

July 16, 2009

Delivered via e-mail to: [kbailey@suncor.com](mailto:kbailey@suncor.com)

Suncor Energy Inc.  
P.O. Box 4001  
Suncor Oil Sands Plant  
Fort McMurray, Alberta  
T9H 3E3

**Attention: Mr. Kirk Bailey, Executive Vice President, Oil Sands**

Dear Mr. Bailey:

**Re: MSA File # 2009-039  
Contravention of ISO rule 6.6 – Notice of Specified Penalty  
SCR1 – June 2, 2009**

As you will be aware, your organization is a market participant governed by the ISO rules established by the Alberta Electric System Operator (AESO).

The Market Surveillance Administrator (MSA) is granted the power and authority under s. 52 of the *Alberta Utilities Commission Act* (Act) to issue a notice of specified penalty where the MSA is satisfied that a person has contravened an ISO rule. The range of specified penalties is set out in Rule 019 of the Alberta Utilities Commission (AUC).

In accordance with the relevant enactments and rules, the MSA is hereby issuing to your organization a notice of specified penalty for non-compliance by asset ID SCR1 with ISO rule 6.6. A summary of other relevant particulars is set out below, for your information.

#### Event

On June 2, 2009 the SCR1 asset was found to be in non-compliance with its dispatch level for a period beginning at 09:06 and ending at 09:32 at variances of up to 98 MW in respect of a dispatch up to 434 MW.

#### Process

The event was identified as a potential contravention of ISO rules by TransAlta Corporation and reported to the MSA on June 12, 2009 on behalf of your organization.

The MSA gathered other relevant records (information) in accordance with its mandate under the Act and the *MSA Investigation Procedures*, including that the MSA provided an opportunity for your organization to bring forward any additional information it considered relevant to the matters at issue.

### Findings

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of ISO rule 6.6.

In this regard, the material facts which were relied upon by the MSA include the following:

1. TransAlta June 12, 2009 letter of self report to the MSA.
2. Suncor July 2, 2009 response to a June 24, 2009 MSA Information Request.
3. AESO generation and dispatch data for the SCR1 asset on June 2, 2009.

### Specified Penalty

AUC rule 019 and the Category 3 Penalty Table therein prescribes the applicable financial penalty based on the duration and magnitude of a dispatch variance. For the purposes of this calculation and taking into account factors such as ramp period, the MSA has deemed that the contravention persisted for at least 15 minutes but less than 30 minutes in duration at a dispatch variance of 50 or greater MW. As such, the applicable specified penalty is \$5,000. The MSA notes that this contravention was self-reported by your organization, and therefore a reduction to the specified penalty can be made on that basis.

For these reasons, and in accordance with AUC Rule 019, the MSA has determined that a total specified penalty in the amount of \$ 2,500 is appropriate for this specific contravention of ISO rule 6.6.

### Specified Penalty Due Date

The penalty is due and payable not later than August 17, 2009.

### Delivery of Payment

Payment by cheque or certified funds is to be made out to the "General Revenue Fund c/o Minister of Finance", and delivered to the Alberta Utilities Commission at: 4th Floor, 425 - 1st Street S.W., Calgary, Alberta, T2P 3L8. Questions in respect of delivery of payment should be addressed to the Director of Finance, AUC. The payment should reference this notice and related MSA File # (see first page of notice). Delivery of payment should also be confirmed in writing or by email to Doug Doll, the MSA contact person noted below with copy to the following AUC personnel: Jodi Chaulk, Sabi Ghavami (Director, Finance), and Darin Lowther (Director, Market Rules).

### Failure to Pay Specified Penalty

Failure to pay the specified penalty in accordance with this notice will result in a hearing or other proceeding before the AUC.

Dispute re Notice of Specified Penalty

If your organization disputes the issuance of this notice of specified penalty, or if you have any other questions or comments regarding this matter, please contact Doug Doll, Senior Analyst, MSA, at (403) 233-6497 or [doug.doll@albertamsa.ca](mailto:doug.doll@albertamsa.ca).

In accordance with the relevant enactments and rules, a dispute regarding the issuance of a notice of specified penalty will be addressed by an AUC hearing or other proceeding.

Notice of Specified Penalty Public

In accordance with the MSA's interpretation of s. 5(2) and s. 6(3) of AUC Rule 019 in its July 10, 2009 notice, the MSA will make public this notice of specified penalty on the basis that this event constitutes the fourth contravention of ISO rule 6.6 within the rolling 12 month period since July 1, 2008. In all cases where a market participant has failed to pay the specified penalty or disputes the notice of specified penalty, the MSA will make public on its website the notice of specified penalty and the fact of non-payment/dispute. The MSA will also post on its website the link to any decision of the AUC respecting the specified penalty.

The MSA is committed to working with your organization and other market participants on compliance related matters, including re: the ISO rules. For further information regarding the monitoring, investigation and enforcement of ISO rules, we would refer you to the *MSA Investigation Procedures* (particularly Appendix A therein), found on the MSA website under *Processes*.

Yours truly,  
Market Surveillance Administrator

***“Original Signed”***

Per: Matt Ayres  
Chief Economist

Cc: Jodi Chaulk – AUC  
Darin Lowther – AUC  
Sabi Ghavami - AUC