

NOTICE OF SPECIFIED PENALTY

Date of Issue: June 16, 2017		Payment Due Date: July 17, 2017	
MSA File Numbers	RS2017-014 and RS2017-015	Specified Penalty Amount	\$2,250
Registered Entity Name	Canadian Natural Resources Ltd.		
Reliability Standards	COM-001-AB-1.1 / COM-001-AB1-1.1	Self-Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirements	R5, R7	Accepted Mitigation Plan	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Date of Referral/Self Report	April 19, 2017	Date of Contravention	October 1, 2013 to September 30, 2016

EVENT DETAILS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2016–2018 audit schedule, the AESO conducted a scheduled Q4/2016 compliance monitoring audit of Canadian Natural Resources Ltd. The applicable audit period with respect to COM-001-AB-1.1 / COM-001-AB1-1.1 extended from October 1, 2013 to September 30, 2016. Based upon the AESO's audit findings, COM-001-AB-1.1 / COM-001-AB1-1.1 were contravened as follows:

1. From October 1, 2013 to September 30, 2016, there was insufficient evidence to demonstrate that Canadian Natural Resources Ltd. provided a means to coordinate voice and message telecommunications with the ISO and adjacent interconnected transmission operators, which coordination must include the ability to investigate and recommend solutions to voice and message telecommunications problems within Alberta.

R5 of the standard states:

R5 Each operator of a transmission facility must provide a means to coordinate voice and message telecommunications with the ISO and adjacent interconnected transmission operators, which coordination must include the ability to investigate and recommend solutions to voice and message telecommunications problems within Alberta.

MR5 Evidence of providing a means to coordinate voice and message telecommunications as required in requirement R5 exists. Evidence may include a documented procedure in place which identifies a process for coordinating telecommunications and a process for investigating and recommending solutions to telecommunications problems.

2. From October 1, 2013 to September 30, 2016, there was insufficient evidence to demonstrate that Canadian Natural Resources Ltd. had written operating instructions and procedures in place to enable continued operation of the interconnected electric system during the loss of voice and message telecommunication facilities.

R7 of the standard states:

R7 The ISO and each operator of a transmission facility must have written operating instructions and procedures to enable continued operation of the interconnected electric system during the loss of voice and message telecommunications facilities.

MR7 Evidence of having written operating instructions and procedures as required in requirement R7 exists. Evidence may include electronic or hard copy of the operating instructions and procedures.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of Reliability Standards COM-001-AB-1.1 / COM-001-AB1-1.1, requirements R5 and R7.

MATERIAL FACTS

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

1. AESO Alberta Reliability Standards Compliance Monitoring Audit Report dated April 19, 2017 based upon findings of the AESO Q4/2016 compliance monitoring audit of Canadian Natural Resources Ltd.
2. Mitigation Plan from Canadian Natural Resources Ltd. dated June 12, 2017.

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: 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 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.

SIGNATURE

Signature	"Original Signed"	Signature Date	June 16, 2017
Name	Doug Doll	Title	Director, Compliance and Corporate Services