

## NOTICE OF SPECIFIED PENALTY

Date of Issue: November 6, 2020		Payment Due Date: December 7, 2020	
MSA File Number	2020-179	<b>Specified Penalty Amount</b>	<b>\$500</b>
Market Participant Name	EPCOR Distribution & Transmission Inc.		
Asset ID (if applicable)		Self-Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
ISO Rule Section	9.1.5	Date of Contravention	2018: July 26; September 13; and December 18. 2019: February 27; March 1, 20, and 28; June 20; and July 4.
Date of Referral/Self Report	June 25, 2020	This is the first contravention for this section of the ISO rules within a rolling 12 month period.	

### EVENT DETAILS

On October 31, 2019, the AESO initiated a Compliance Monitoring Audit of Project #1695 EPCOR Riverview Substation New POD. The AESO reviewed a list of project materials for Project #1695. Of that list, a few project materials are highlighted below. Based upon the AESO's audit findings, the MSA finds that subsection 9.1.5.6(a)(ii) was contravened as follows:

EPCOR Distribution & Transmission Inc. (EDTI) awarded contracts for ten project materials on the following dates:

- July 26, 2018
- September 13, 2018
- December 18, 2018
- February 27, 2019
- March 1, 2019
- March 20, 2019 (two project materials)
- March 28, 2019
- June 20, 2019
- July 4, 2019

For the aforementioned project materials, none of the contracts were awarded to the party that had submitted the lowest priced, fully compliant bid, however, the reasons for not awarding each contract in compliance with subsection 9.1.5.5 were not included in the next Project Progress Report for the Project. Subsection 9.1.5 of the ISO rules states in part:

#### 9.1.5.5 Lowest Priced Compliant Bid

Subject to rule 9.1.5.6 a), in the event the Designated TFO receives one or more compliant bid pursuant to rule 9.1.5.2 or 9.1.5.3, it shall award the contract to the party that has submitted the lowest priced, fully compliant bid.

#### 9.1.5.6 Exceptions

- a) In the event the Designated TFO has awarded a contract to a party from whom it has received a bid pursuant to rules 9.1.5.2 or 9.1.5.3, and such party did not submit the lowest priced, fully compliant bid such TFO shall:
- i) demonstrate to the ISO, if requested, that it was commercially reasonable to do so;
  - ii) with respect to a contract awarded where bids were received pursuant to rule 9.1.5.2 include in the next Project Progress Report for the Project, its reasons for not awarding such contract in compliance with rule 9.1.5.5; and
  - iii) with respect to all such contracts, include in its books and records its reasons for not awarding such contracts in compliance with rule 9.1.5.5.

[...]

### FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of section 9.1.5 of the ISO rules.

### MATERIAL FACTS

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

1. EDTI's Monthly Progress Reports for P1695 Riverview Substation New POD spanning May 2018 through June 2020. EDTI's approved bid evaluation and recommendation documents for various project materials.
2. EDTI's response to the AESO information request, dated November 8, 2019.
3. EDTI's response to the second AESO information request, dated January 31, 2020.
4. Referral from the AESO to the MSA dated June 25, 2020.
5. Additional information provided by EDTI to the MSA dated October 26, 2020.

### DELIVERY OF PAYMENT

Payment by cheque or certified funds is to be made payable to the "General Revenue Fund c/o Minister of Finance", and delivered to Alberta Energy at: 9945 – 108 Street NW, Edmonton, Alberta, T5K 2G6. The payment should reference this Notice of Specified Penalty and related MSA File #. Electronic copies of the payment and confirmation of delivery should be sent by email to [compliance@albertamsa.ca](mailto:compliance@albertamsa.ca) and [enforcement@auc.ab.ca](mailto:enforcement@auc.ab.ca). Questions can be directed to [compliance@albertamsa.ca](mailto:compliance@albertamsa.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](mailto:compliance@albertamsa.ca).

### SIGNATURE

Signature	"Original Signed"	Signature Date	November 6, 2020
Name	Andrew Wilkins	Title	Director, Compliance