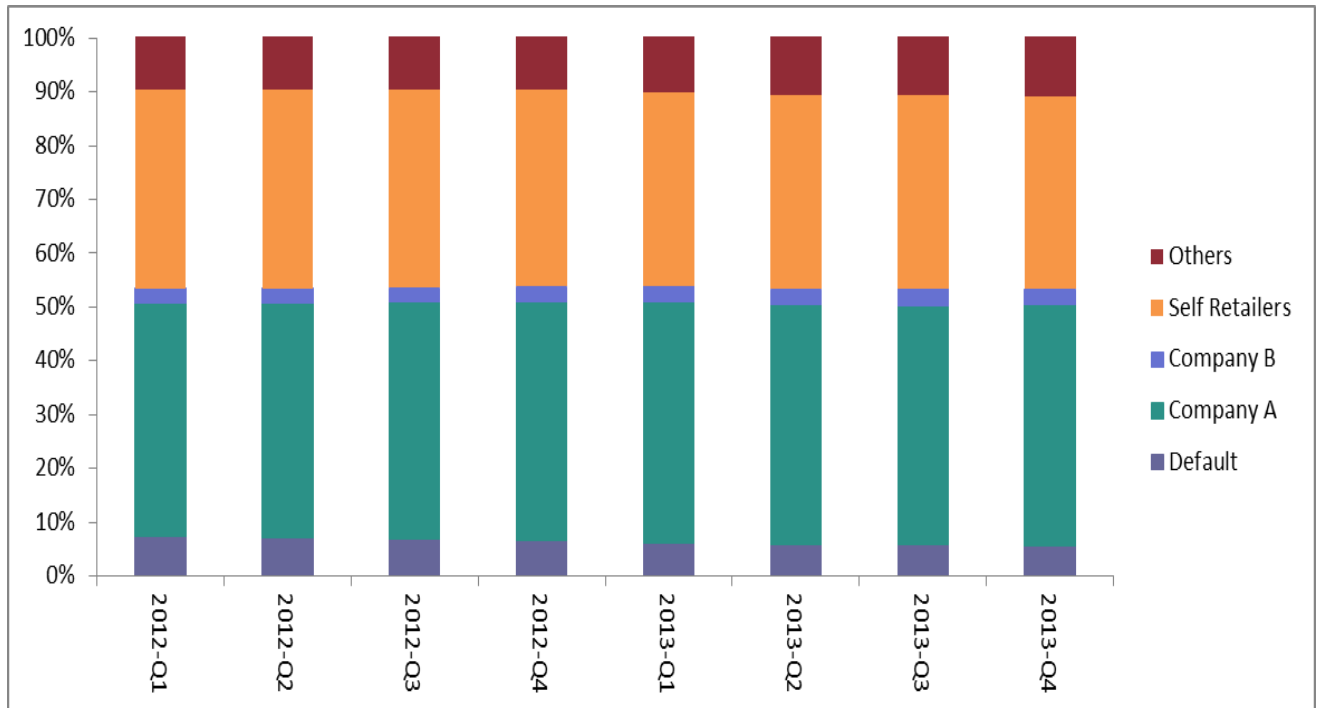
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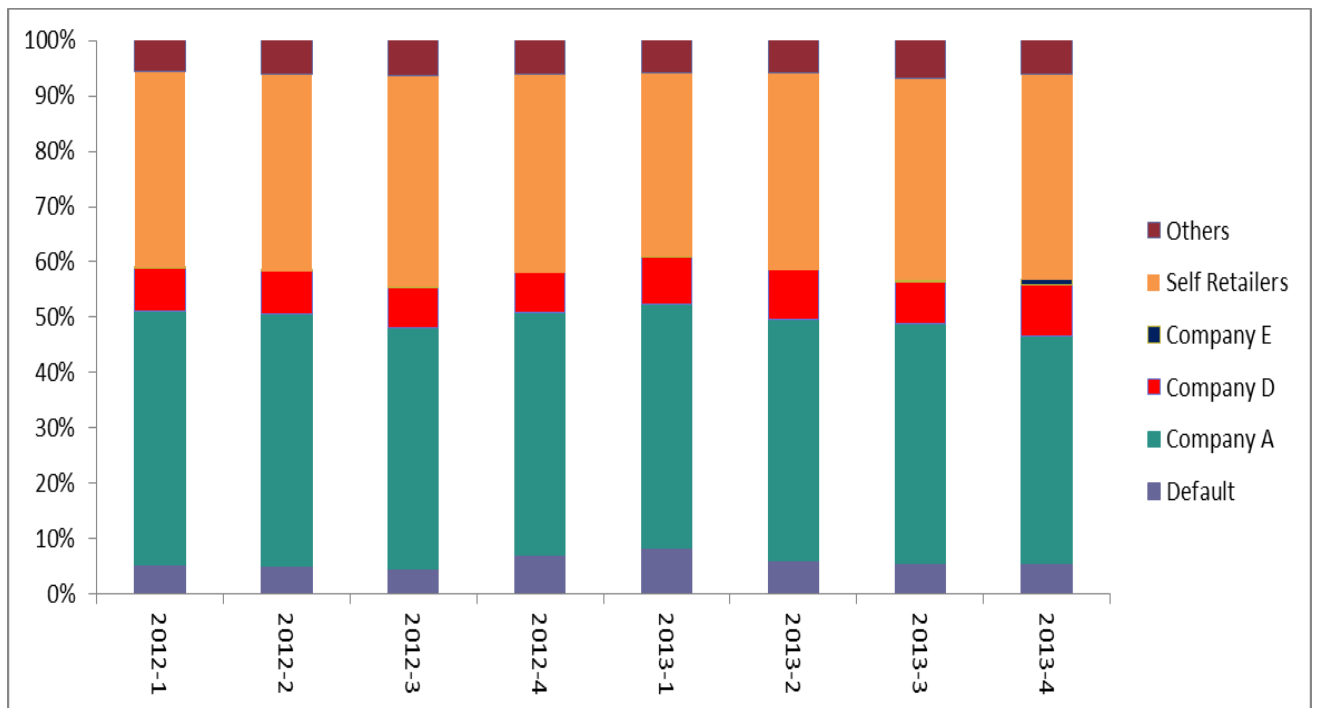
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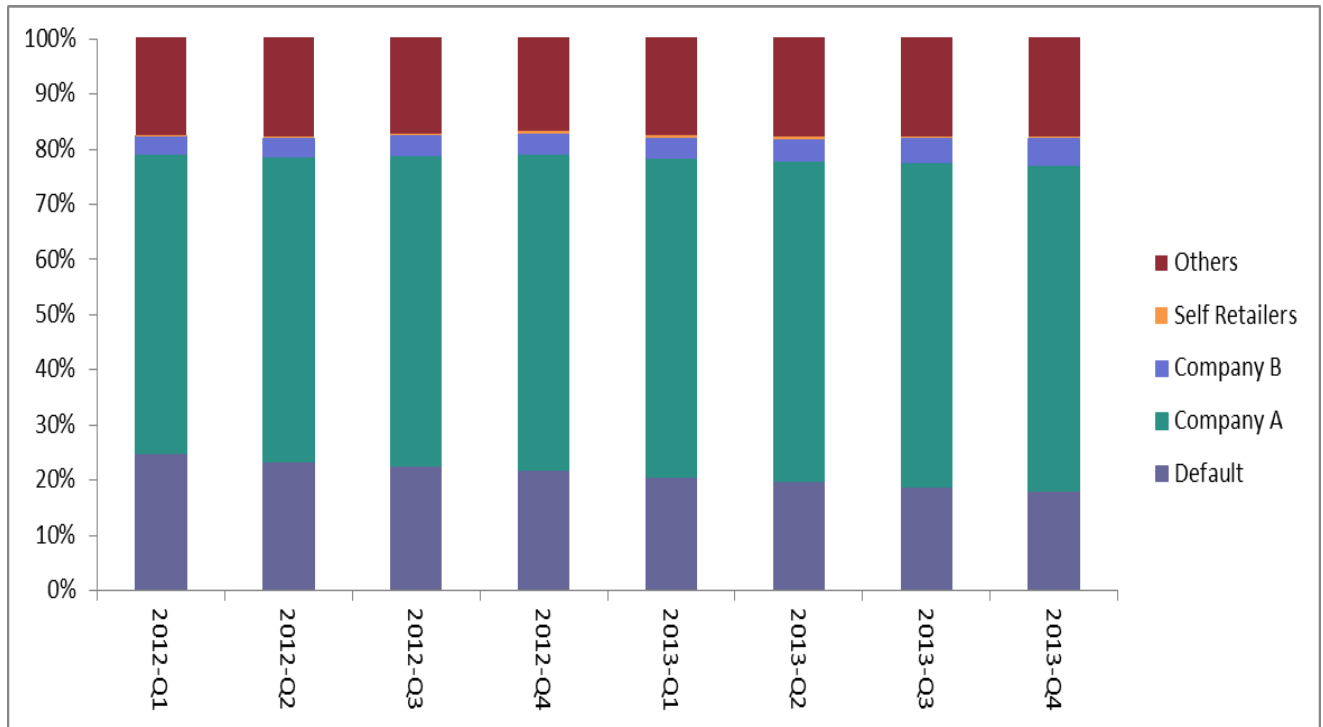
ATCO Settlement Zone (Sites)



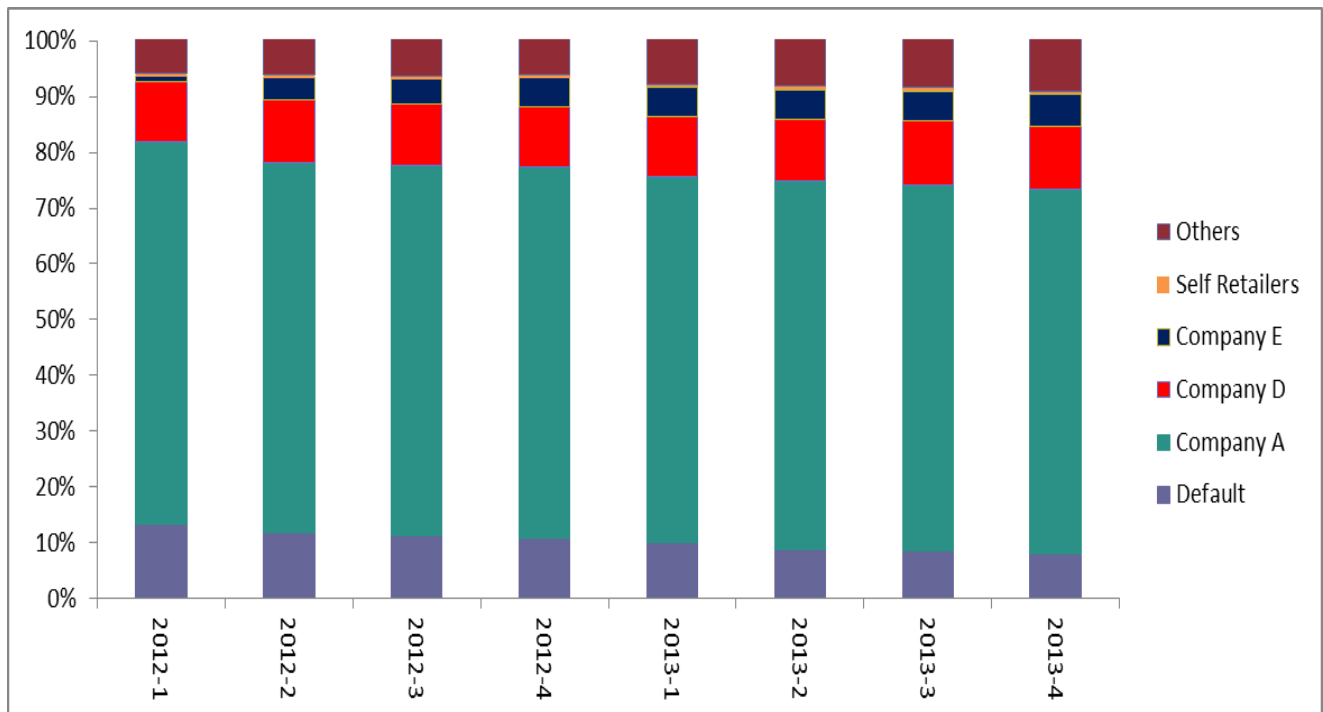
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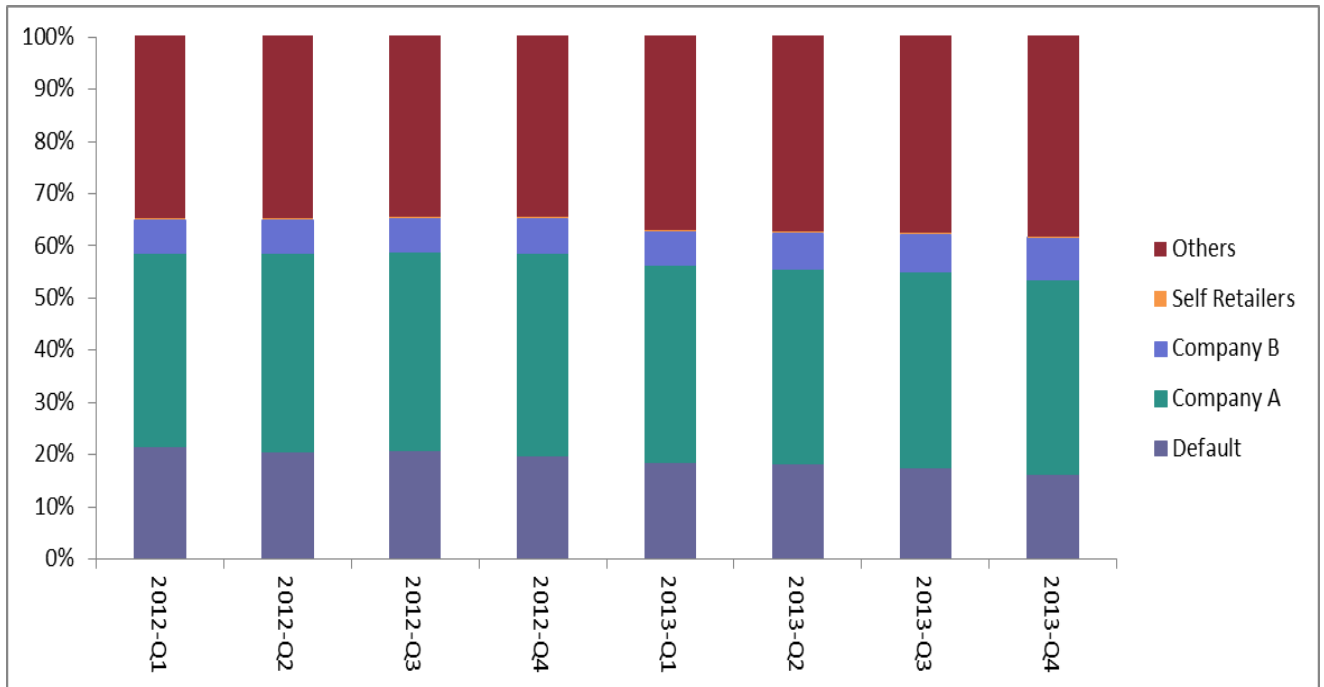
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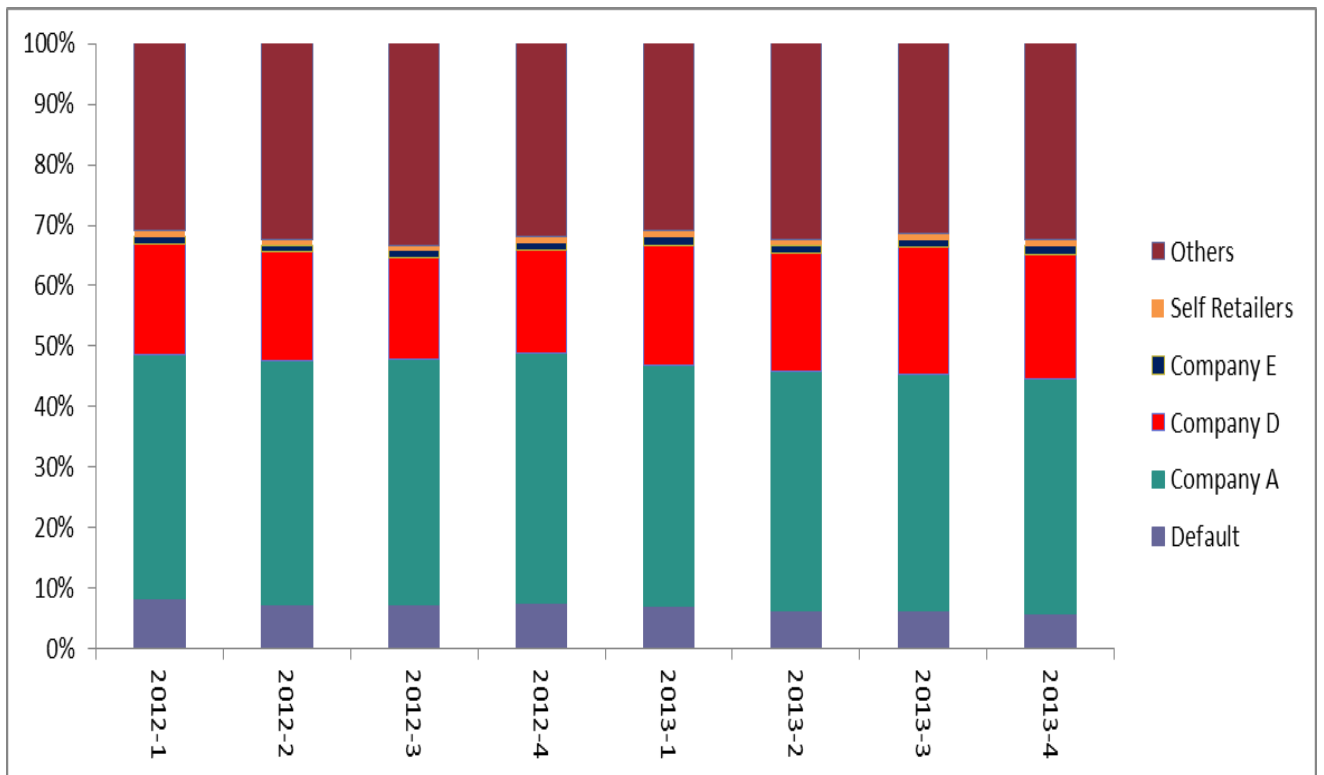
ENMAX Settlement Zone (Volume)



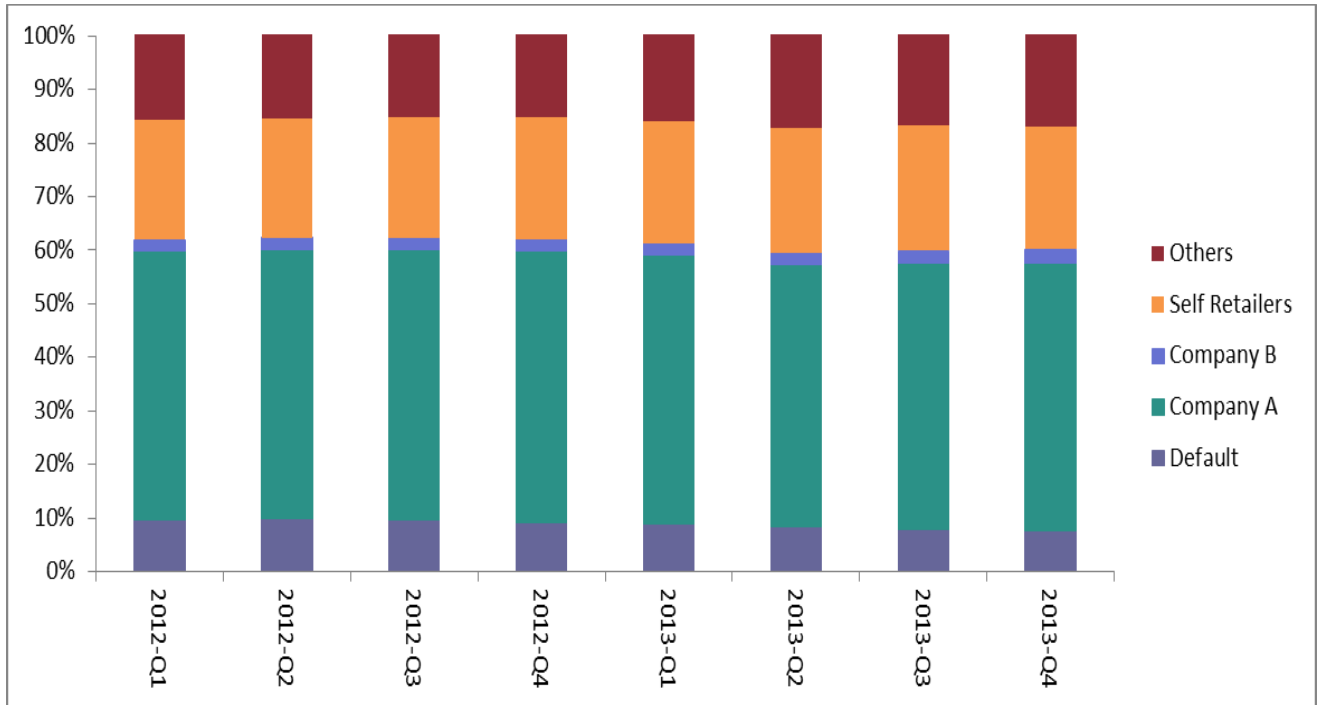
EPCOR Settlement Zone (Sites)



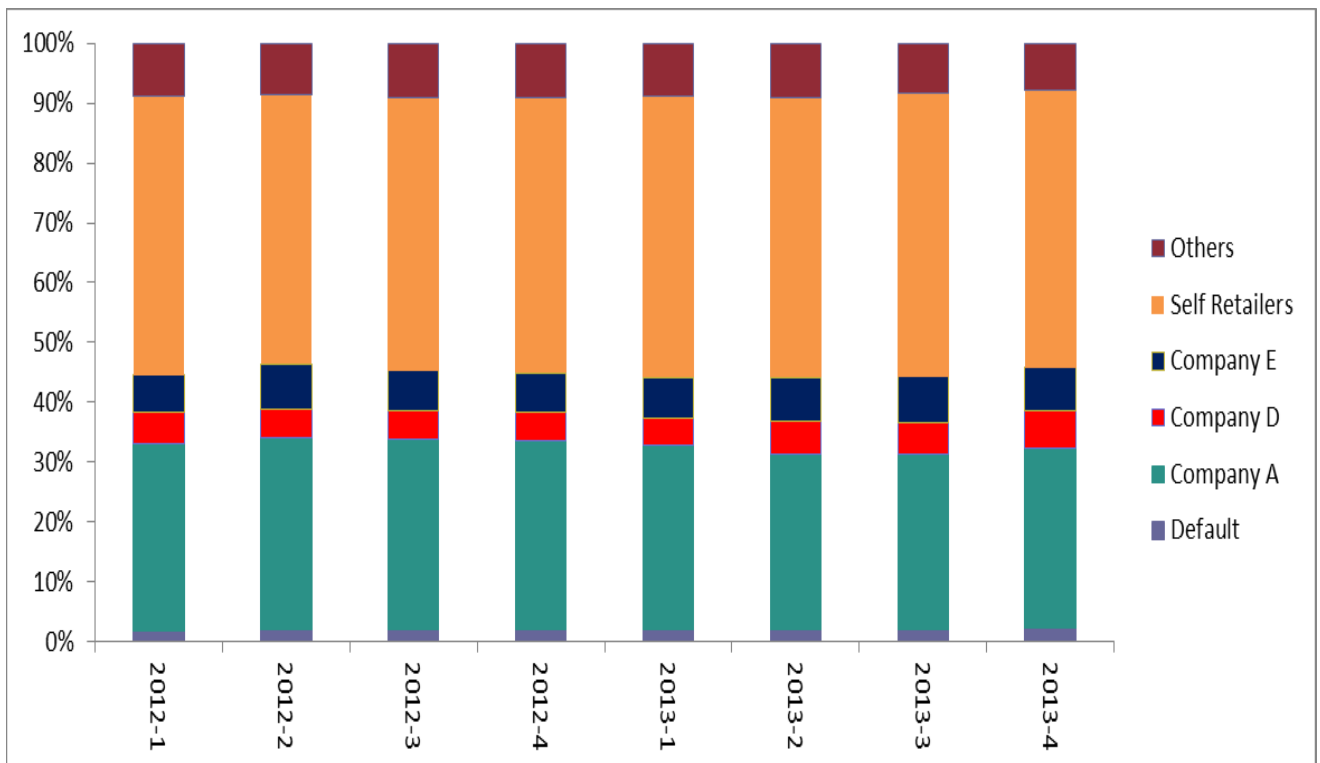
EPCOR Settlement Zone (Volume)



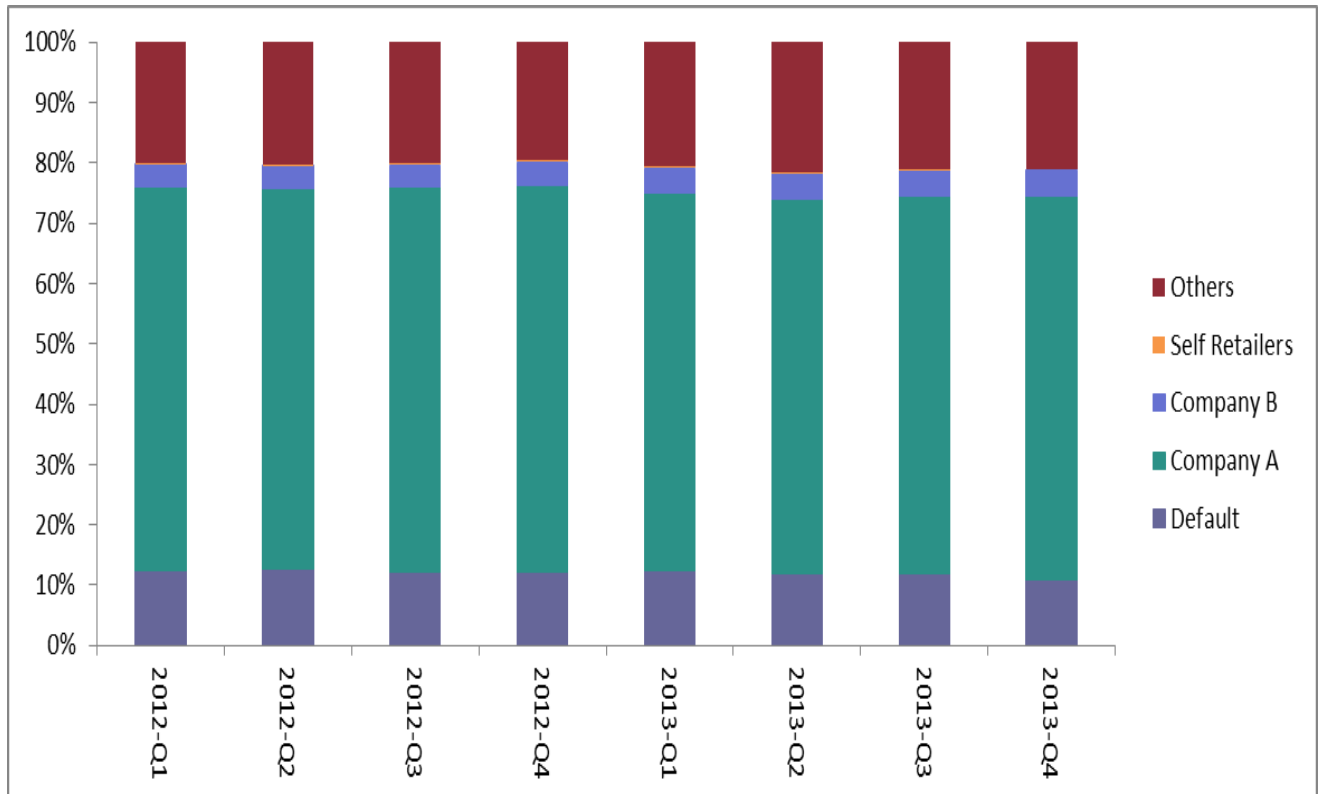
FORTIS Settlement Zone (Sites)



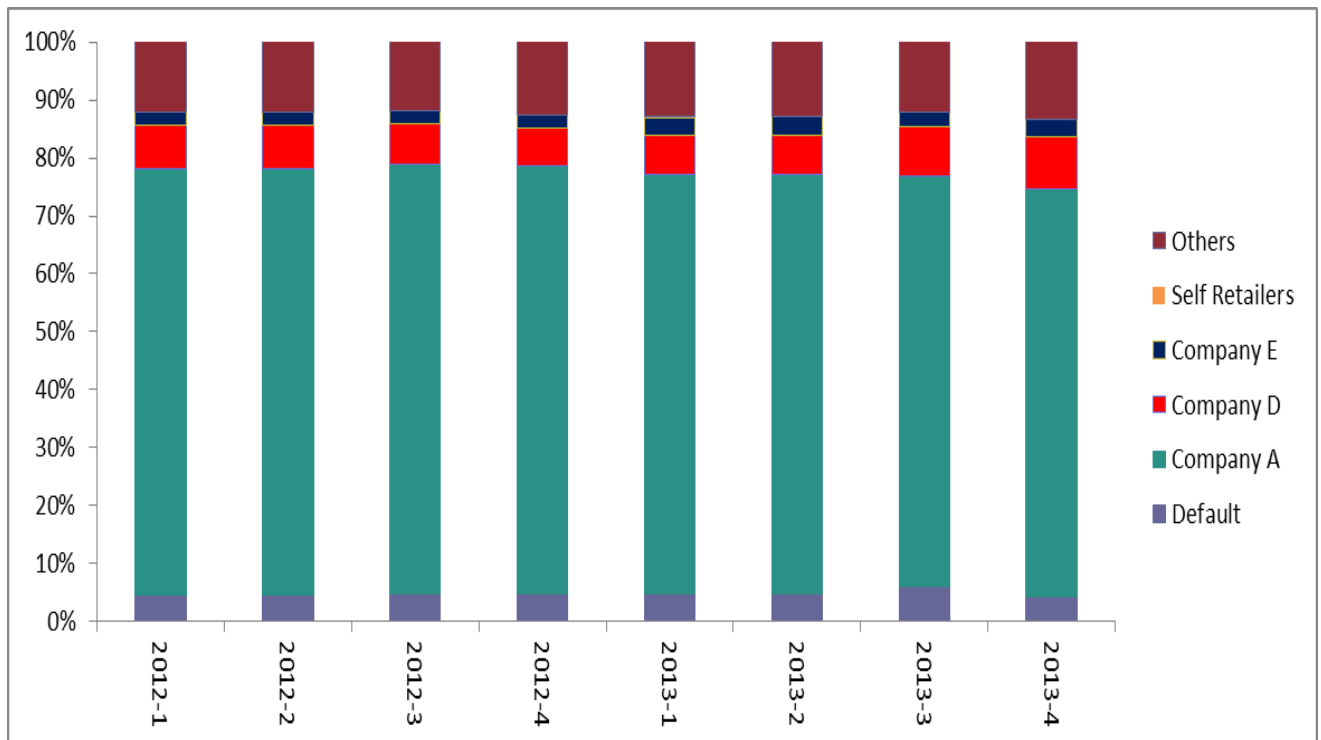
FORTIS Settlement Zone (Volume)



OTHERS Settlement Zone (Sites)



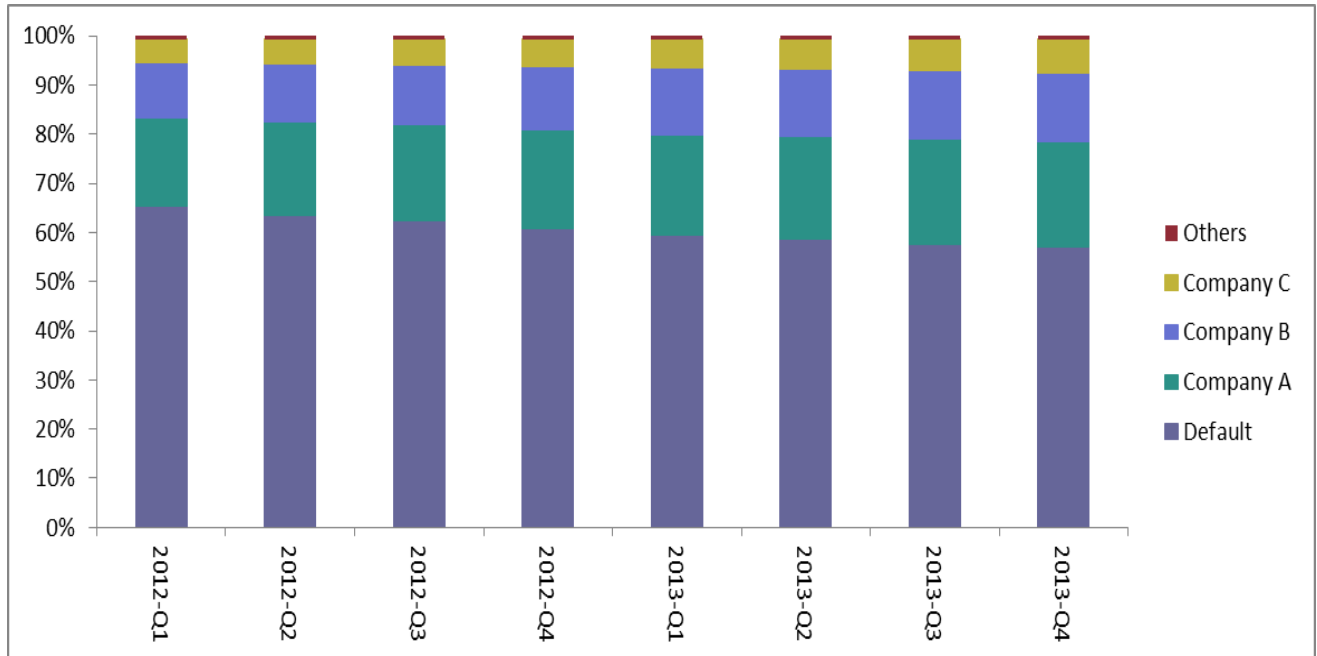
OTHERS Settlement Zone (Volume)



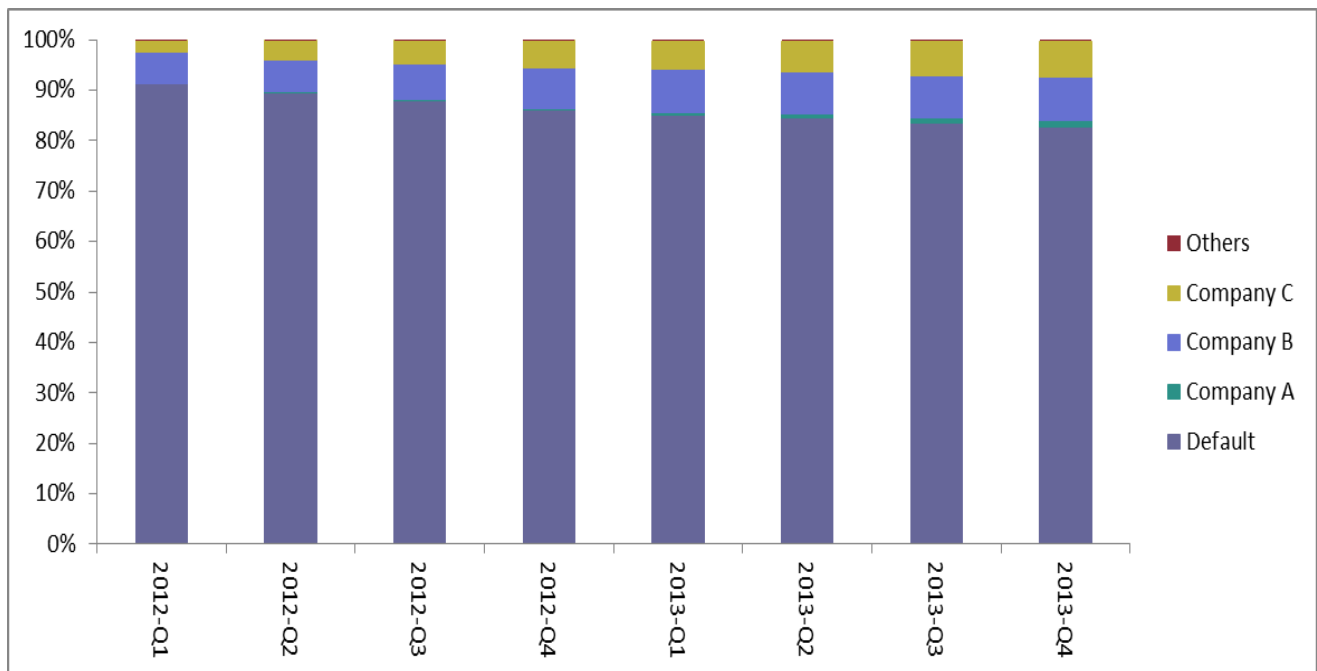
2.2 Natural Gas

2.2.1 Residential

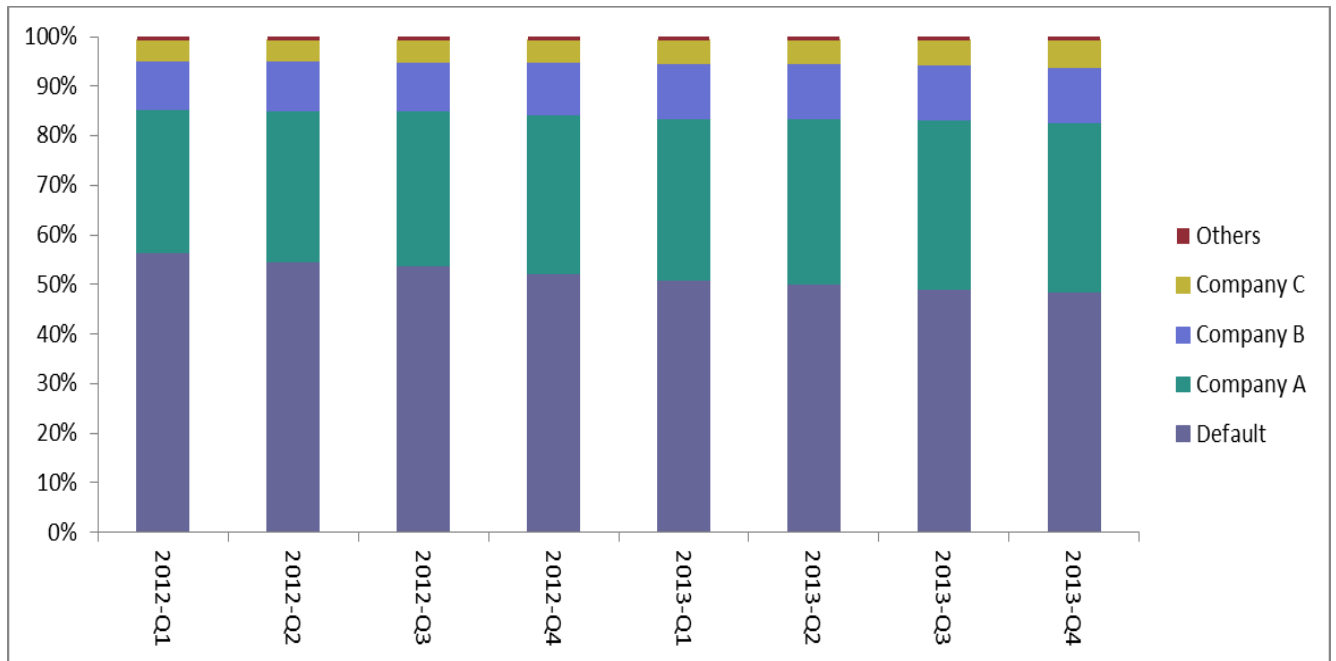
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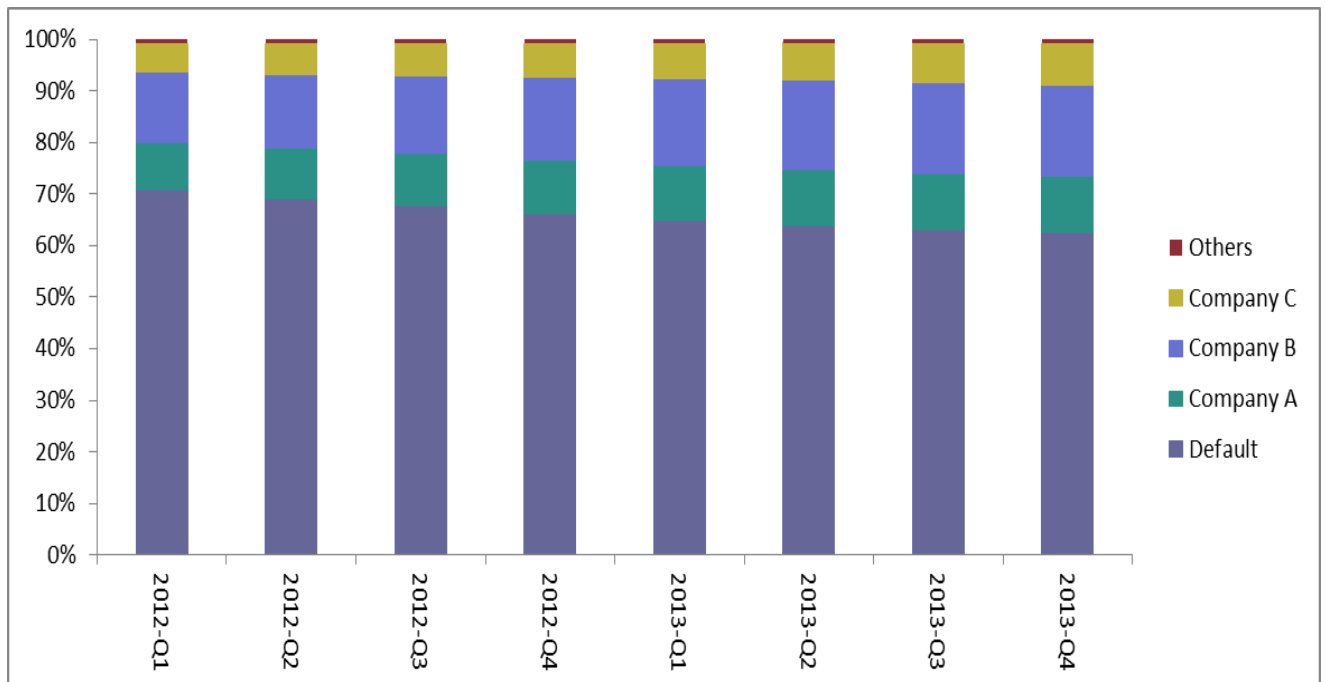
ALTAGAS Settlement Zone (Sites)



ATCO SOUTH Settlement Zone (Sites)

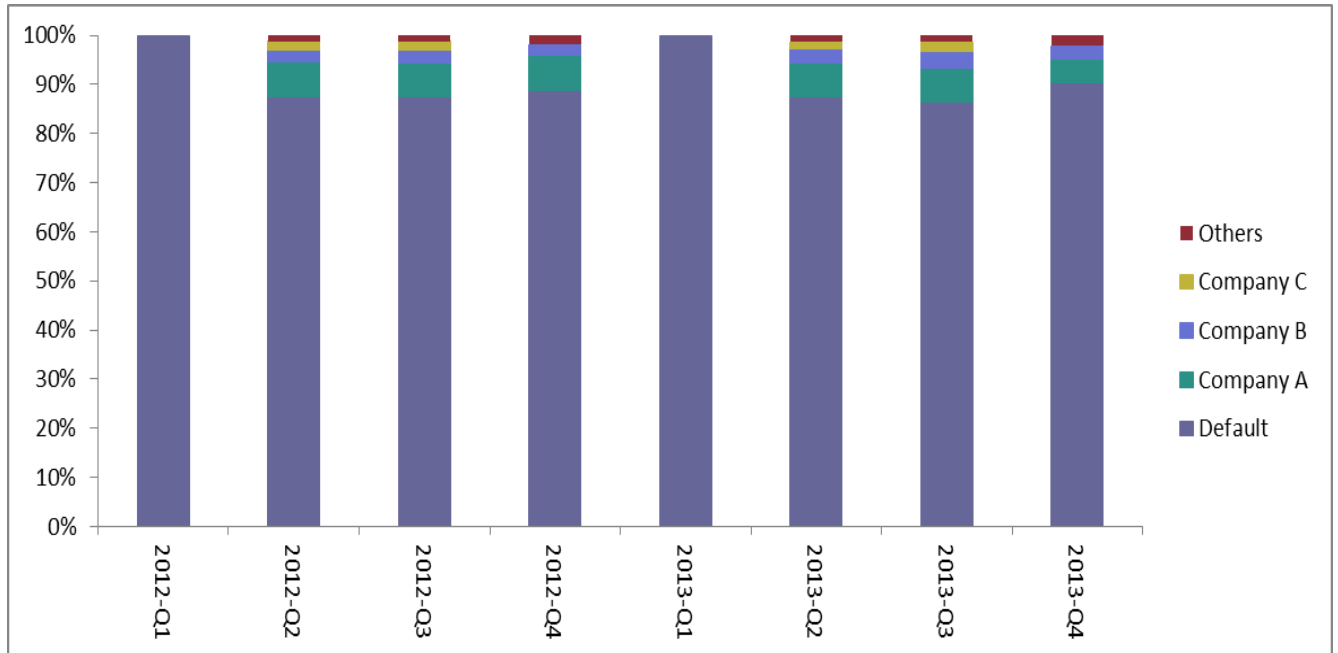


ATCO NORTH Settlement Zone (Sites)

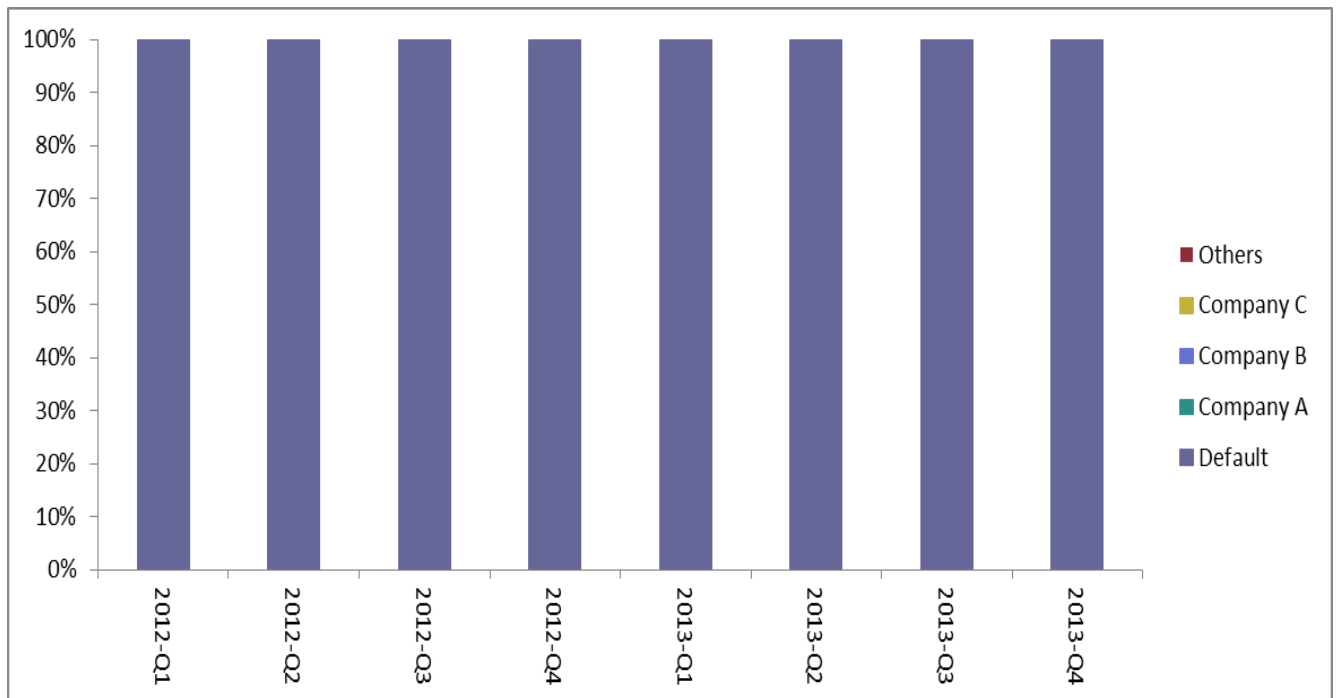


2.2.2 Farm/Irrigation

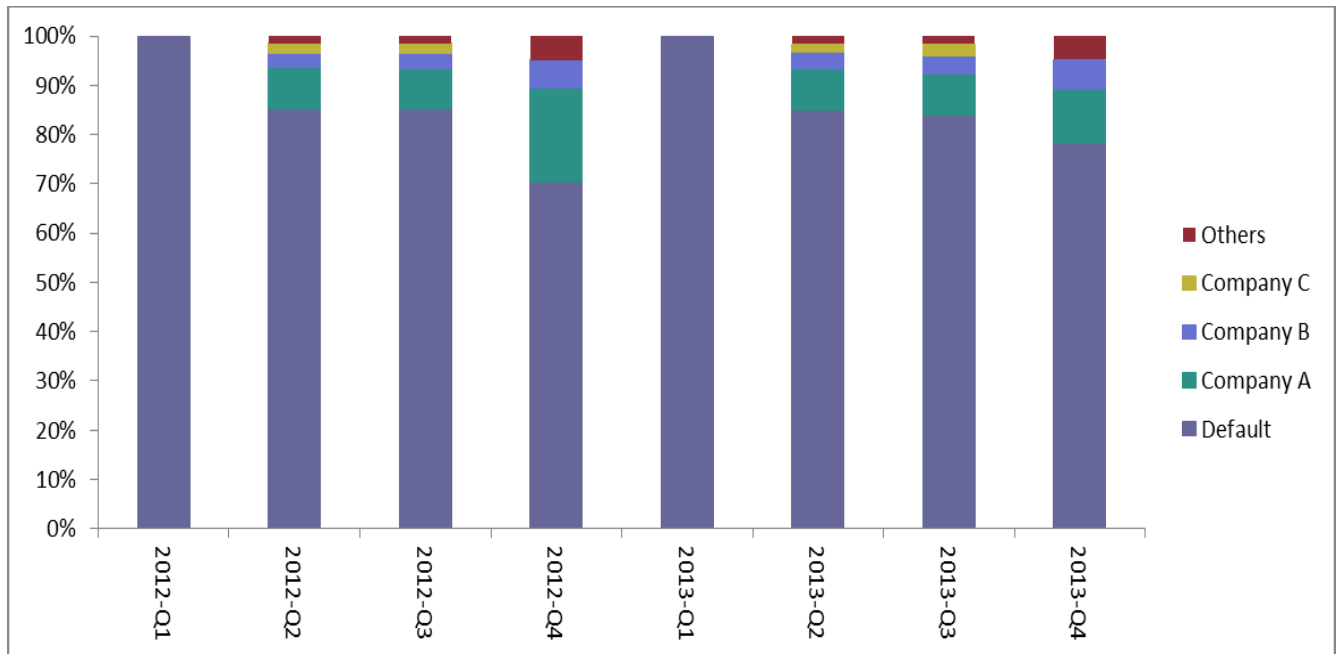
ALBERTA (Sites)



ALTAGAS Settlement Zone (Sites)

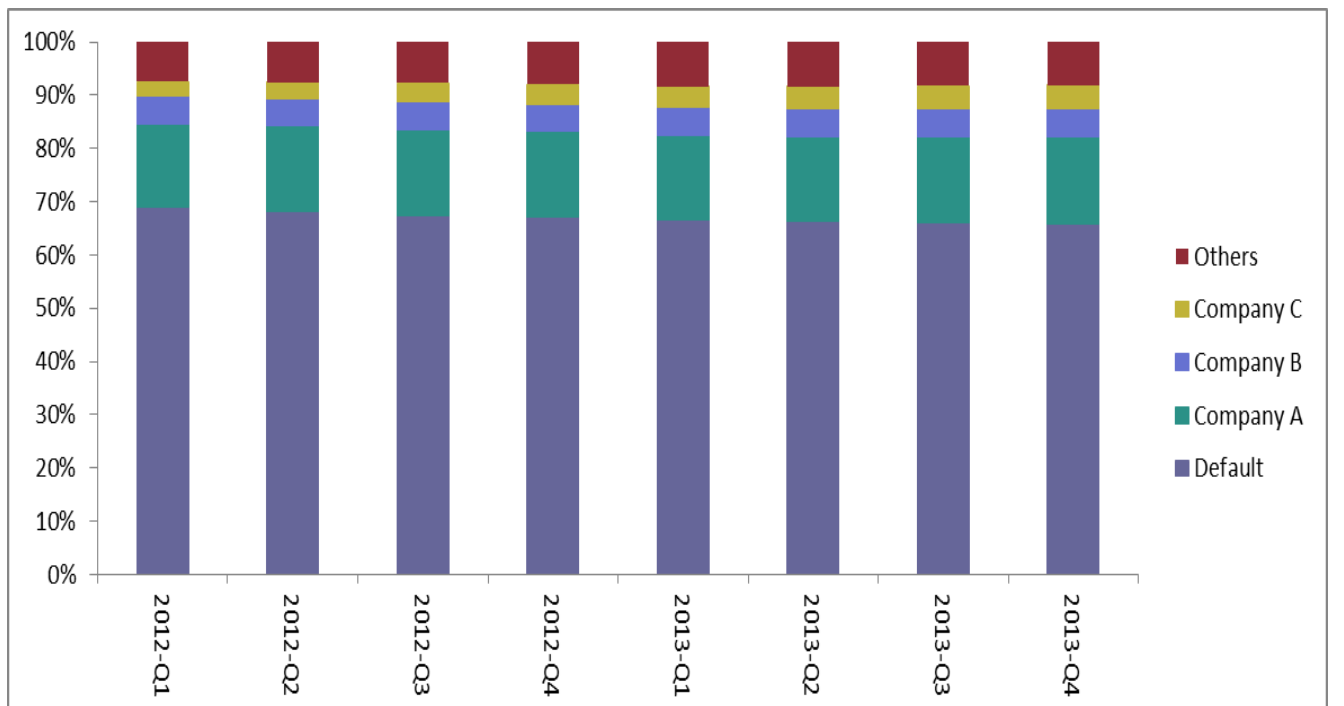


ATCO SOUTH Settlement Zone (Sites)

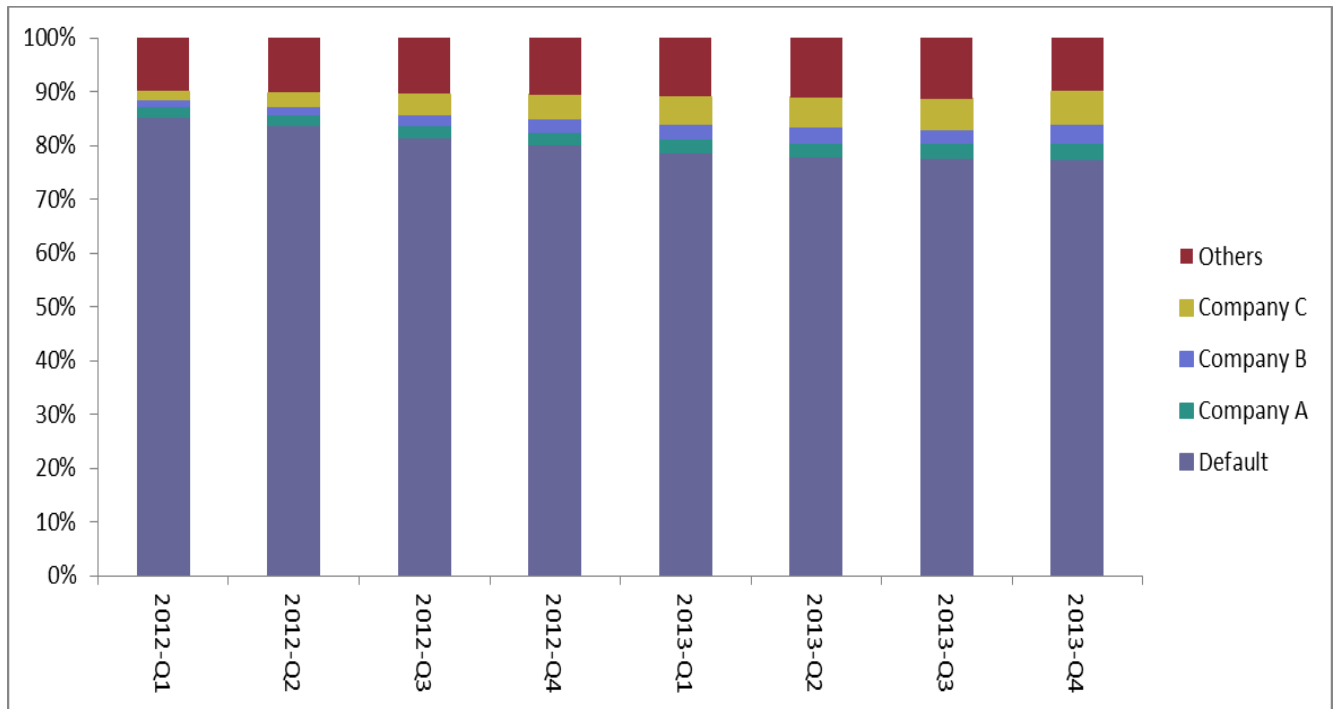


2.2.3 Small Commercial/Industrial

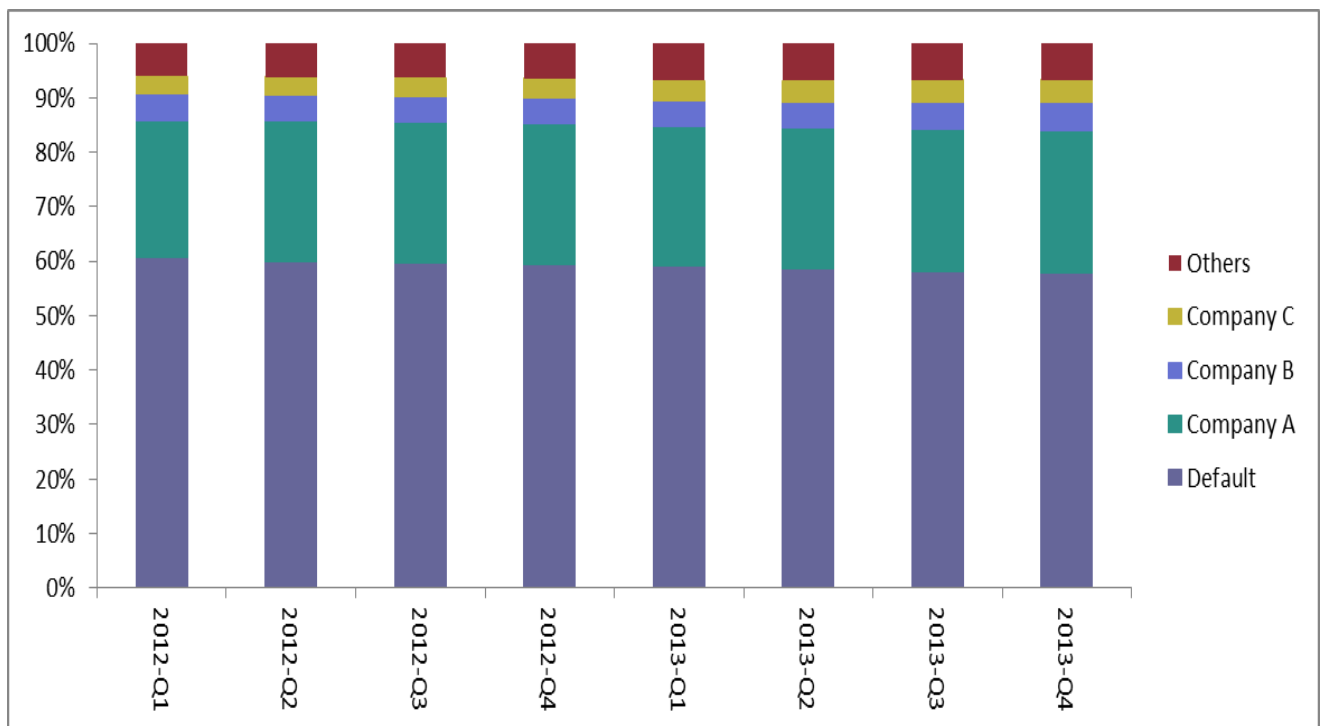
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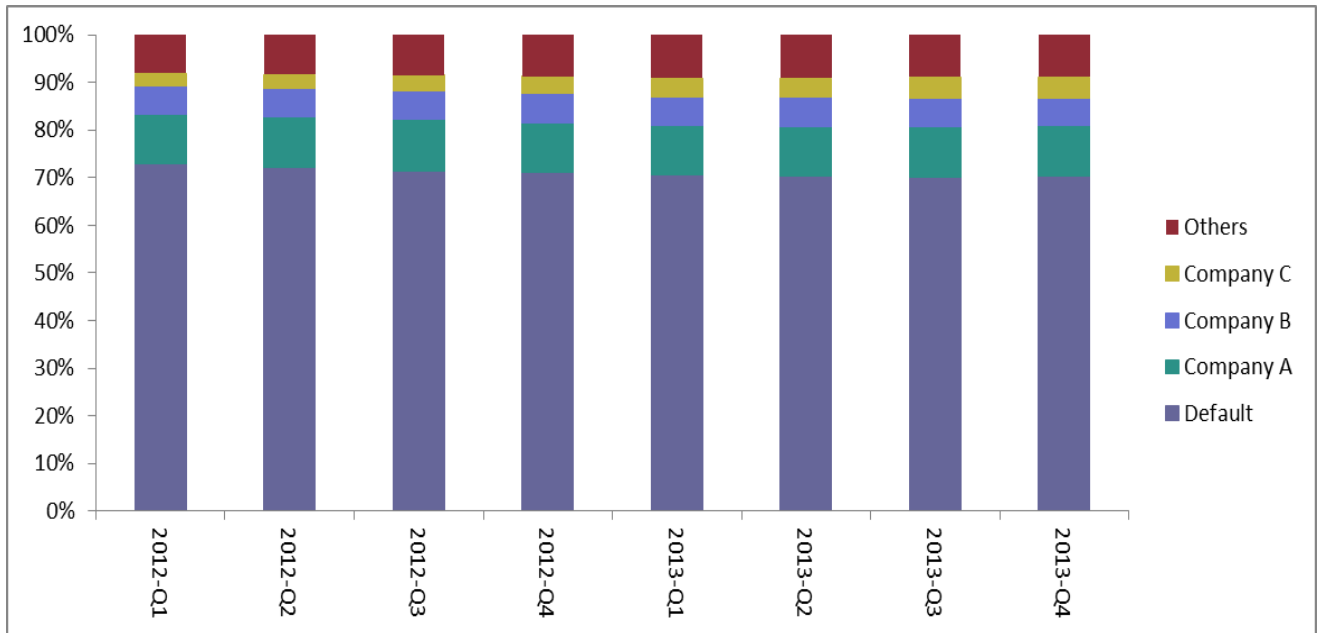
ALTAGAS Settlement Zone (Sites)



ATCO SOUTH Settlement Zone (Sites)

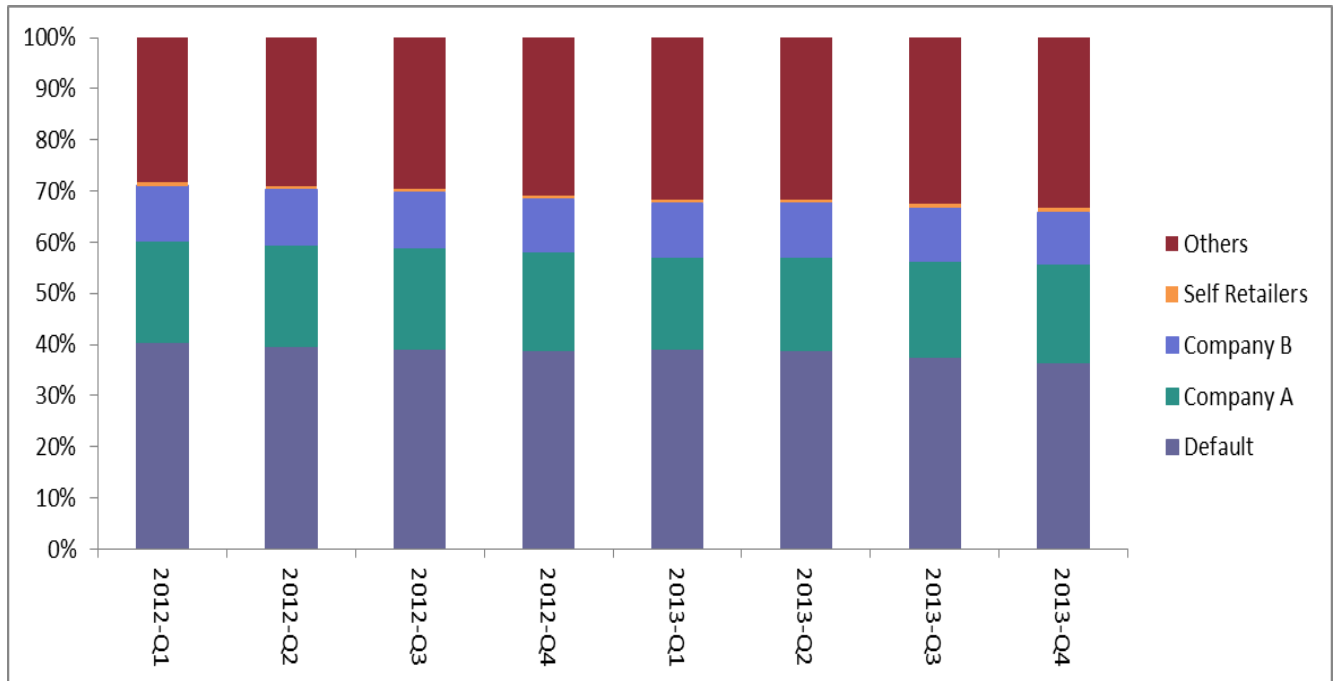


ATCO NORTH Settlement Zone (Sites)

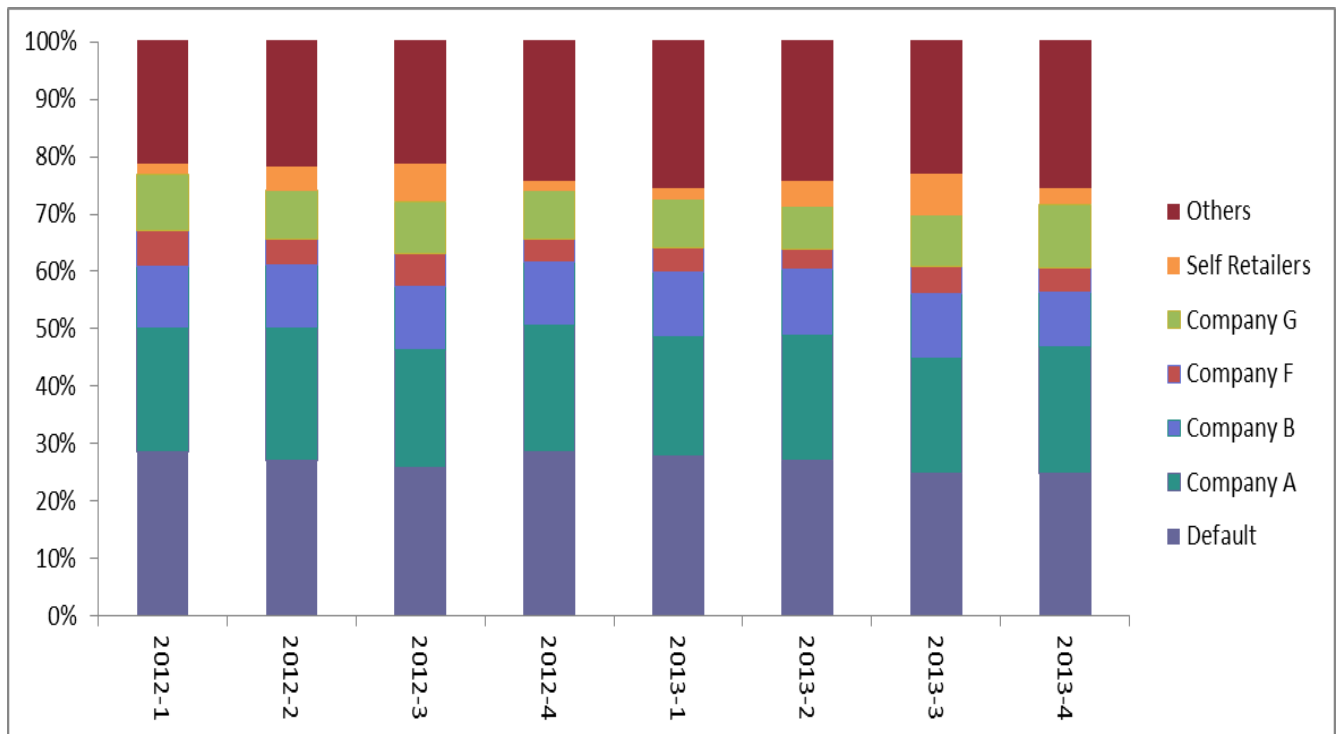


2.2.4 Large Commercial/Industrial

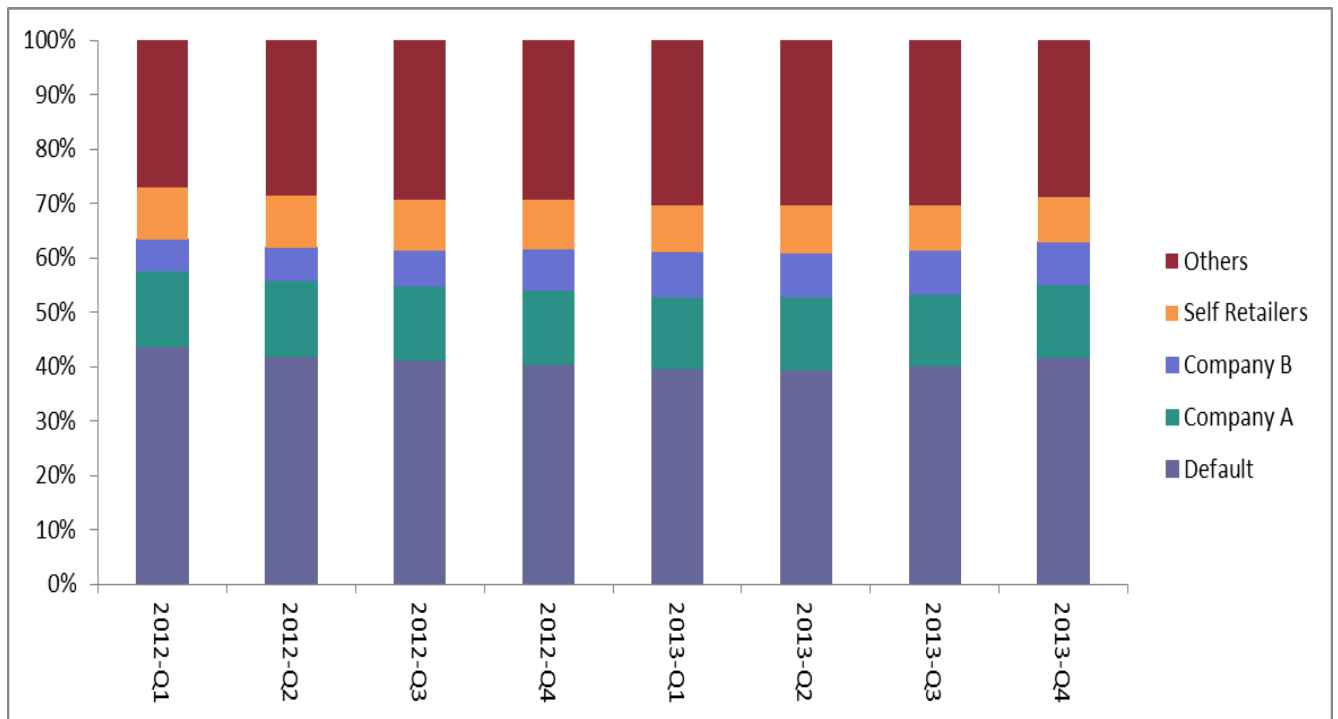
ALBERTA (Sites)



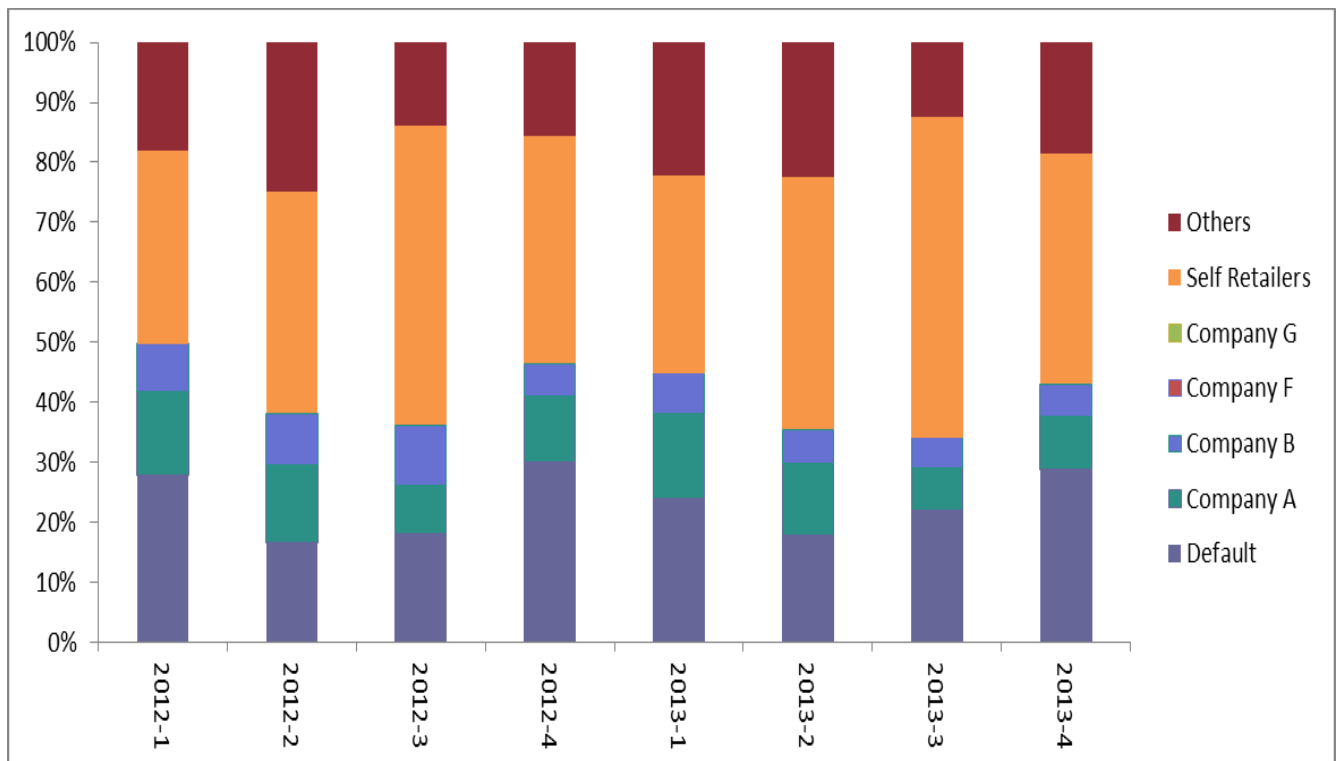
ALBERTA (Volume)



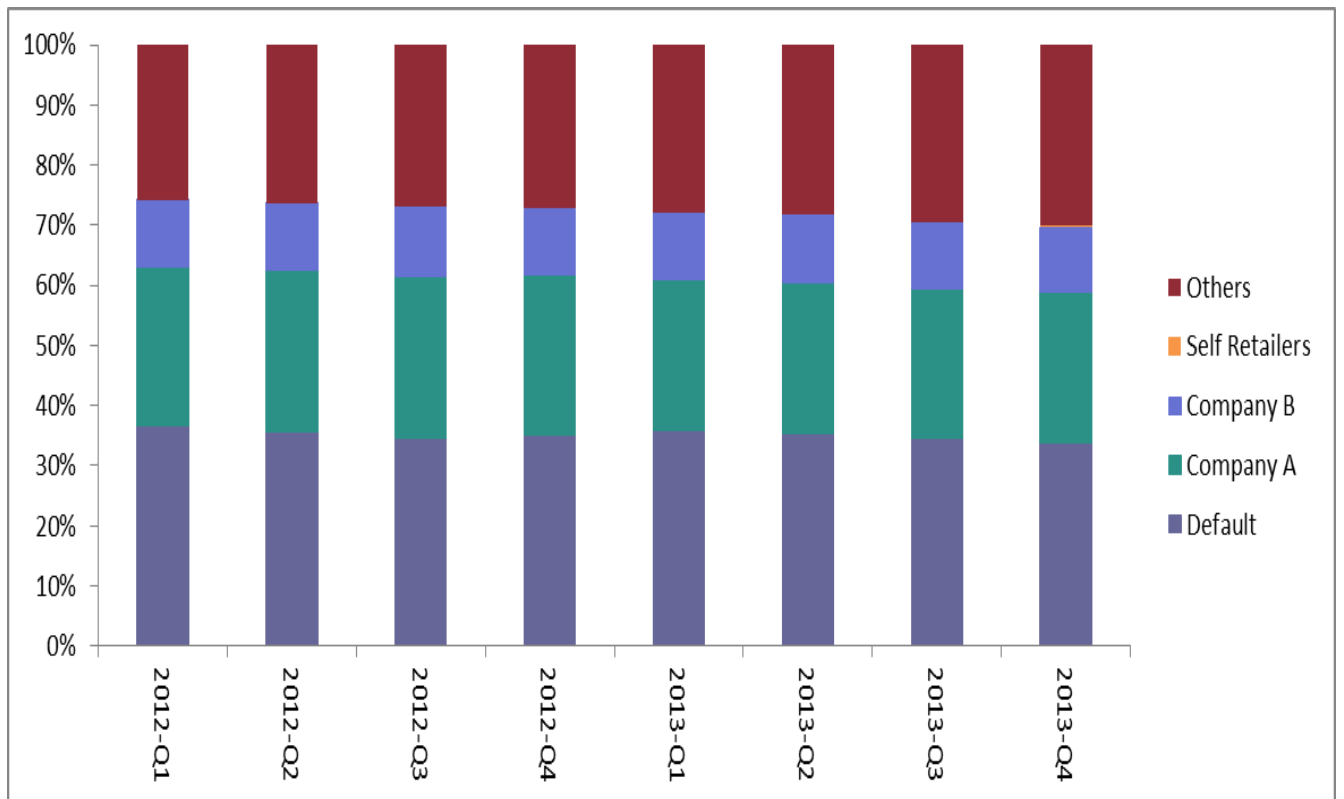
ALTAGAS Settlement Zone (Sites)



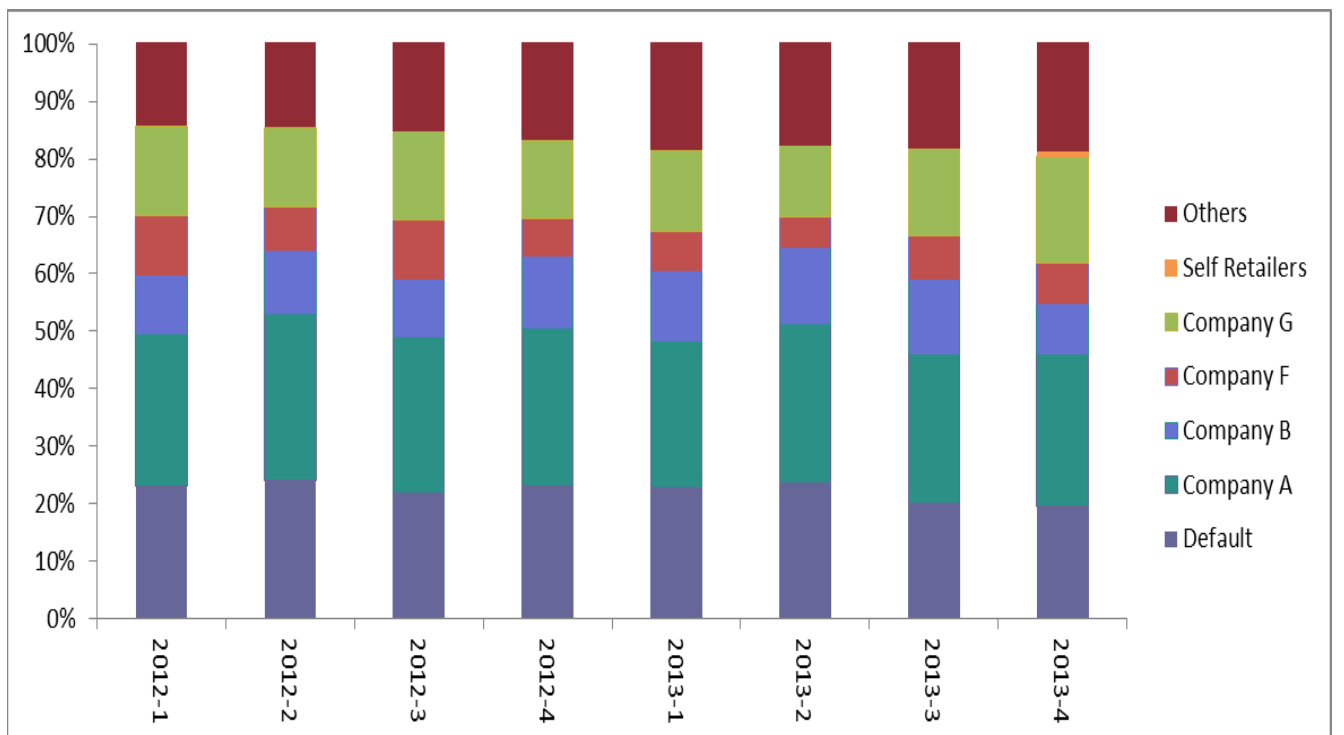
ALTAGAS Settlement Zone (Volume)



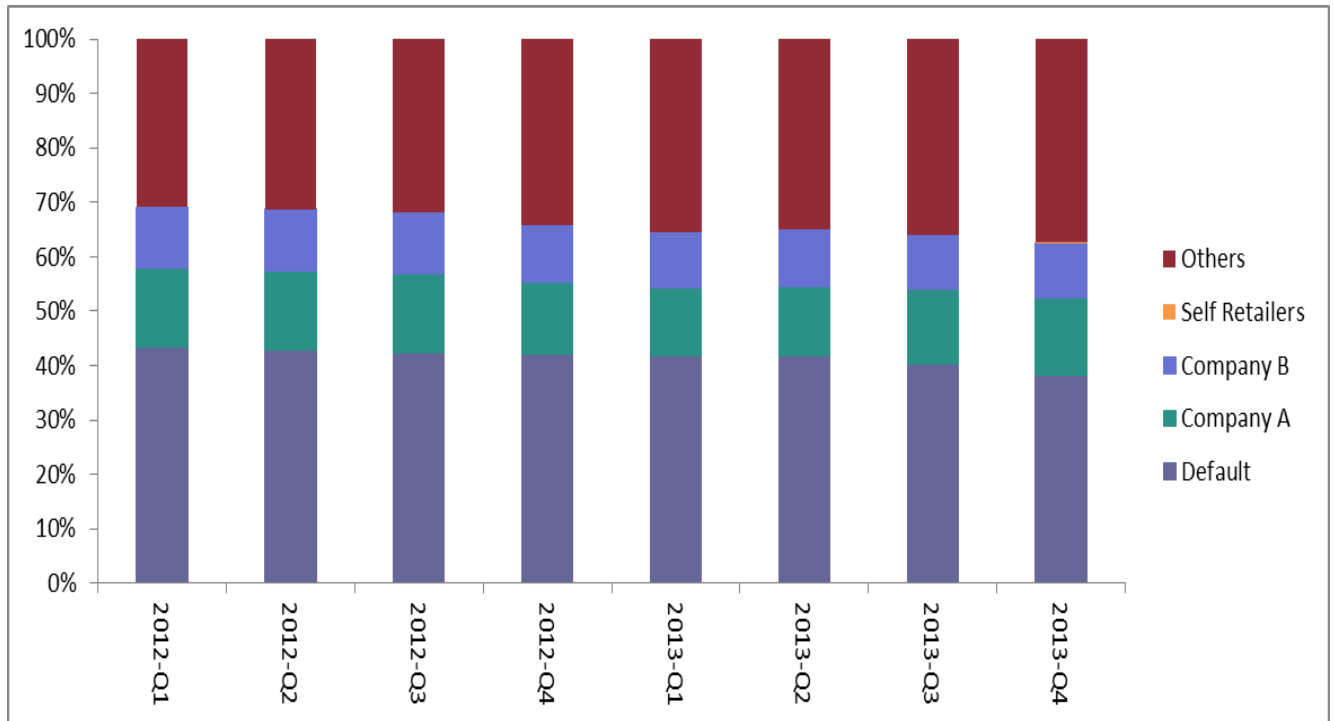
ATCO SOUTH Settlement Zone (Sites)



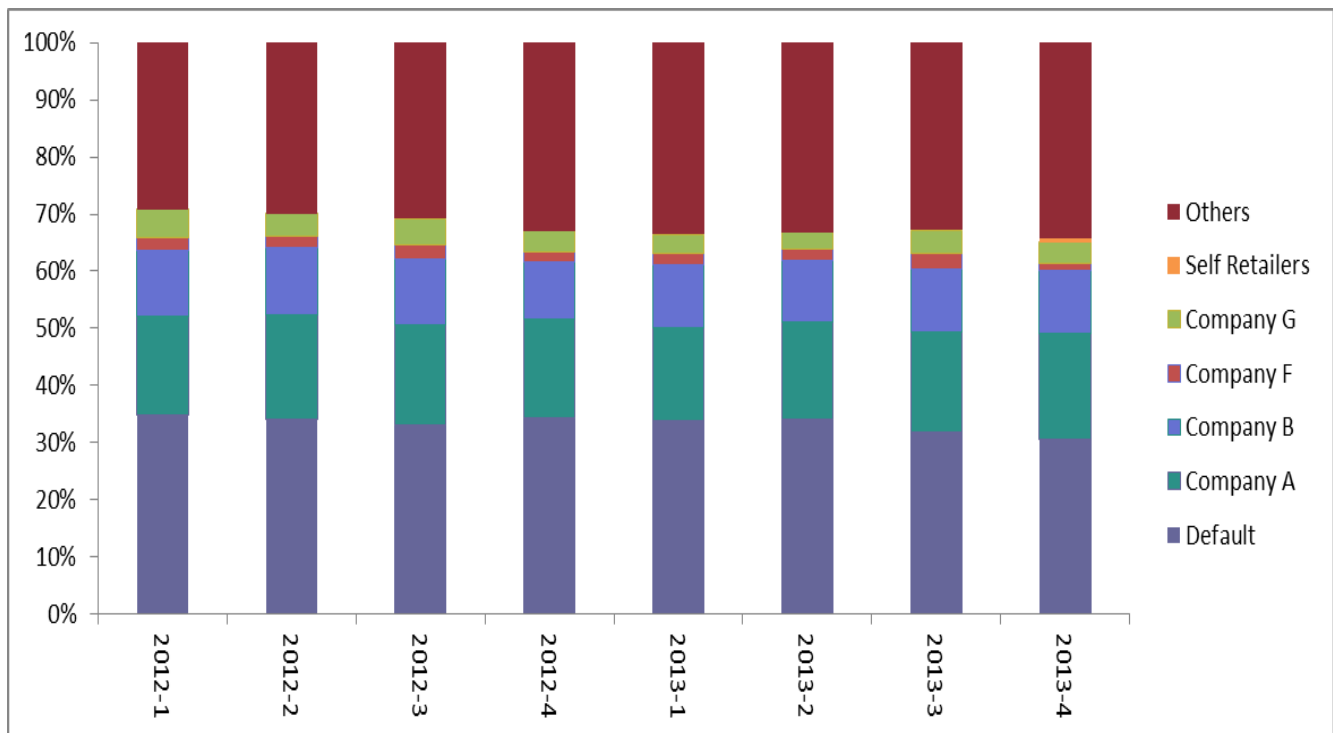
ATCO SOUTH Settlement Zone (Volume)



ATCO NORTH Settlement Zone (Sites)



ATCO NORTH Settlement Zone (Volume)

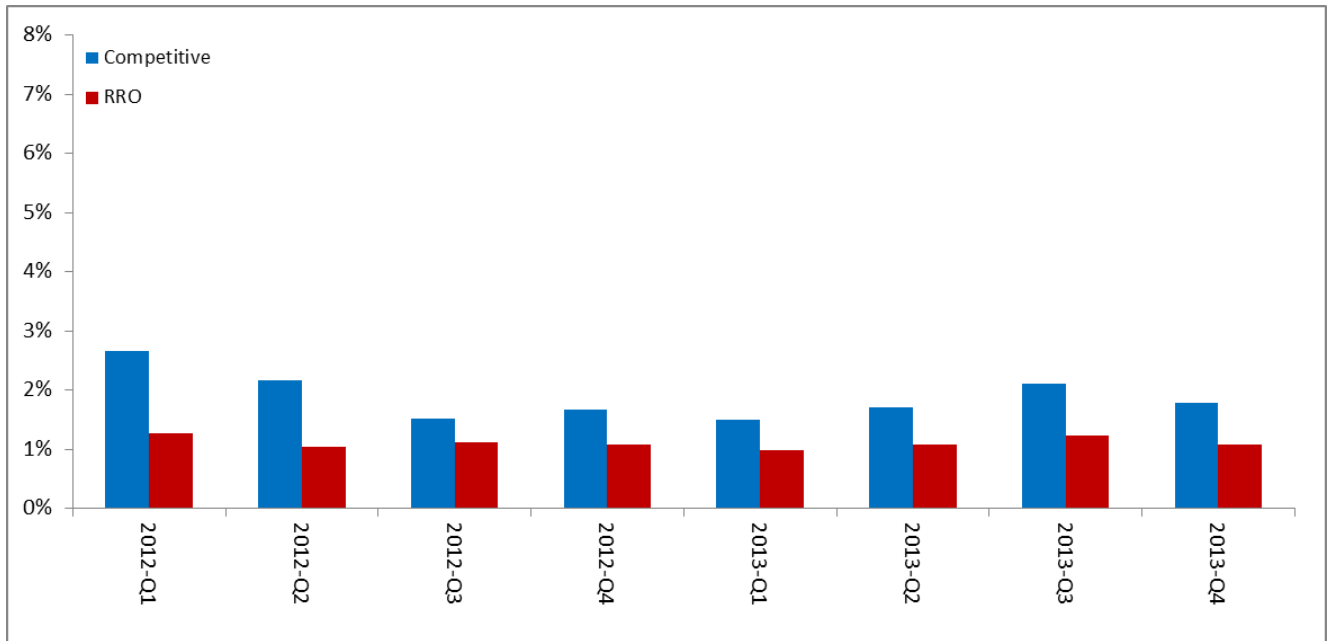


3. Retailer Churn Rates

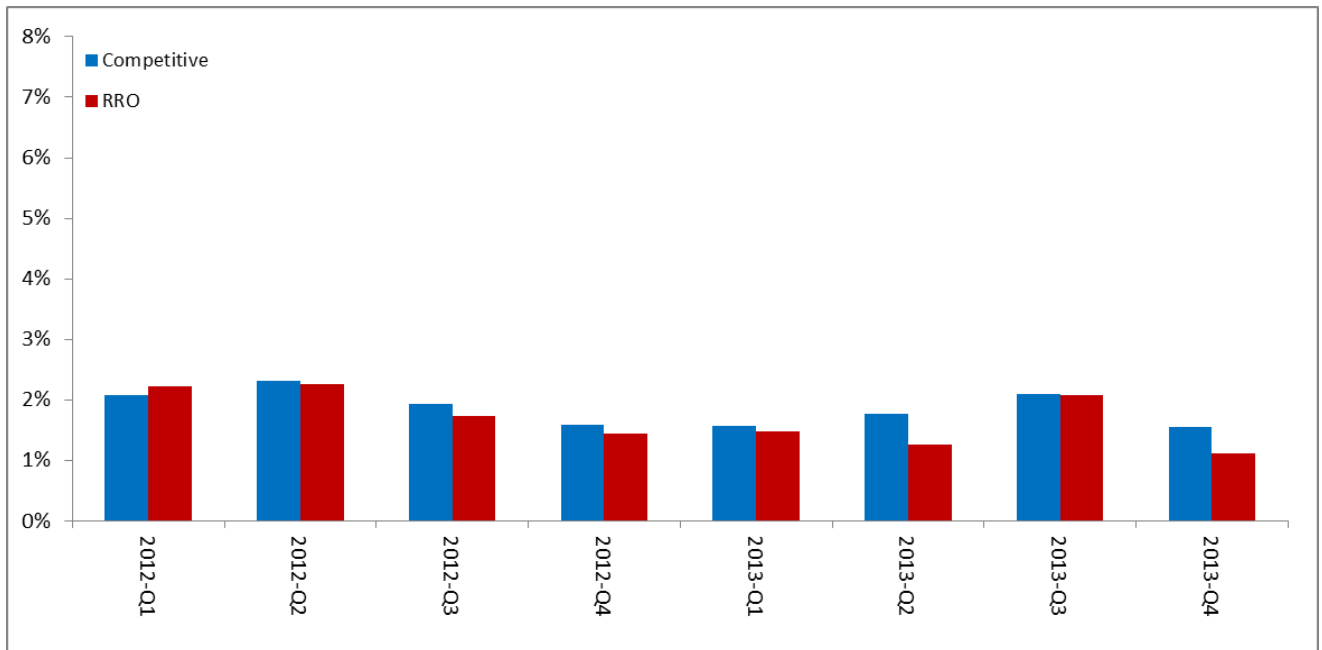
3.1 Electricity

3.1.1 Residential

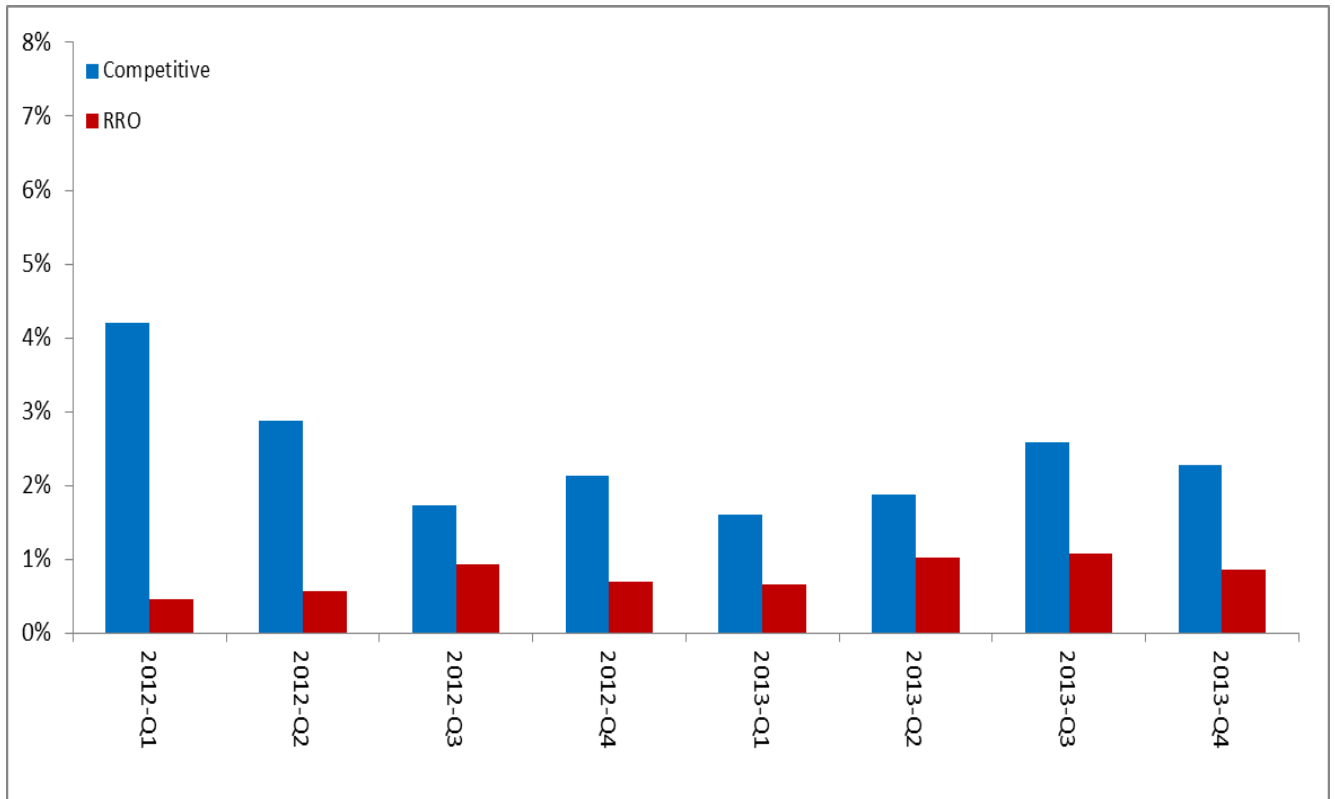
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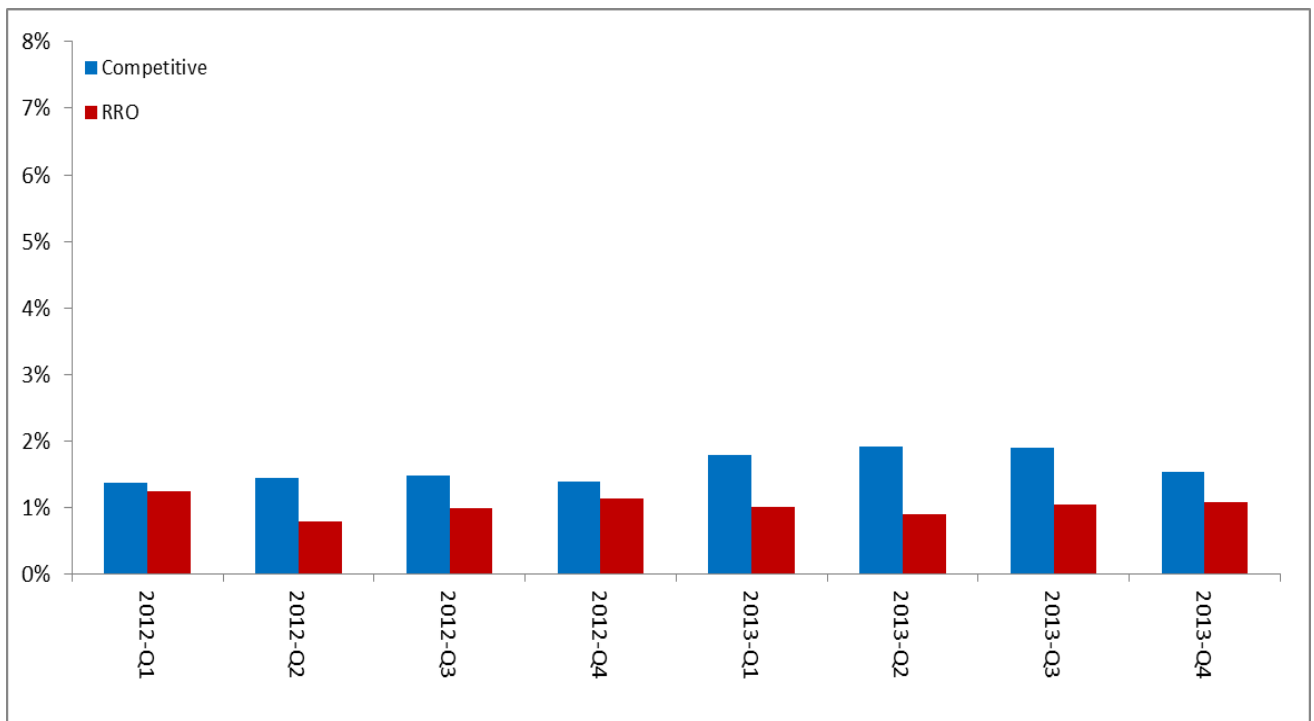
ATCO Settlement Zone



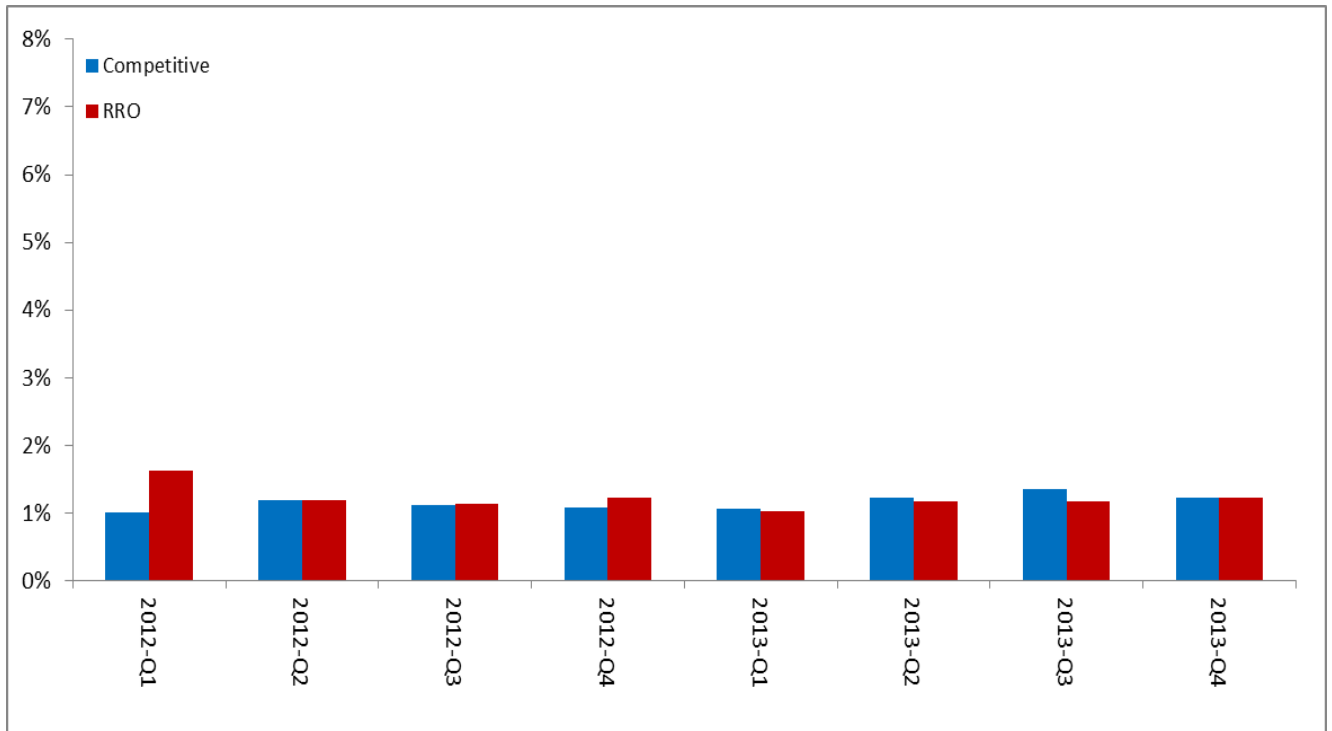
ENMAX Settlement Zone



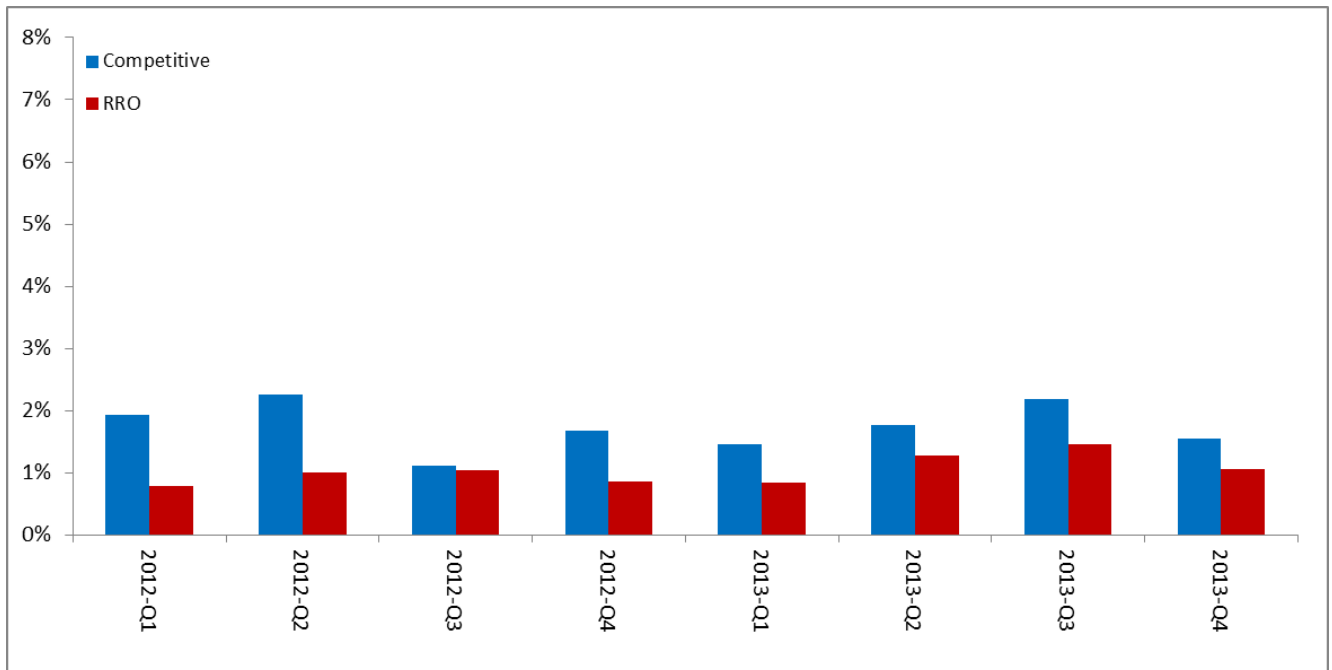
EPCOR Settlement Zone



FORTIS Settlement Zone

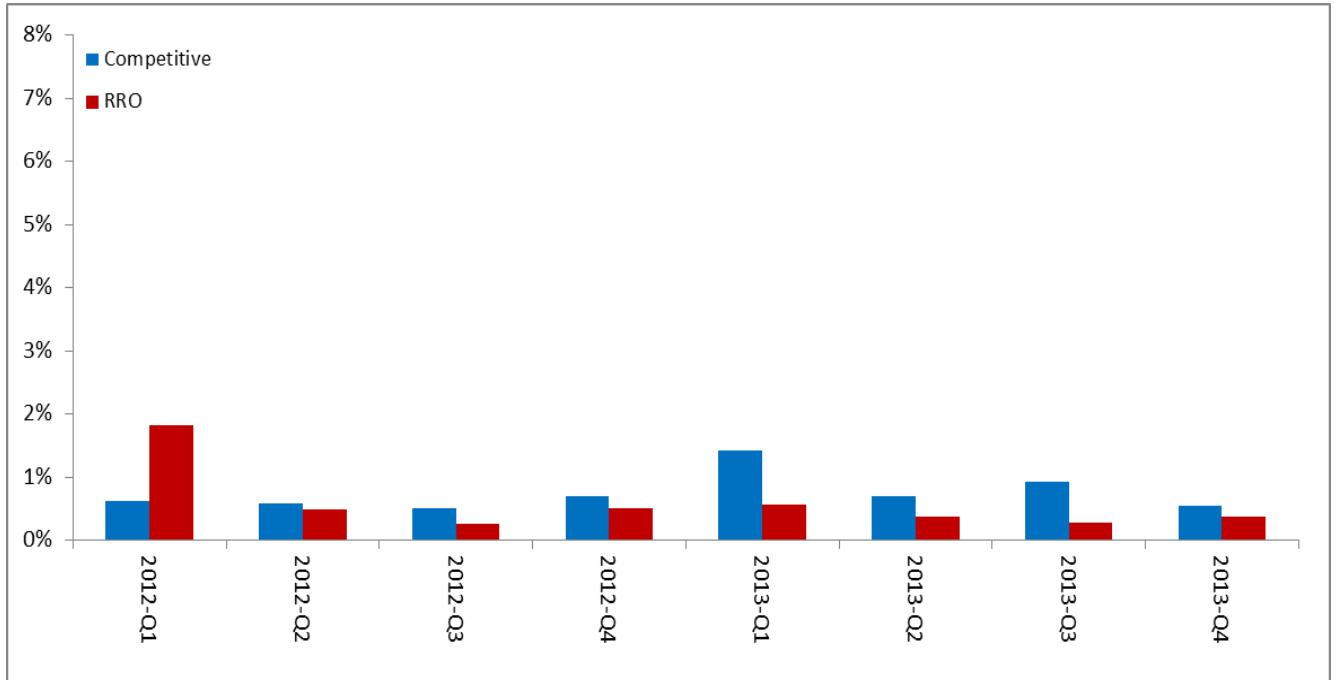


OTHERS Settlement Zone

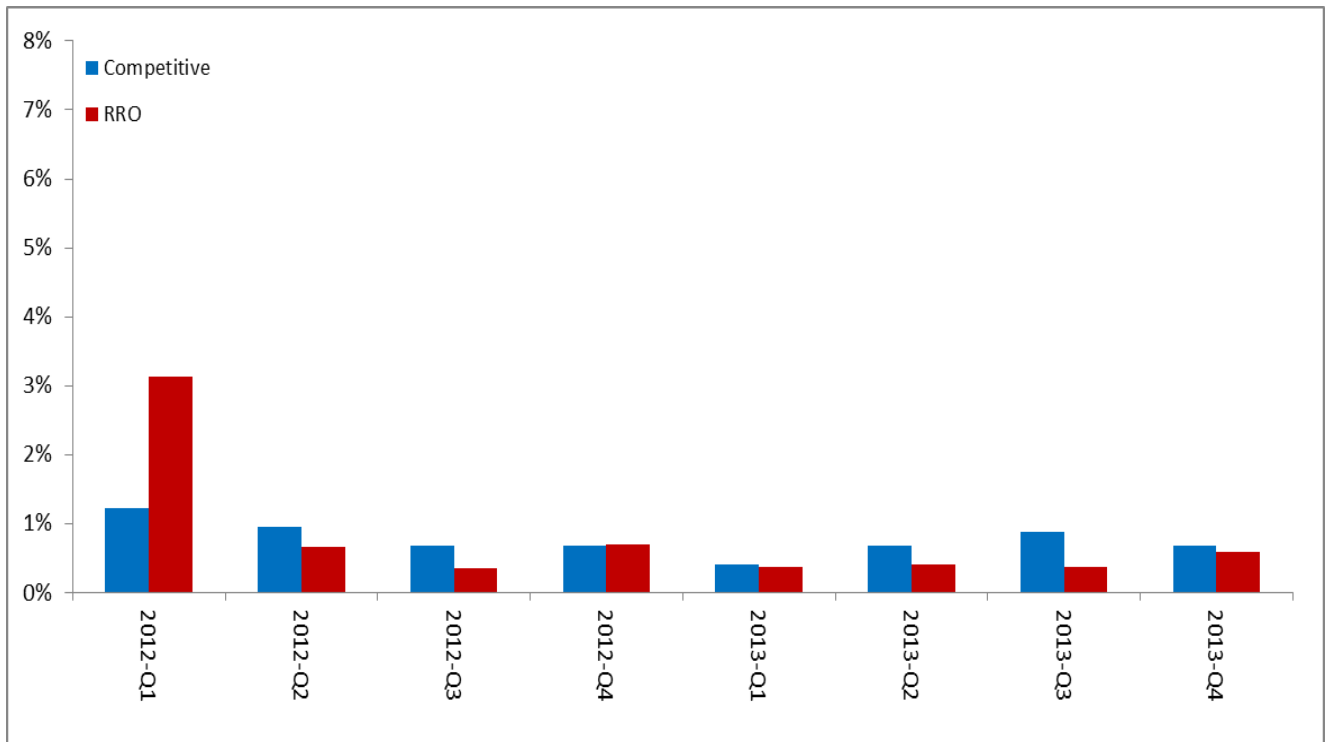


3.1.2 Farm

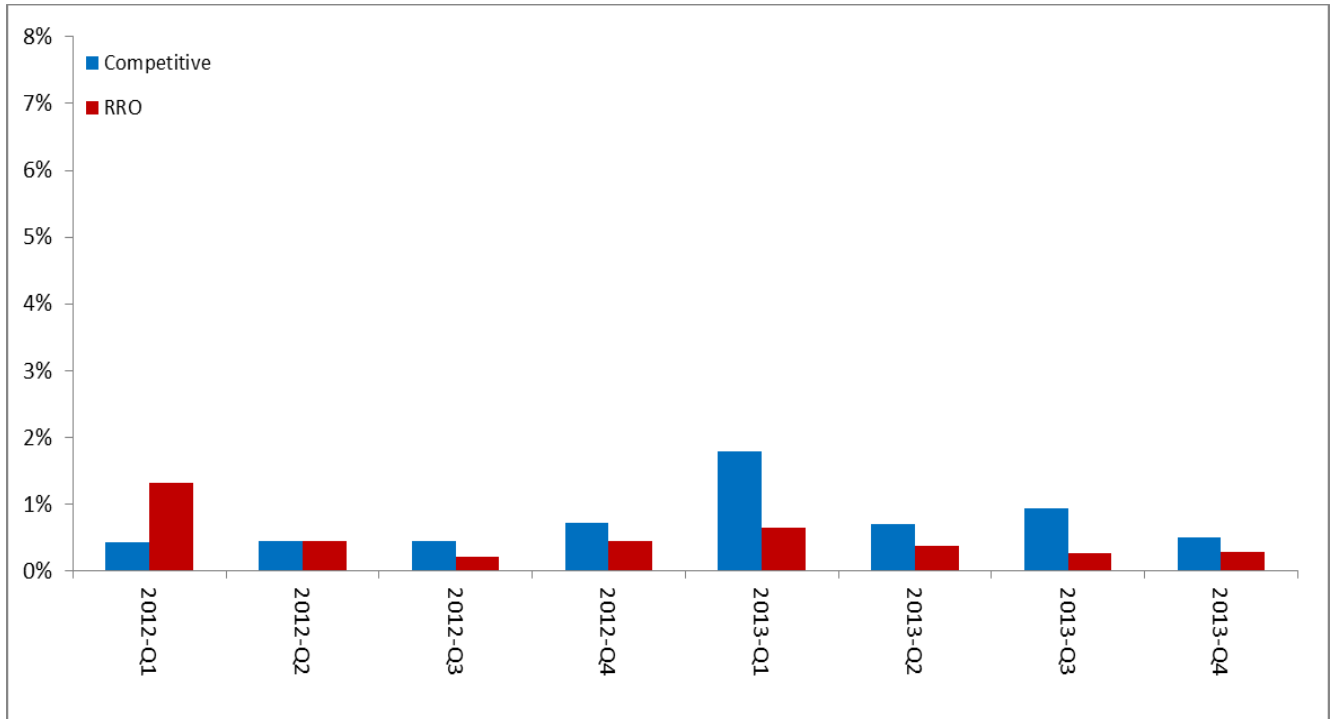
ALBERTA



ATCO Settlement Zone

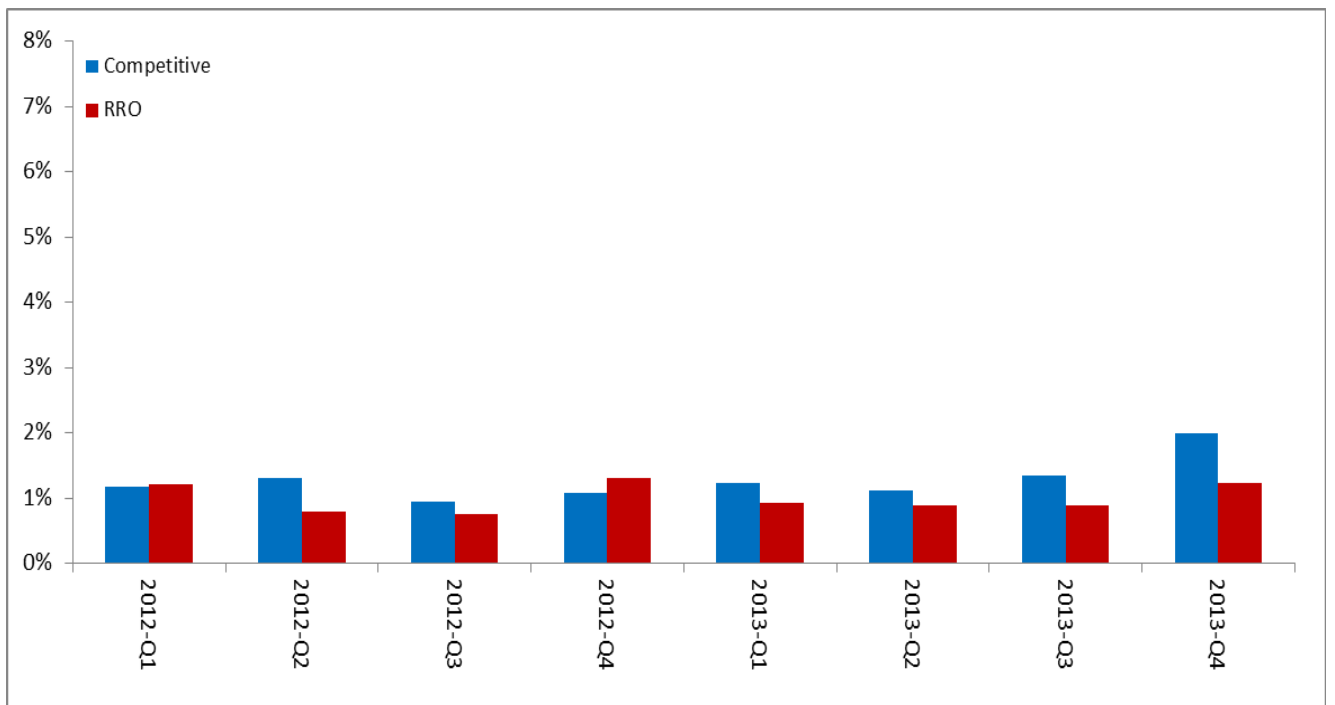


FORTIS Settlement Zone

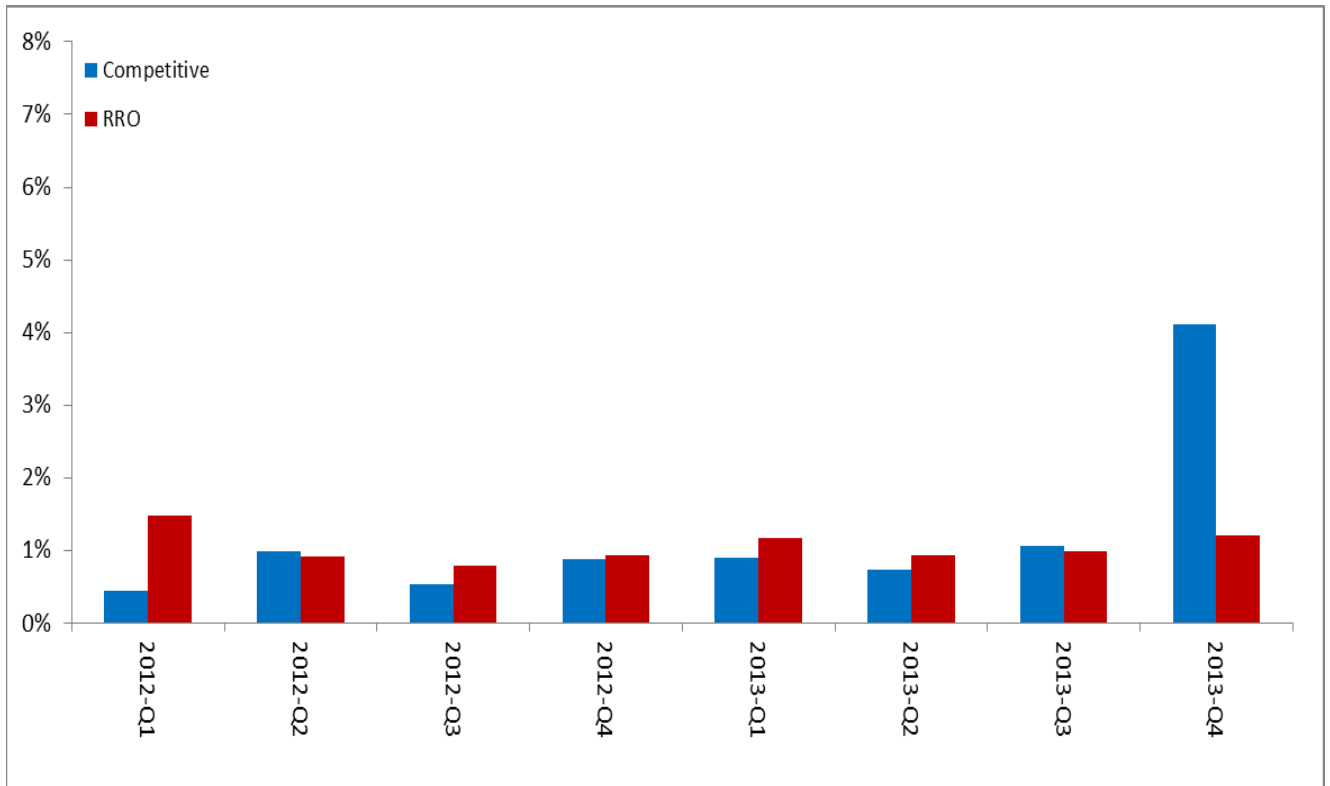


3.1.3 Small Commercial/Industrial

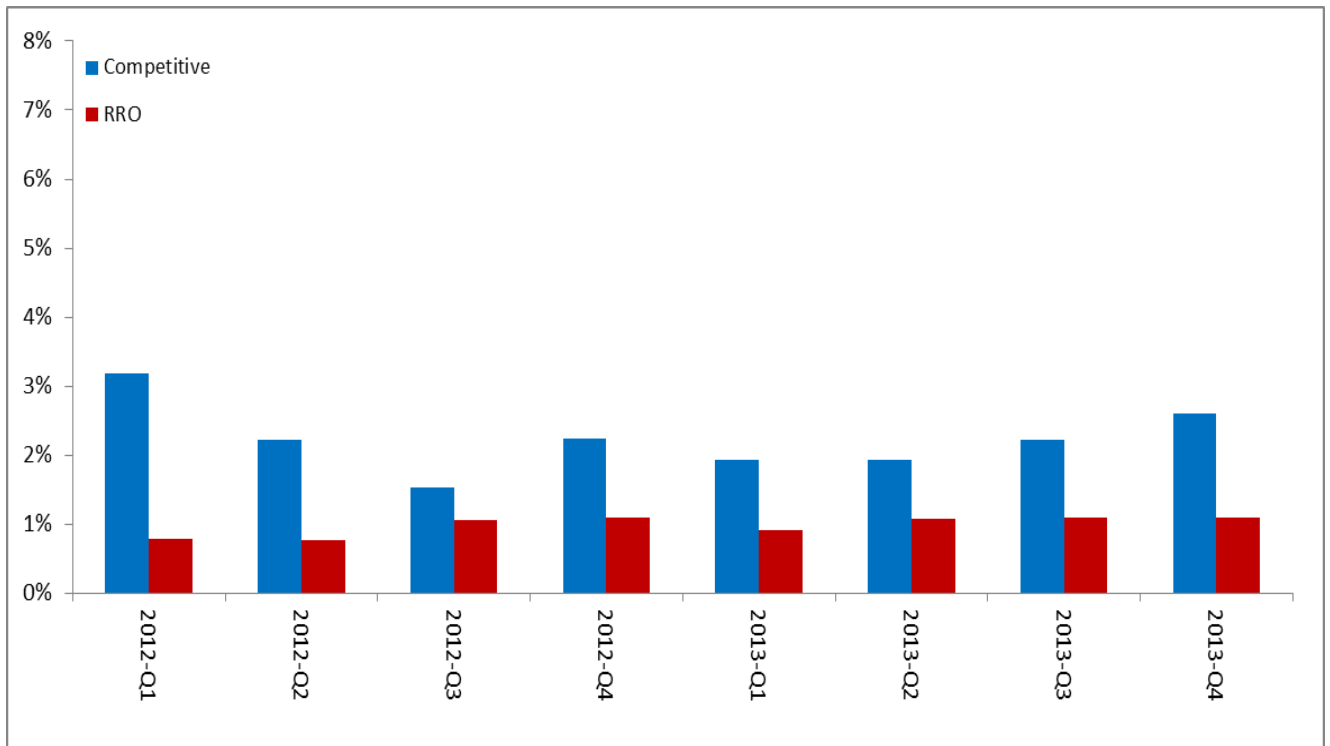
ALBERTA



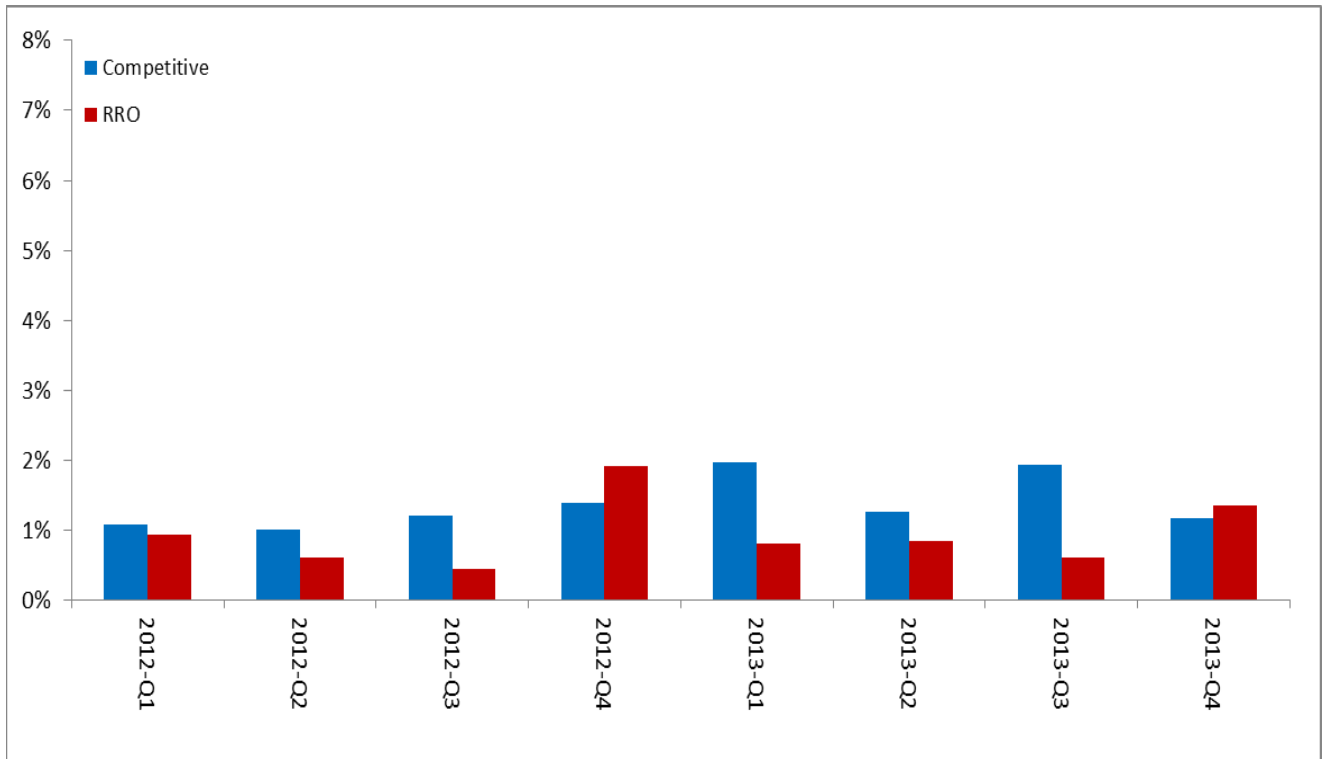
ATCO Settlement Zone



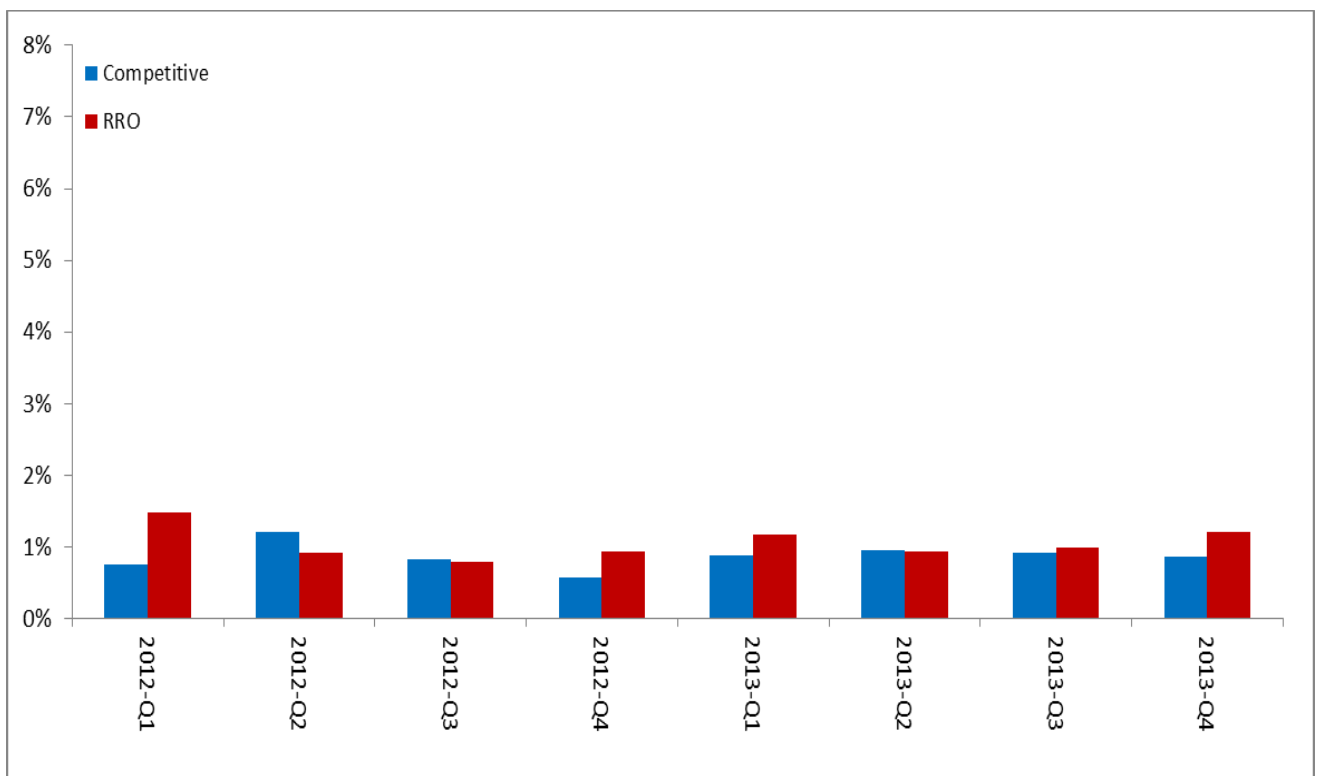
ENMAX Settlement Zone



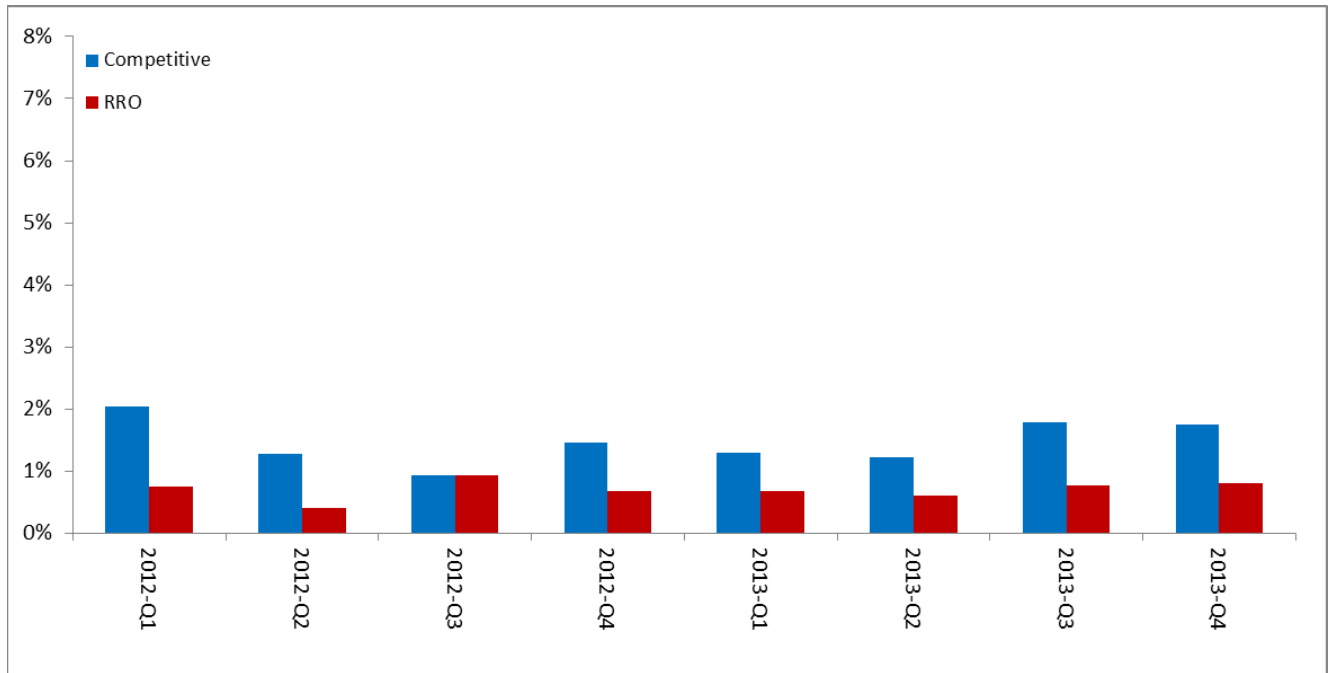
EPCOR Settlement Zone



FORTIS Settlement Zone



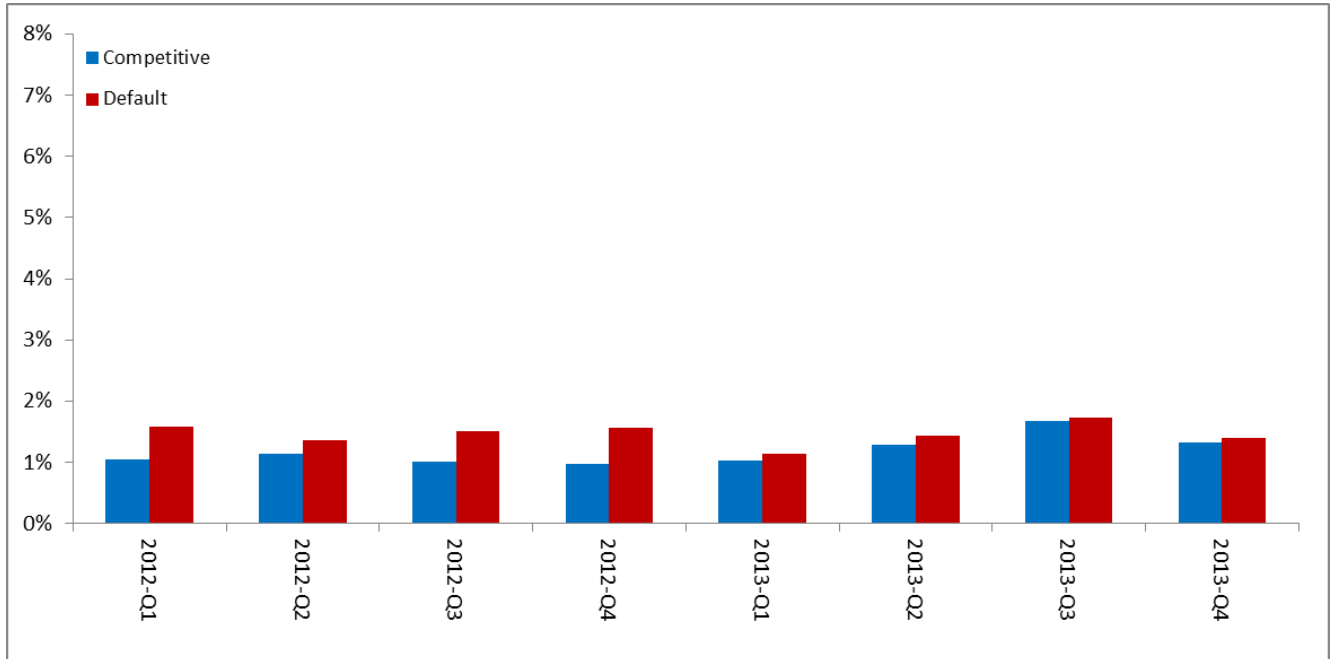
OTHERS Settlement Zone



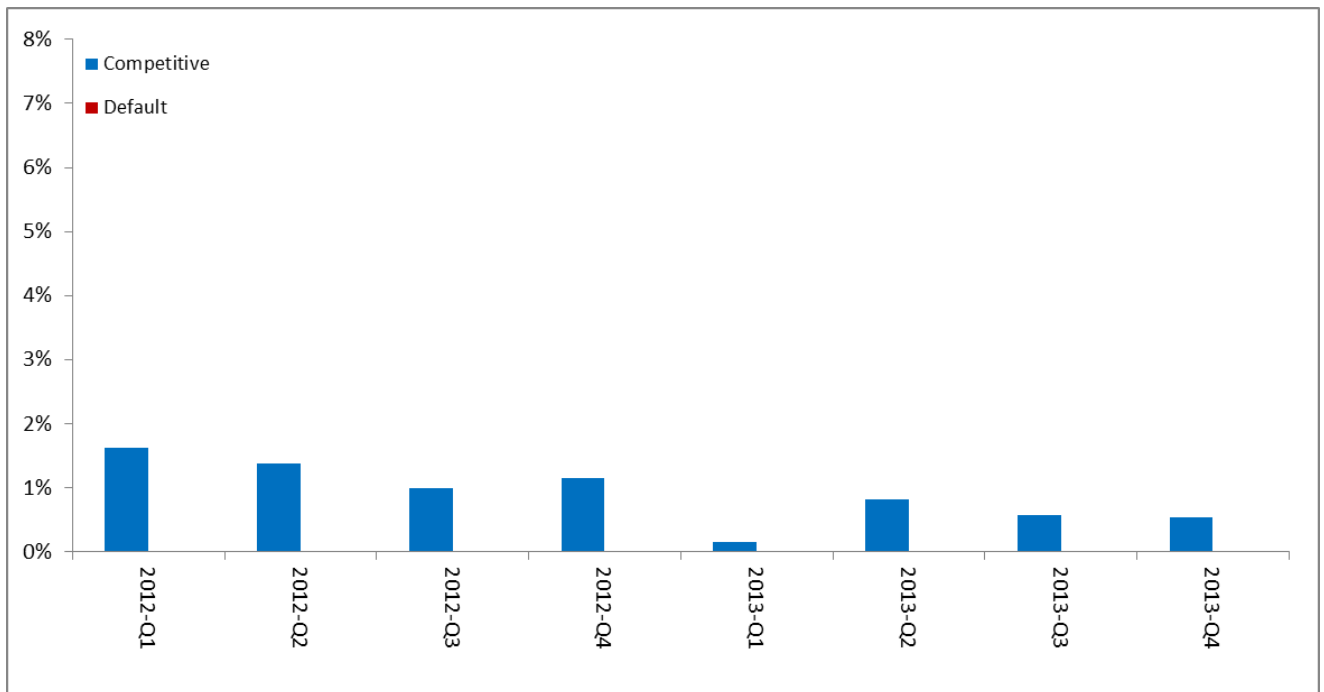
3.2 Natural Gas

3.2.1 Residential

ALBERTA

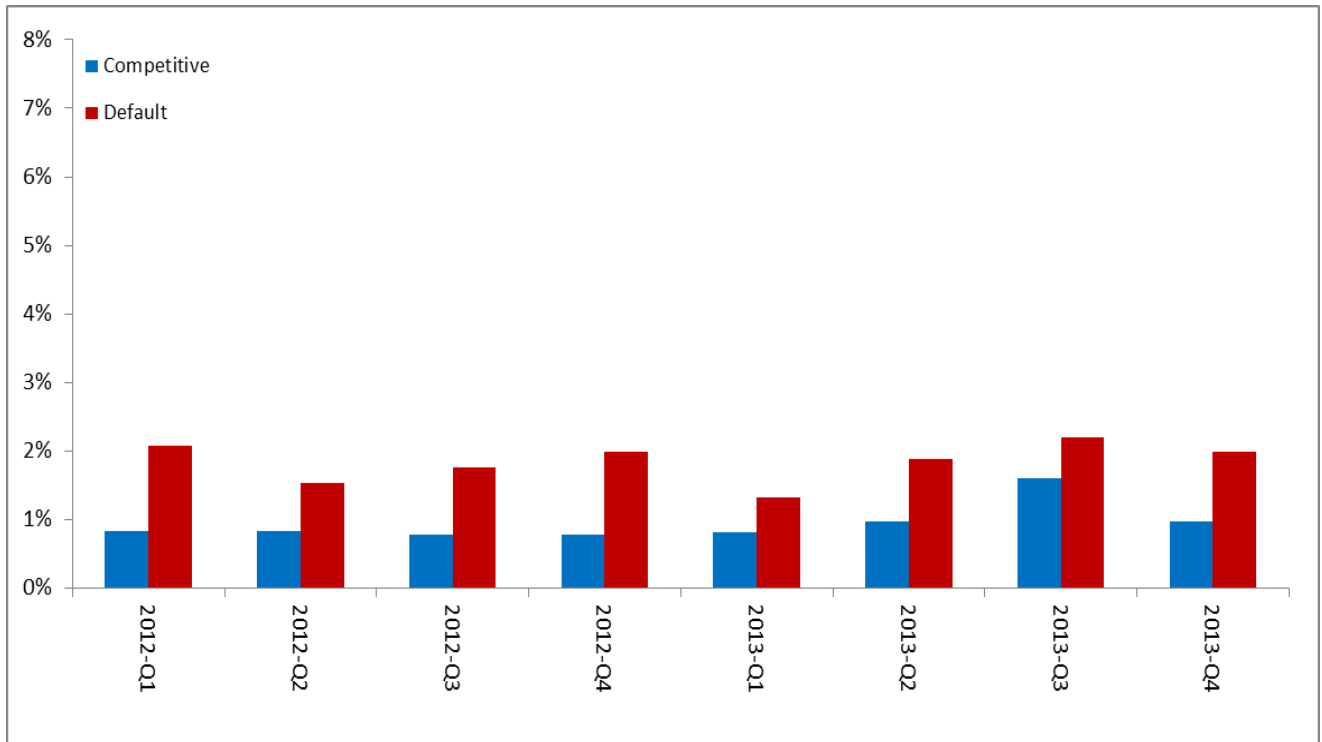


ALTAGAS² Settlement Zone

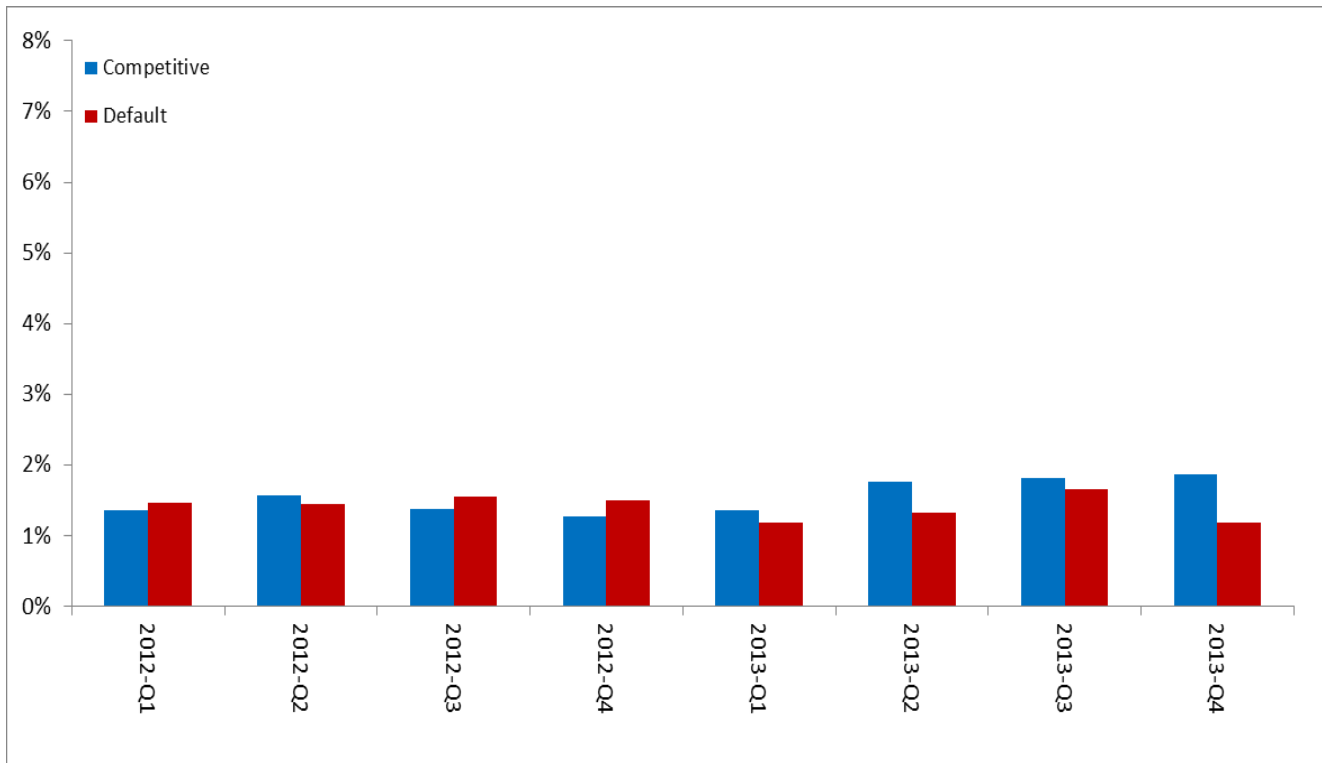


² ALTAGAS Utilities do not report data to enable a churn calculation.

ATCO SOUTH Settlement Zone

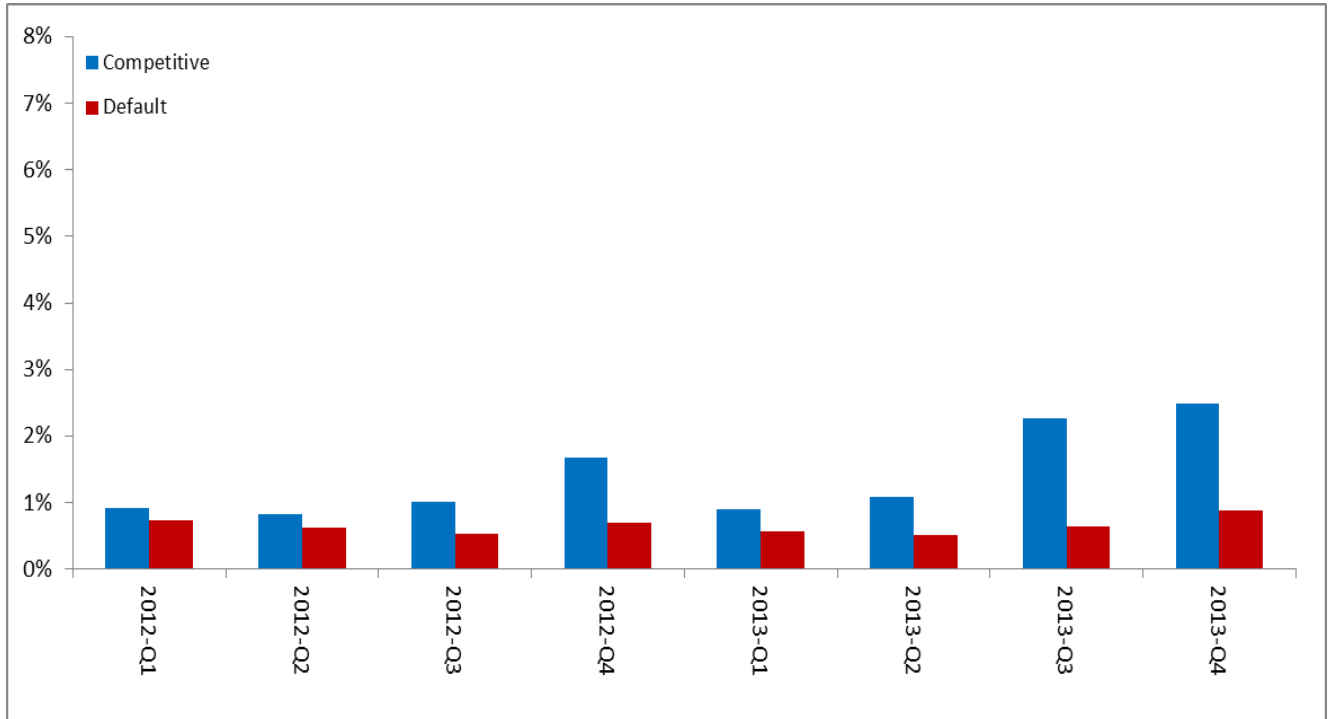


ATCO NORTH Settlement Zone

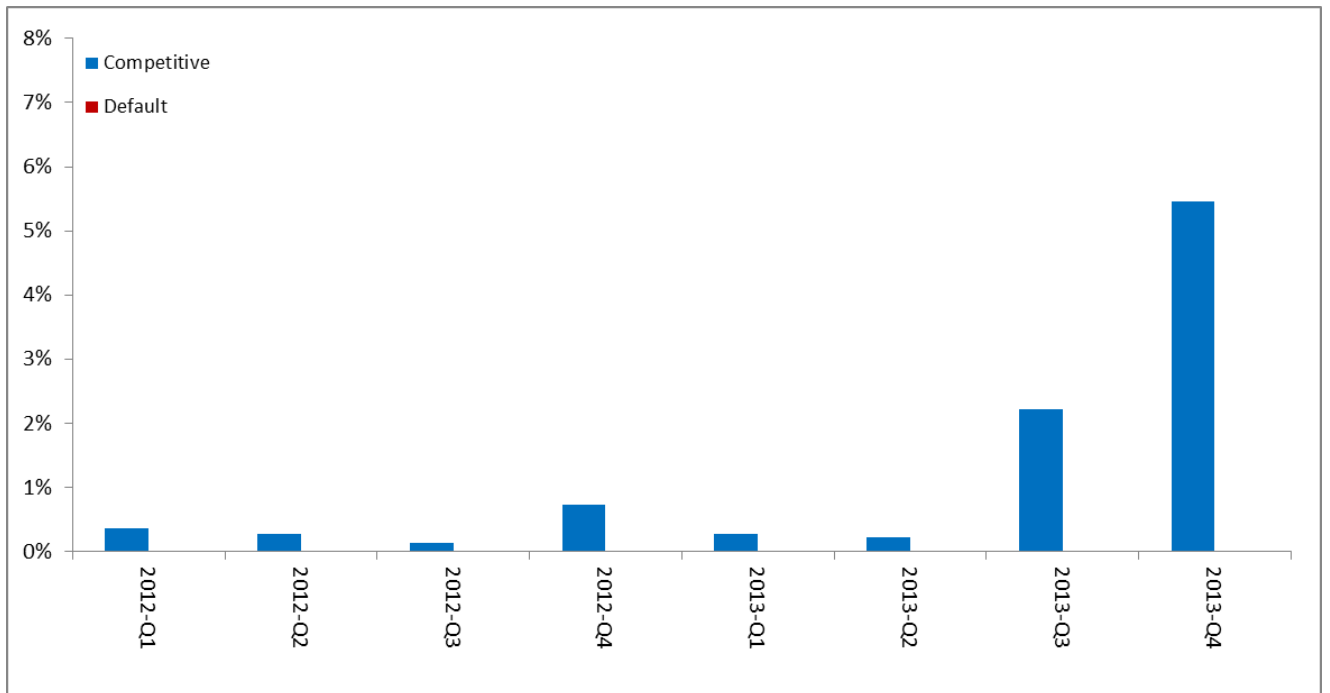


3.2.2 Small Commercial/Industrial

ALBERTA

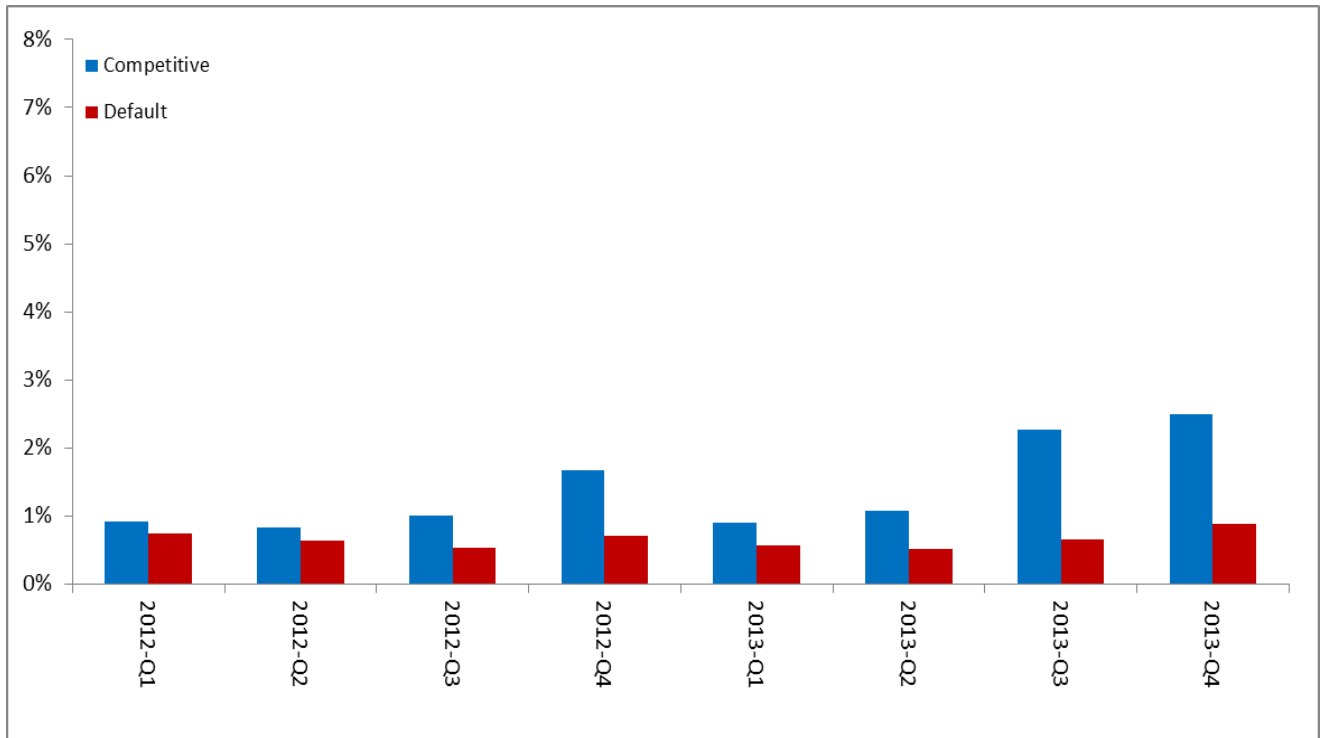


ALTAGAS³ Settlement Zone

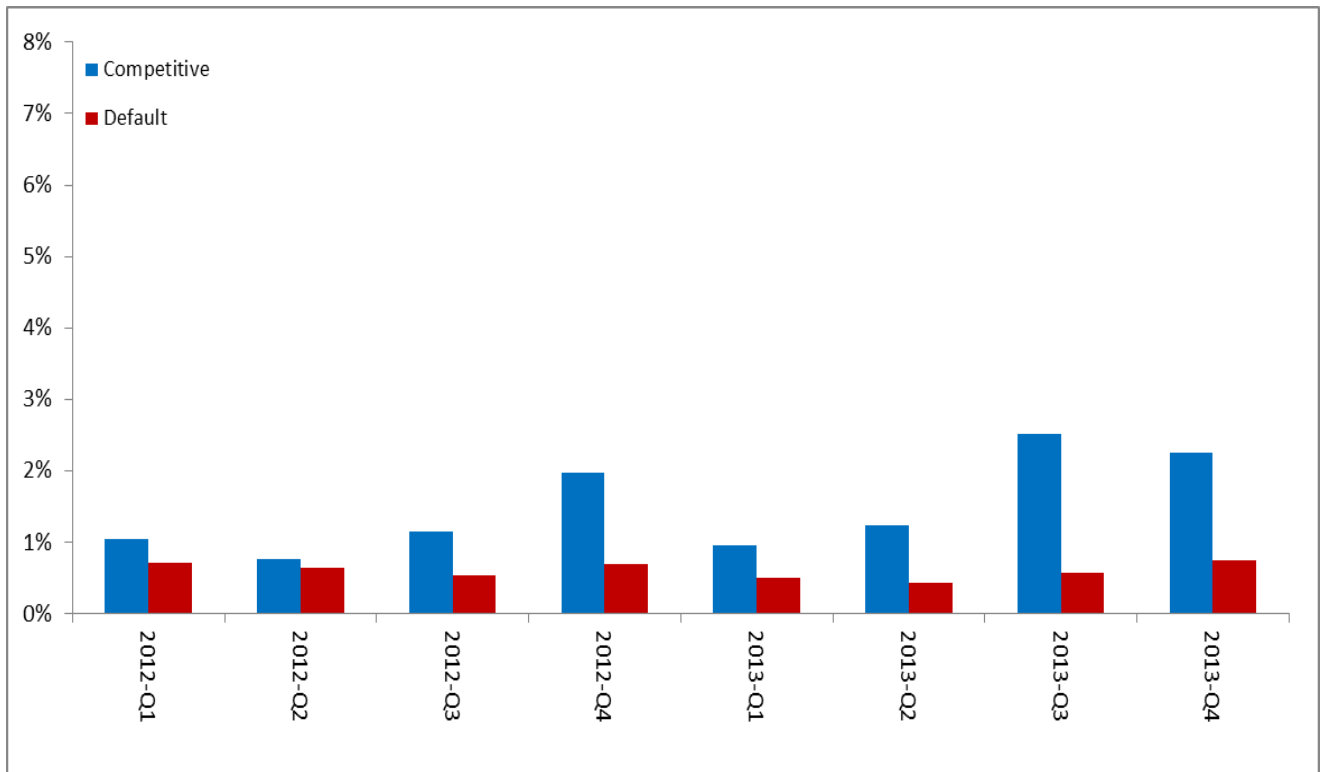


³ ALTAGAS Utilities do not report data to enable a churn calculation

ATCO SOUTH Settlement Zone



ATCO NORTH Settlement Zone

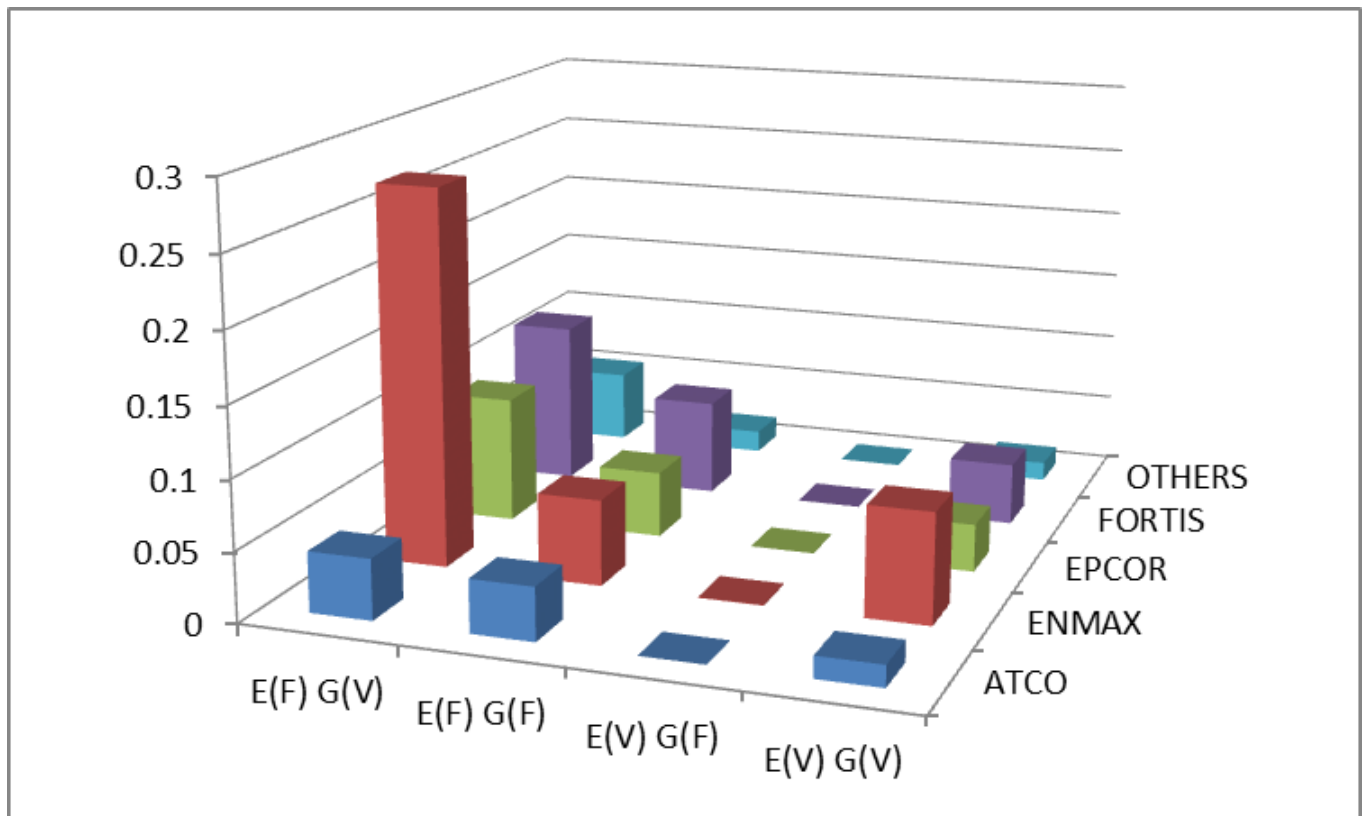


4. Dual Fuel Contracts

The data on dual fuel contracts is only held by the retailers themselves and snapshot data was requested as of the end of 2013. The requested data were for residential and farm customer groups. Contracts were classified as fixed (F) or variable (V) price covering each of the two commodities, electricity and natural gas.

Out of some 600,000 competitive contracts only 12,000 were single fuel natural gas and 120,000 were single fuel electricity contracts. The vast majority, 465,000, were dual fuel contracts. When the MSA last looked at this in 2009 the rate was 75% which is about the same.⁴ The distribution in terms of fixed and variable price and by zone is shown in Figure 4.1. By far the most popular combination is for fixed electricity and variable natural gas prices accounting for more than 55% of all dual fuel contracts. The ENMAX zone has the most dual fuel contracts with more than 40% of the total.

Figure 4.1 Distribution of Dual Fuel Contracts



⁴ "Retail Review: Electricity & Natural Gas", MSA Report, 2009.

5. Green Energy Contracts

Many retailers offer consumers the opportunity to pay extra and to 'green' their energy whether electricity or natural gas. As of December 2013, there were some 36,000 consumers on some form of green energy contract with their competitive retailer. This equates to about 6% of all customers on competitive contracts. This may seem low but is double the rate that we found back in 2009 (3%).

There are other mechanisms to do this outside the retail market structure. One case is Bullfrog Power who sign up customers to green energy but are not directly involved in billing them for actual energy consumption. Instead a customer will select the desired level of greening and send in the appropriate dollar amount to Bullfrog Power each month



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