



**Market Surveillance Administrator**  
**Stakeholder Satisfaction Survey Final Report**

**Prepared By**  
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### **Acknowledgements**

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## Executive Summary

The Alberta Market Surveillance Administrator's (MSA) mandate is to keep a close watch on the overall performance of Alberta's electricity market - checking that it operates fairly, efficiently and in an openly competitive manner. The objective of this research for the MSA was to gain stakeholder feedback on how effectively the MSA has fulfilled its mandate and responsibilities over the last 12 months.

JEM Energy conducted a telephone survey with Alberta electrical market stakeholders using a survey approved by the MSA. Of the total sample of 282 stakeholders supplied by the MSA, 115 surveys were completed, for a response rate of 40.7%. A rating scale of 1 to 7 was used, where 1 was the lowest rating and 7 was the highest rating. Overall the feedback was positive. Average ratings ranged from 4.5 on the MSA instilling confidence in a fair and competitive market to 5.4 for the MSA being visible and approachable.

Several of the comments reflected an acknowledgement that the MSA is open and easy to deal with and has improved significantly in the last 12 months. While some respondents seemed very familiar with the workings of the MSA, there were some who had no knowledge of the MSA at all. Several found their information to be excellent and some felt the MSA should be more proactive and provide more in-depth information especially around analysis and announcements of new information. Several respondents felt that the MSA should work to increase visibility.

Generally, the areas where there is room for improvement are to:

- look at the market as a whole and find solutions that work for the “bigger” picture
- improve communications
- ensure that the MSA is objective and operates independently
- work harder to promote market transparency and clarity of market fundamentals and
- refine/define the overall scope of the MSA mandate.

## **1. Objective**

Gain stakeholder feedback on how effectively the MSA has fulfilled its mandate and responsibilities over the last 12 months.

## **2. Background**

The Market Surveillance Administrator (MSA) is in place to monitor Alberta's electricity market for fairness and balance in the public interest. The MSA mandate is to keep a close watch on the overall performance of Alberta's electricity market - checking that it operates fairly, efficiently and in an openly competitive manner.

The MSA conducts the following activities:

- conducts general surveillance of the electricity market
- reviews and, if deemed necessary, investigates irregular market behaviors
- provides information and analysis on market fundamentals
- advances market policy
- minimizes market information asymmetry
- discharges compliance audits
- advocates for market stakeholders

These activities are conducted for the benefit of the market at large and directly to stakeholders and market stakeholders. Market stakeholders include large and small generators, participating load customers, and large and small retailers.

## **3. Methodology**

JEM Energy designed and developed a stakeholder satisfaction survey, which was conducted by telephone with the following parameters:

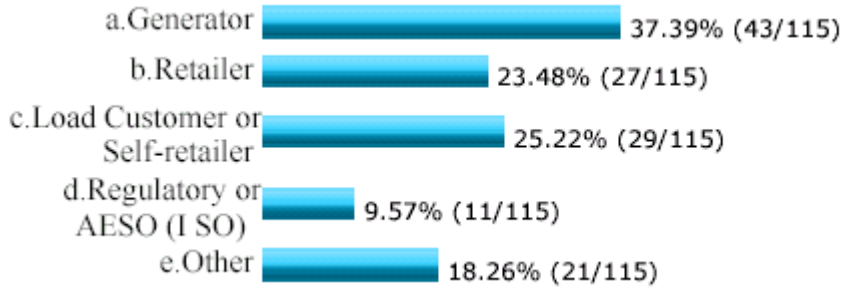
- The MSA provided a stakeholder contact list of 282 contacts complete with direct line telephone numbers. A crosscheck with the author's industry database and further revealed some contacts and/or telephone numbers required updating.
- JEM Energy developed the appropriate scripting for the survey and this was approved by the MSA
- The completion target was 100 surveys to provide a good sample.
- The survey consisted of 18 questions and designed to be answered in less than 10 minutes.
- The fieldwork was completed in a period between May 12, 2004 and May 28, 2004.
- Calls were attempted up to 4 times to contact and secure a response to the questionnaire for each listed stakeholder until the target number was achieved.

#### 4. Results

All together, there were 115 completed surveys, for a response rate of 40.7%. This section provides the actual questions and graphical representation of the responses followed by the summation for each question.

1. Which of the following categories best describes your business unit?

#### Question 1 - Categories



Generators lead the categories at over 37%. Some categories are “double counted” as 16 respondents indicated they fit more than one category. Below is a list of those indicating “other” category:

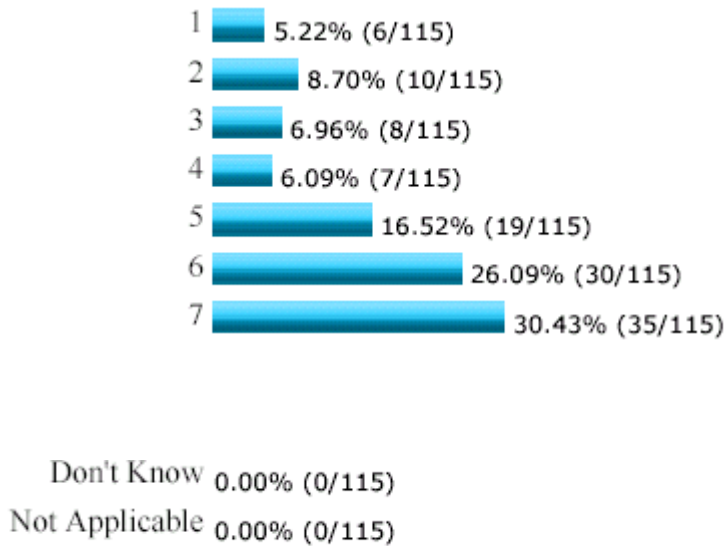
- Distributor – 1
- Consultant – 7
- Generator Manager – 1
- Risk Management – 1
- Assessments – 1
- Government – 2
- Wires Owner – 1
- Law Firm – 1
- Technical Operator – 1
- Trader – 1
- Research – 1
- Wholesaler – 1
- Marketer – 1
- University – 1
- A little bit of everything -1

**MSA STAKEHOLDER SATISFACTION RESEARCH**

The rating system in the following questions uses a scale of 1 to 7, where 1 is the lowest rating and 7 is the highest. For analytical purposes, a rating of 5 or higher indicates a good to excellent response and 3 or lower indicates areas for improvements. A summary is provided for all those with a 5 or higher rating and those with 3 or less rating.

2. On a scale of 1 to 7, where 1 is not aware and 7 is very aware, how aware are you of the Market Surveillance Administrator's mandate?

**Question 2 - MSA Mandate**



Average Rating: 5.2

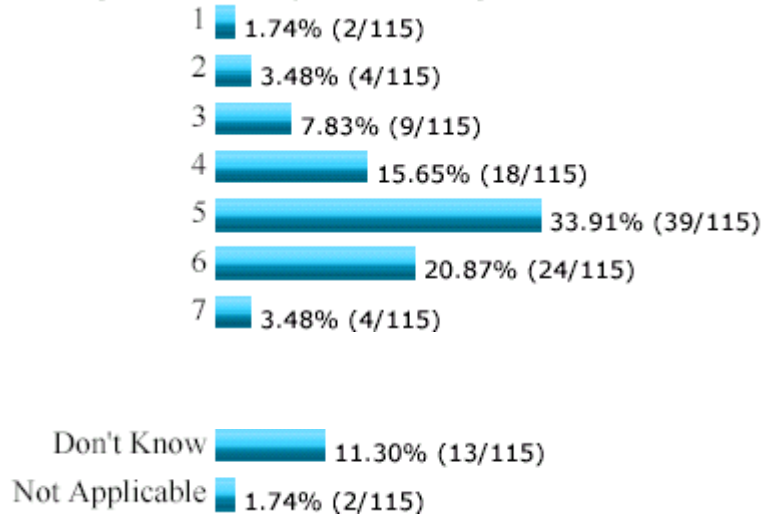
Standard Deviation: 1.8

Responses show awareness of the MSA's mandate is high with over 73% indicating a rating of 5 or higher. 74% of Generators indicated the highest awareness, responding with a rating of 5 or higher.

3. On a scale of 1 to 7, where 1 is poor and 7 is excellent, how well does the Alberta Market Administrator perform the following:

3a. Recognize and report on irregular market outcomes and behavior.

**Question 3 a**  
**Recognize and report on irregular market outcomes and behavior**



Average Rating: 4.8

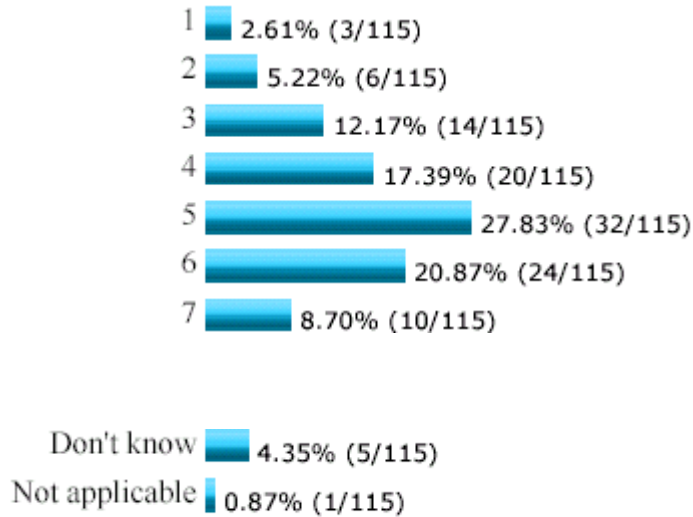
Standard Deviation: 1.2

Responses show over 58% of respondents rated a 5 or higher on the MSA's performance on recognizing and reporting irregular market outcomes and behavior. However, the fact that over 12% responded that "they did not know" may indicate a need to improve communications to this sector. Further analysis revealed that just over 50% of these are generators and the remainder respondents are either in the load customer/self retailer or regulatory/AESO categories.



3b. Promote market transparency and clarity of market fundamentals by providing value-added information and analysis to the market.

**Question 3 b**  
**Promote Market Transparency and Clarity of Market Fundamentals**



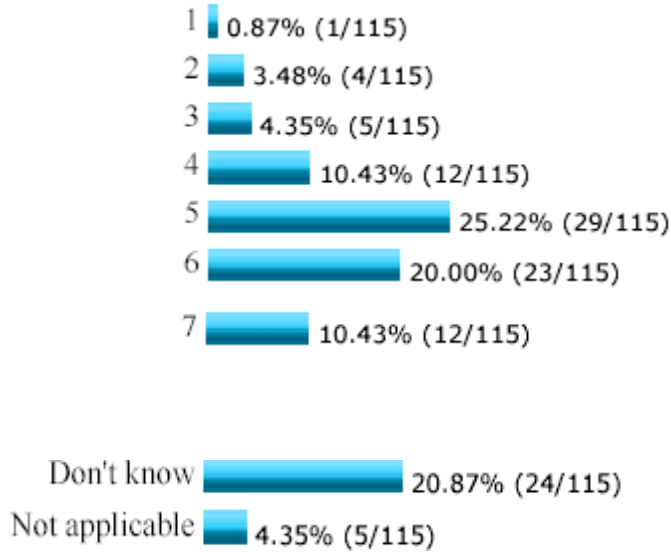
Average Rating: 4.7

Standard Deviation: 1.5

57.4% of respondents provided a rating of 5 or greater on the MSA's promotion of market transparency and clarity of market fundamentals. Within the categories, Generators were the same as the overall group at 57%, while the Regulatory/AESO category was highest at 81.9%.

3c. Deal with inquiries, applications, submissions and reporting in timely and clear manner.

**Question 3 c**  
**Inquiries, Applications, Submissions and Reporting**



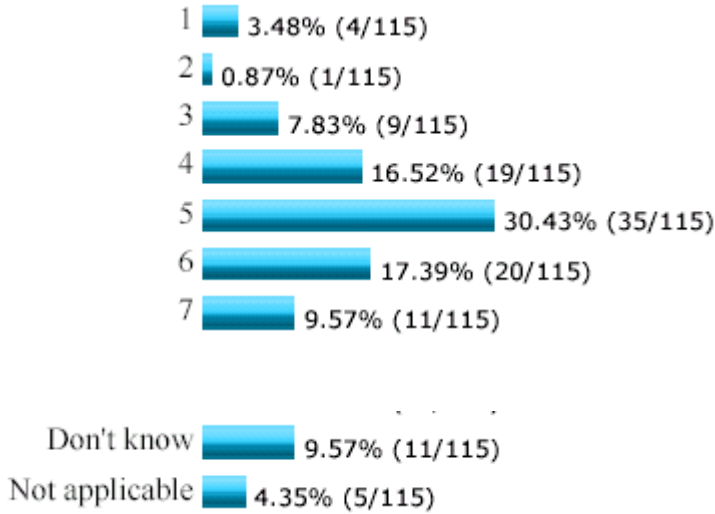
Average Rating: 5.1

Standard Deviation: 1.3

55.6% of respondents rated a 5 or greater for the timeliness and clarity with which the MSA deals with inquiries, applications, submissions and reporting. The high percentage of 'don't knows' at over 20% is represented by Generators and Other categories at 30.4% each, followed by Load Customer/Self Retailer at 26.1%.

3d. Provide answers or facilitate solutions to their issues.

**Question 3 d**  
**Provide Answers or Facilitate Solutions**



Average Rating: 4.9

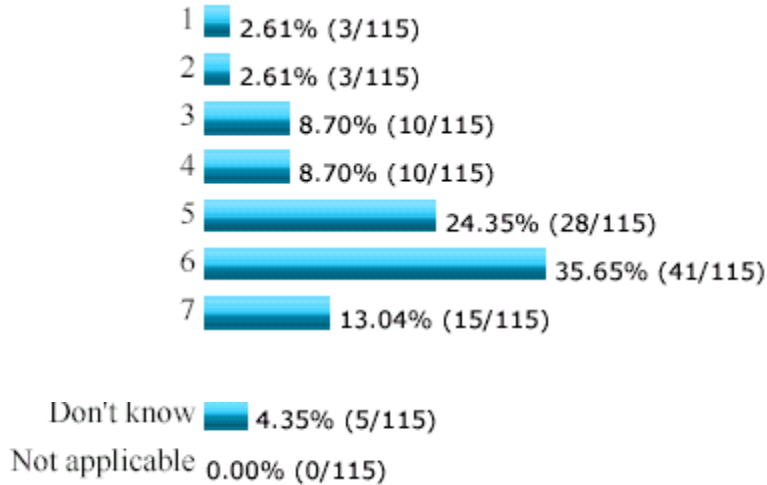
Standard Deviation: 1.4

A majority of 57.4% rated a 5 or higher on the MSA's delivery of providing answers or facilitating solutions to their issues. Of the Load Customer/Self Retailer category, 17.7% did not know an answer to this question, which could indicate more follow up is necessary.

4. On a scale of 1 to 7, where 1 is strongly disagree and 7 is strongly agree, how would you rate the following statements:

4a. The Alberta Market Surveillance Administrator is proactive in the Alberta electricity market.

**Question 4 a**  
**Proactive in the Alberta Electricity Market**



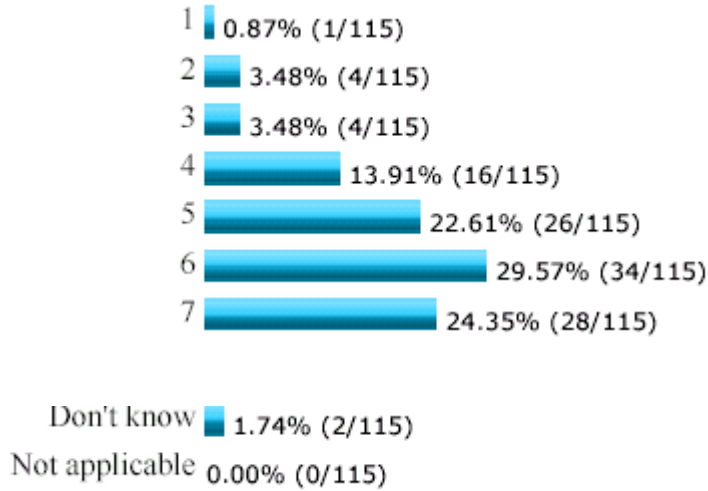
Average Rating: 5.2

Standard Deviation: 1.4

73.1% rated a 5 or higher that the MSA is proactive in the Alberta electricity market. Retailers rated the MSA highest at 88.5% indicating a 5 or higher while the Load Customer/Self Retailer was below the average at 60.7%.

4b. The Alberta Market Surveillance Administrator is visible and approachable.

**Question 4 b**  
**Visible and Approachable**



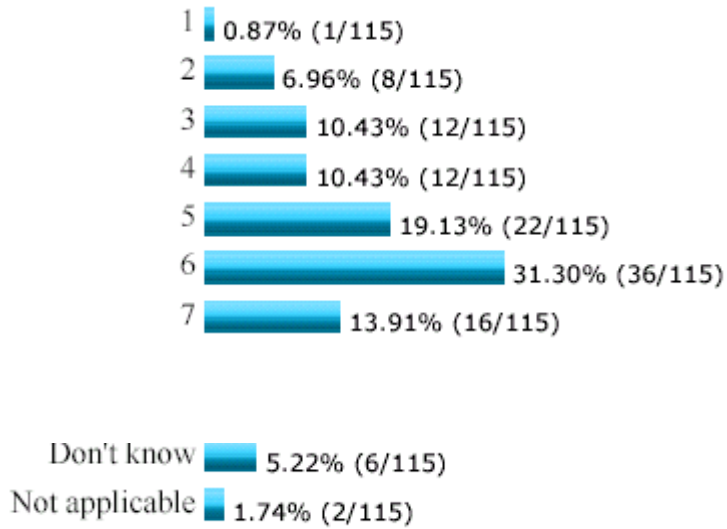
Average Rating: 5.4

Standard Deviation: 1.4

The MSA appears to have a high visibility and is seen as very approachable. 76.6% of respondents rated a 5 or higher to this question. Retailers rated highest with 80.9% of them rating a 5 or higher.

4c. The Alberta Market Surveillance Administrator is objective and operates independently

**Question 4 c**  
**Objective and Operates Independently**



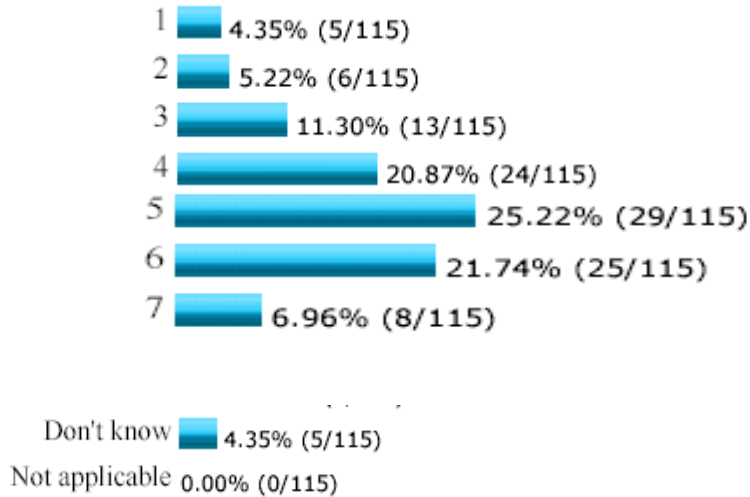
Average Rating: 5.0

Standard Deviation: 1.5

Data shows that 64.3% rated a 5 or greater in their agreement that the MSA is objective and operates independently. Here again, Retailers rated highest with 80.8% rating a 5 or higher.

4d. As a result of the Alberta Market Surveillance Administrator's work, you, as a market stakeholder, have greater confidence that the Alberta electricity market is fair and competitive.

**Question 4 d**  
**Confidence in a Fair and Competitive Market**



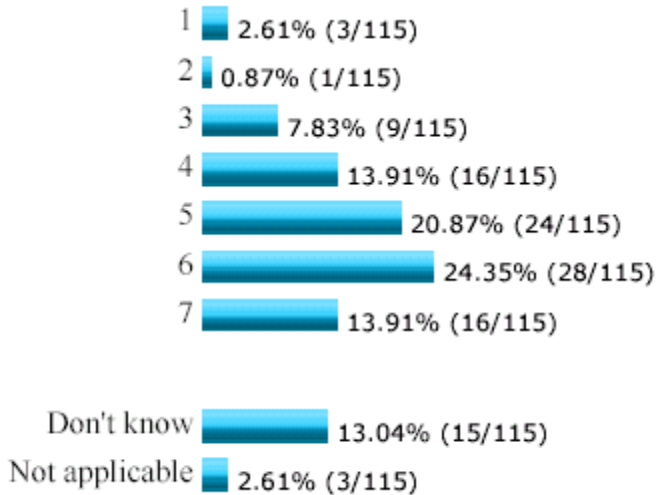
Average Rating: 4.6

Standard Deviation: 1.5

Just over half or 53.9% rate a 5 or higher that the MSA's work results in market stakeholders having a greater confidence in a fair and competitive electricity market. Retailers rated above the average at 60%, with below average ratings for Generators at 44% and Load Customer/Self Retailer category at 42.3%.

4e. The Alberta Market Surveillance Administrator website is an effective tool for accessing information.

**Question 4 e  
Website Information Access**



Average Rating: 5.1

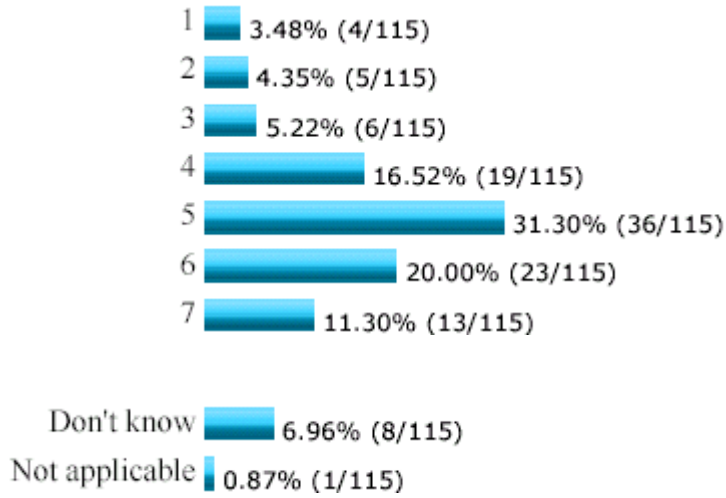
Standard Deviation: 1.4

59.2% of respondents indicated a rating of 5 or greater for the MSA Website being an effective tool for accessing information. Generators rated the website highest with 64.2% indicating a 5 or higher rating.



4f. The Alberta Market Surveillance Administrator provides excellent communications of their activities.

**Question 4 f  
Communications**



Average Rating: 4.9

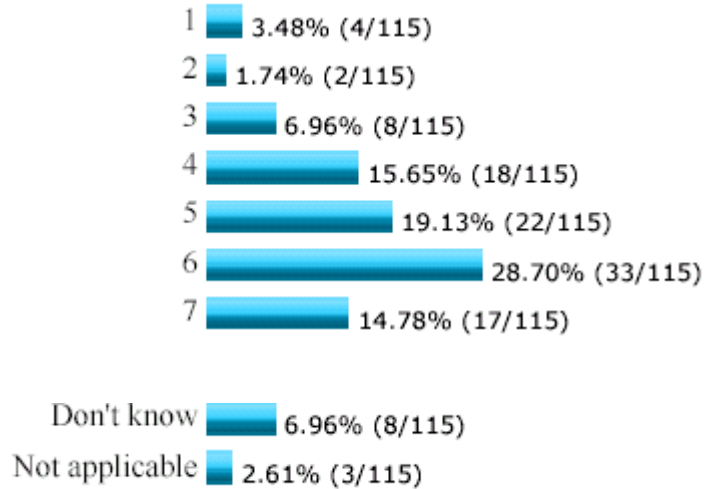
Standard Deviation: 1.5

62.6% rated a 5 or higher on the MSA providing excellent communications of their activities. Generators were slightly above the average at 63.4% and the Load Customer/Self Retailer below the average at 57.2% rating a 5 or more.

5. On a scale of 1 to 7, where 1 is strongly disagree and 7 is strongly agree, how would you rate the following statement:

5a. The effectiveness of the Alberta Market Surveillance Administrator has improved over the last 12 months.

**Question 5 a  
Effectiveness**



Average Rating: 5.1

Standard Deviation: 1.5

62.6% of respondents rated a 5 or greater on the effectiveness of the MSA over the past 12 months. Retailers were the highest in rating this question for a 5 or greater as 80% did so. Generators were lowest at 55%.

## 5. Summary of Comments

Several of the comments reflected an acknowledgement that the MSA is open and easy to deal with and has improved significantly in the last 12 months. While some respondents seemed very familiar with the workings of the MSA, there were some who had no knowledge of the MSA at all. Of the ones who were familiar, some felt that the MSA was acting within their mandate, others felt they should go further and some felt they were overstepping their bounds. Several found the information to be excellent and some felt the MSA should provide more proactive and in-depth information especially around analysis and announcements of new information. They suggested more meetings, seminars, e-mails or even an electronic newsletter.

Several respondents felt that the MSA should work to increase visibility. There were mixed reviews on the website. Some cited it as excellent and others felt it could be better. A few mentioned technical problems. Most respondents felt that meetings and personal contacts were handled well.

There is still room for improvement in looking at the market as a whole and finding solutions that work for the “bigger” picture. Also, comments reflected that the MSA could be more proactive, thorough and quicker in finding solutions to problems and work harder to improve their objectivity in the market.

## 6. Analysis and Recommendations

Table 1 below provides a summary of the response ratings. As illustrated in the average ratings in Section 4, 76.5% of respondents rated a 5 or greater for the MSA being visible and approachable. Conversely, 20.9% rated a 3 or less that, as a market stakeholder, they have greater confidence the Alberta electricity market is fair and competitive.

**Table 1**

<b>Question</b>	<b>Rating %age = or &gt; 5</b>	<b>Rating %age = or &lt; 3</b>	<b>Avg. Rating</b>	<b>Standard Deviation</b>
2. How aware are you of the MSA's mandate	73.0%	20.9%	5.2	1.8
3. How well does the MSA:				
a. Recognize & report on irregular market outcomes & behaviour	58.3%	13.0%	4.8	1.2
b. Promote market transparency and clarity of market fundamentals	57.4%	20.0%	4.7	1.5
c. Deal with inquiries, applications, submissions & reporting in a timely & clear manner	55.7%	8.7%	5.1	1.3
d. Provide answers or facilitate solutions to their issues	57.4%	12.2%	4.9	1.4
4. On a scale of 1 to 7, where 1 is strongly disagree and 7 is strongly agree, how would you rate the following statements:				
a. The MSA is proactive in the Alberta electricity market	73.0%	13.9%	5.2	1.4
b. The MSA is visible & approachable	76.5%	7.8%	5.4	1.4
c. The MSA is objective & operates independently	64.3%	18.3%	5.0	1.5
d. As a result of the MSA's work, you as a market stakeholder, have greater confidence that the Alberta electricity market is fair & competitive	53.9%	20.9%	4.6	1.5
e. The MSA website is an effective tool for accessing information	59.1%	11.3%	5.1	1.4
f. The MSA provides excellent communications of their activities	62.6%	13.0%	4.9	1.5
5. The effectiveness of the MSA has a improved over the last 12 months	62.6%	12.2%	5.1	1.5

## MSA STAKEHOLDER SATISFACTION RESEARCH

Table 2 highlights by category the questions where more than 15% of the respondents rated a 3 or less, and compares those to their overall response rate. This provides an indication of which categories had a higher weighting for any of the lower ratings. For example, of all respondents who rated a 3 or less for question 4c on objectivity and independence, generators represented 55.6% of them compared to representing 37.4% of the total respondents. Similarly, Load Customers/Self Retailers represented 50% of all those who rated a 3 or less on question 2, awareness of the MSA mandate, but represented only 25.2% of total respondents.

To summarize Table 2, the awareness of the MSA mandate is lowest for Load Customers and Self Retailers. This category also indicated more than others that the MSA needs to perform better on promoting market transparency and clear market fundamentals. Both Generators and Load Customers/Self Retailers indicated more than others that the MSA needed to be more objective and operate more independently. Finally, Generators were least confident in a fair and competitive market.

The comment sections of the responses generally support Table 2 as well. Generators and Load Customer/Self Retailers provided more comments than other categories on dissatisfaction and suggestions for improvements.

**Table 2**

<b>Category</b>	<b>Q 2</b>	<b>Q 3b</b>	<b>Q 4c</b>	<b>Q 4d</b>	<b>% Of Total Respondents</b>
<b>Generators</b>	36.4%	33.3%	55.6%	52.0%	37.4%
<b>Retailers</b>	9.1%	14.3%	0.0%	20.0%	23.5%
<b>Load Cust/Self Retailers</b>	50.0%	47.6%	38.9%	28.0%	25.2%
<b>Reg/AESO</b>	4.5%	4.8%	5.6%	0.0%	9.6%

### **Legend:**

Q2: How aware are you of the MSA's mandate?

Q 3b: How well does the MSA promote market transparency and clarity of market fundamentals by providing value-added information and analysis to the market?

Q 4c: How would you rate: The MSA is objective and operates independently.

Q 4d: How would you rate: As a result of the MSA's work, you as a market participant have greater confidence that the Alberta electricity market is fair and competitive.

## **7. Conclusion**

This first MSA electricity market participation satisfaction research provides excellent feedback for supporting the MSA to fulfill its mandate and responsibilities. There were some very positive responses from market stakeholders and they pointed out areas that merit attention. It also provides a benchmark for future work and should be prove a useful tool to conduct on an annual basis.