

## NOTICE OF SPECIFIED PENALTY

Date of Issue: November 17, 2016

Payment Due Date: December 19, 2016

MSA File Number:	RS2016-088, RS2016-089, RS2016-097, RS2016-098	<b>Specified Penalty Amount:</b>	\$ 10,000
Registered Entity Name:	Express Pipeline Limited Partnership		
Reliability Standard :	CIP-001-AB1-1	Self Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirement:	R1, R2, R3, R4.1	Accepted Mitigation Plan:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Date of Referral/Self Report:	November 1, 2016	Date of Contravention:	July 1, 2013 to June 30, 2016

### EVENT DETAILS

## NOTICE OF SPECIFIED PENALTY

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2016-2018 audit schedule, the AESO conducted a scheduled Q3/2016 compliance monitoring audit of Express Pipeline Limited Partnership. The applicable audit period with respect to CIP-001-AB1-1 extended from July 1, 2013 to June 30, 2016. Based upon AESO audit findings, CIP-001-AB1-1 was contravened as follows:

1. Between July 1, 2013 and June 30, 2016, written procedures did not include information on how to recognize a sabotage event, action steps in the event information is received from one of the entities listed in R1.2, and steps to make its operating personnel aware of sabotage events on its equipment and sabotage events affecting the interconnection. **R1** of the standard states:

**R1** Each responsible entity must document and implement procedures for:

**R1.1** Recognizing *sabotage events* on its equipment.

**R1.2** Receiving information about *sabotage events* affecting the *Interconnection* from:

- the *ISO*;
- the local municipal police service, if applicable;
- the Royal Canadian Mounted Police; and
- the Alberta Security and Strategic Intelligence Support Team (ASSIST).

**R1.3** Making its operating personnel aware of *sabotage events* on its equipment and *sabotage events* affecting the *Interconnection*.

**MR1** Measures for this requirement are identified in the subsections below.

**MR1.1** Written procedures exist, content is complete and meets requirement R1.1. Evidence exists that the procedures specified in requirement R1.1 were implemented upon an occurrence of a *sabotage event*.

**MR1.2** Written procedures exist, content is complete and meets requirement R1.2. Evidence exists that the procedures specified in requirement R1.2 were implemented upon an occurrence of a *sabotage event*.

**MR1.3** Written procedures exist, content is complete and meets requirement R1.3. Evidence exists that the procedures specified in requirement R1.3 were implemented upon an occurrence of a *sabotage event*.

2. Between July 1, 2013 and June 30, 2016, written procedures did not include steps to communication information concerning sabotage events to the system controller. **R2** of the standard states:

**R2** Each responsible entity must document and implement procedures for communicating information concerning *sabotage events* to the *SC*.

**MR2** Written procedures exist, content is complete and meets the requirements of R2. Evidence exists that the procedures specified in requirement R2 were implemented upon an occurrence of a *sabotage event*.

3. Between July 1, 2013 and June 30, 2016, there was insufficient evidence to demonstrate provision of the sabotage event response procedures to operating personnel. **R3** of the standard states:

**R3** Each responsible entity must annually provide its operating personnel with sabotage event response procedures, including personnel to contact, for reporting sabotage events.

**MR3** Written procedures exist, content is complete and meets the requirements of R3. Records indicate that operating personnel were provided with the sabotage event response procedures and related contact information within the previous 12 months.

4. Between July 1, 2013 and June 30, 2016, written procedures did not include the contact information for ASSIST. **R4.1** of the standard states:

**R4** Each responsible entity must:

**R4.1** Document *sabotage event* reporting procedures that identify current communications contacts with the following:

- the local municipal police service, if applicable;
- the Royal Canadian Mounted Police; and
- the Alberta Security and Strategic Intelligence Support Team (ASSIST).

**MR4** Measures for this requirement are identified in the subsections below.

**MR4.1** Written procedures exist, content is complete and meets the requirements of R4.1. Records indicate that the contact information was verified within the previous 12 months.

### FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of Reliability Standard CIP-001-AB1-1, requirements R1, R2, R3, and R4.1.

### MATERIAL FACTS

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

1. AESO Alberta Reliability Standards Compliance Monitoring Audit Report dated November 1, 2016 based upon findings of the AESO Q3/2016 reliability compliance audit of Express Pipeline Limited Partnership.
2. Submission from Express Pipeline Limited Partnership to the MSA dated November 14, 2016.

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### 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](mailto:compliance@albertamsa.ca), with copy to the following AUC personnel: Sabi Ghavami (Director, Finance) [sabi.ghavami@auc.ab.ca](mailto:sabi.ghavami@auc.ab.ca), and Andrew Davison (Senior Market Analyst) [andrew.davison@auc.ab.ca](mailto:andrew.davison@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 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 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 17, 2016
Name:	Doug Doll	Title:	Director Corporate Services and Compliance