

ALBERTANS' VIEWS ON PROVINCIAL ENERGY DEREGULATION OCTOBER 2000

***A Full Majority of Albertans (75%) Support Move Toward
Competition in Provincial Energy Utilities Sector***

***Consumers Generally Forecast Positive Implications from
Utilities Deregulation, Except Where Environment is Concerned***



Ipsos Reid

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ALBERTANS' VIEWS ON ENERGY DEREGULATION

OCTOBER 2000

A Full Majority of Albertans (75%) Support Move Toward Competition in Provincial Energy Utilities Sector

Consumers Generally Forecast Positive Implications from Utilities Deregulation, Except Where Environment is Concerned

Calgary, Alberta -- The results of an Ipsos-Reid survey reveal that Albertans heavily endorse the Alberta Government's move to introduce competition into the province's energy utilities sector (75% support the initiative). Further, Albertans forecast a variety of benefits as a result of deregulation, including selection and convenience offered to consumers, the development of alternative energy supplies, job creation, improvements in the quality and reliability of energy services and lower prices. However, many Albertans are split about how deregulation of energy utilities will impact the province's environment – while 40% believe deregulation will have a "positive" impact on "protection of the environment", 41% believe it

*These are findings gleaned from the **Angus Reid Report on Alberta**, a quarterly syndicated study of public opinion issues concerning business and politics in the province. The survey topics and questions are commissioned and designed by Ipsos-Reid, with subscriptions to the report sold to a variety of clients in the private, public and not-for-profit sectors.*

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This survey was conducted between September 21st –26th, 2000. The poll is based on a randomly selected sample of 800 adult Albertans. The results can be considered accurate within +/- 3.5 percentage points, 19 times out of 20, of what they would have been had the entire adult Alberta population been polled. The margin of error will be larger within various sub-groupings of the survey population. These data were statistically weighted to ensure the sample's regional age and gender composition reflects the actual Alberta population according to Statistics Canada Census Data.

Detailed analysis of the survey results can be found on the pages that follow.

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Albertans' Views on Energy Utility Deregulation

The electric utility industry has been described by some as the last great regulated monopoly in North America. The implementation of regulatory reform has taken place in a patchwork fashion across North America. In Canada, the Governments of Alberta and Ontario are leading the Canadian electricity marketplace in deregulation activities.

In Alberta, the process began in 1996 when the Electric Utilities Act came into effect. It will be completed on January 1, 2001 when all electricity consumers will be free to select a retailer of their choice. The process has not, however, been without controversy with Albertans witnessing the passage of legislation through closure, pitched media battles between leading politicians and energy company officials and, most recently, an auction of the output of Alberta's electricity generating plants described by some as a "sell-out" of Alberta taxpayers.

A September survey by Ipsos-Reid shows that Albertans strongly endorse the move to introduce competition into the province's energy utilities sector. Three-quarters (75%) of those interviewed endorse the Province's actions (35% strongly support, 40% moderately support), compared to less than one-quarter (23%) who register any degree of opposition (11% strongly oppose, 12% moderately oppose). **(SEE TABLE ONE)**

- Edmonton residents offer the lowest levels of support for the introduction

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Forecasted Impact of Utilities Deregulation

Generally, Albertans augur positive things for the energy utility marketplace due to deregulation. In particular, respondents believe that introducing competition will benefit the consumer in terms of convenience and selection, the development of alternative energy supplies, job creation, improvements in the quality and reliability of energy services and lower prices. However, Albertans are split about how deregulation of energy utilities will impact the province's environment.

The September poll presented Albertans with a list of nine prompted areas that might or might not be impacted by introducing competition into the province's energy utilities sector. For each of these areas, survey participants were asked if they thought increased competition would have a "positive" or "negative" impact. **(SEE TABLE TWO)**

The following outline the highlights of this probe:

- Selection offered to consumers – 77% positive impact vs. 15% negative impact;
- Creating jobs – 75% positive impact vs. 16% negative impact;
- Encouraging development of alternative energy supplies – 74% positive impact vs. 19% negative impact;
- Convenience offered to consumers – 69% positive impact vs. 20% negative impact;
- Quality of energy services – 63% positive impact vs. 24% negative impact;
- Prices paid by consumers for energy services – 62% positive impact vs. 30% negative impact;
- Reliability of energy services – 62% positive impact vs. 24% negative impact;

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- Ensuring that workers are treated honestly and fairly – 53% positive impact vs. 29% negative impact;
- Protection of the Alberta environment – 40% positive impact vs. 41% negative impact.

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TABLE ONE

Public Support for Competition in Provincial Energy Utilities Sector

- September 2000 -

"Recently, the Alberta government put in place legislation that will promote competition in the energy services sector such as natural gas and electricity. This means that new companies will be competing with existing utilities and consumers will be able to choose their energy suppliers. All things considered, would you say you generally support or oppose this move to increase competition in the energy utilities sector? Is that strongly or moderately (support/oppose)?"

	REGION					
	TOTAL	Calgary	EDMONTON	Northern Alberta	Central Alberta	Southern Alberta
Base: All Respondents	(800)	(253)	(275)	(107)	(82)	(83)
	%	%	%	%	%	%
Strongly Support	35	35	36	39	25	34
Moderately Support	40	41	32	41	49	49
Moderately Oppose	12	9	15	11	13	10
Strongly Oppose	11	11	14	7	13	7
(Unsure)	2	3	3	1	--	--
% SUPPORT	75	76	68	80	74	83
% OPPOSE	23	20	29	18	26	17

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TABLE TWO

Public Perceptions for Impact of Competition in Provincial Energy Utilities Sector

- September 2000 -

“Do you think that increased competition in the energy utilities sector will be positive or negative in terms of ...?”

	<i>TOTAL</i>		<i>TOTAL</i>
Base: All Respondents	(800) %	Base: All Respondents	(800) %
Selection offered to Consumers		Creating Jobs	
Positive	77	Positive	75
Neutral/No change	5	Neutral/No change	6
Negative	15	Negative	16
Encouraging development of alternative energy supplies		Convenience offered to consumers	
Positive	74	Positive	69
Neutral/No change	6	Neutral/No change	8
Negative	19	Negative	20
Quality of energy services		Prices paid by consumers for energy services	
Positive	63	Positive	62
Neutral/No change	10	Neutral/No change	6
Negative	24	Negative	30
Reliability of energy services		Ensuring workers are treated honestly and fairly	
Positive	62	Positive	53
Neutral/No change	11	Neutral/No change	12
Negative	24	Negative	29

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TABLE TWO (Continued)

Public Perceptions for Impact of Competition in Provincial Energy Utilities Sector

- September 2000 -

"Do you think that increased competition in the energy utilities sector will be positive or negative in terms of ...?"

	<i>TOTAL</i>
Base: All Respondents	(800) %
Protection of Alberta Environment	
Positive	40
Neutral/No change	15
Negative	41

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