

NOTICE OF SPECIFIED PENALTY

Date of Issue: March 7, 2016

Payment Due Date: April 7, 2016

MSA File Number:	RS2016-007 and RS2016-008	Specified Penalty Amount:	\$ 3,000
Registered Entity Name:	Enbridge Inc.		
Reliability Standard :	VAR-002-AB-1.1b	Self Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirement:	R2, R3	Accepted Mitigation Plan:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Date of Referral/Self Report:	January 18, 2016	Date of Contravention:	April 9, 2014 to June 4, 2015

EVENT DETAILS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2015 – 2017 Audit schedule, the AESO conducted a scheduled Q3 2015 compliance monitoring audit of Enbridge Inc. The applicable audit period with respect to VAR-002 extended from March 31, 2014 to June 30, 2015. Based upon AESO audit findings, VAR-002 was contravened in the following instances:

- VAR-002-AB-1.1b R2. From April 9, 2014 to June 4, 2015, the voltage regulating system of the BSR1 asset was out of service for a total of 253 occurrences without consent from the ISO. R2 and MR2 of the standard states:

R2 The operator of an aggregated generating facility, subject to requirement **R3** and the ISO's consent to operate otherwise, must only operate such aggregated generating facility with the voltage regulating system in service, in voltage control mode and controlling voltage.

MR2 Evidence of operating as required in requirement **R2** exists. Evidence may include operator logs or data files.
- VAR-002-AB-1.1b R3. From April 9, 2014 to June 4, 2015, there were 253 instances where the ISO was not notified when the voltage regulating system of the BSR1 asset was out of service. R3 and MR3 of the standard states:

R3 Each operator of a generating unit and operator of an aggregated generating facility must notify the ISO as soon as reasonably possible when the automatic voltage regulator or voltage regulating system is out of service.

MR3 Evidence of notifying the ISO as required in requirement **R3** exists. Evidence may include operator logs or voice recordings.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of Reliability Standard VAR-002-AB-1.1b, requirements R2 and R3.

MATERIAL FACTS

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

- AESO Alberta Reliability Standards Compliance Monitoring Audit Report dated January 18, 2016 based upon findings of the AESO Q3/2015 reliability compliance audit of Enbridge Inc.

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: 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 #. Delivery of payment should also be confirmed by email to compliance@albertamsa.ca, with copy to the following AUC personnel: Sabi Ghavami (Director, Finance) sabi.ghavami@auc.ab.ca, and Andrew Davison (Senior Market Analyst) andrew.davison@auc.ab.ca.

NOTICE OF SPECIFIED PENALTY

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 a reliability standard. Specified penalties are set out in AUC Rule 027.

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 027 this Notice of Specified Penalty will be made public no earlier than the 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

Signature:	"Original Signed"	Signature Date:	March 7, 2016
Name:	Doug Doll	Title:	Director Corporate Services and Compliance