

NOTICE OF SPECIFIED PENALTY

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| Date of Issue: September 20, 2019 | | Payment Due Date: October 21, 2019 | |
| MSA File Number | 2019-171 | Specified Penalty Amount | \$750 |
| Registered Entity Name | TransCanada Energy Ltd. | | |
| Asset ID (if applicable) | TC01 | Self-Report | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
| ISO Rule | 203.3 | Date of Contravention | April 2, 2019 |
| Date of Referral/Self Report | April 24, 2019 | This is the first contravention by this asset for this rule within a rolling 12 month period. | |

EVENT DETAILS

At approximately 20:00 on April 2, 2019 TCE's Real Time Trader (RTT) received a call from Carseland Cogen's operator who stated that the facility was entering a different operational phase. The operator also stated that the Heat Recovery Steam Generator would be moving into simple cycle mode. The RTT understood this to mean that the unit's Minimum Stable Generation (MSG) would be increasing to 60 MW as a result of that change, however this understanding was later determined to be incorrect. At approximately 20:40 the MSG for Carseland (TC01) was increased from 30 MW to 60 MW.

At approximately 06:47 on April 3, 2019 a more senior member of the Real Time desk identified the issue, confirmed Carseland Cogen's operational status, and corrected the MSG to 30 MW. The MSG for TC01 was incorrectly stated 30 MW higher than operationally necessary from 20:40 on April 2 to 06:47 on April 3.

Subsection 5 of ISO Rules Section 203.3 states, in part:

5(1) A pool participant that submits an offer must, if there is a change to the minimum stable generation as a result of any acceptable operational reason, submit a minimum stable generation restatement for the source asset for the applicable hours, as soon as reasonably practicable.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of ISO rule 203.3.

MATERIAL FACTS

The material facts relied upon by the MSA include the following:

1. AESO Available Capability, MSG and offer data for TC01 for April 2 and April 3, 2019.
2. Self-report submitted by TransCanada Energy Ltd. to the MSA dated April 24, 2019.

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 (AUC) at: 1400, 600 – 3rd Avenue S.W., Calgary, Alberta, T2P 0G5. Questions in respect of delivery of payment should be directed to the AUC. The payment should reference this notice and related MSA File #. Delivery of payment should also be confirmed by email to compliance@albertamsa.ca, with copy to the following AUC personnel: Jeremy Smith (Financial Accountant) Jeremy.Smith@auc.ab.ca, and Greg Andrews (Investigator) Greg.Andrews@auc.ab.ca.

NOTICE

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

In accordance with the relevant enactments and rules, a dispute regarding the issuance of a Notice of Specified Penalty or failure to pay the specified penalty in accordance with this notice will result in a hearing or other proceeding before the AUC.

In accordance with s. 5(1) of AUC Rule 019 this Notice of Specified Penalty will be made public no earlier than receipt of confirmation of payment from the Commission and no later than 45 days after issuance. The MSA will, if applicable, also post on its website the link to any decision of the AUC respecting the 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 the MSA compliance team at compliance@albertamsa.ca.

SIGNATURE

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|-----------|-------------------|----------------|----------------------|
| Signature | "Original signed" | Signature Date | September 13, 2019 |
| Name | Anders Renborg | Title | Director, Compliance |