

## NOTICE OF SPECIFIED PENALTY

Date of Issue: December 12, 2019		Payment Due Date: January 20, 2020	
MSA File Number	RS2018-226	<b>Specified Penalty Amount</b>	<b>\$3,750</b>
Registered Entity Name	Fort Hills Energy Corporation		
Reliability Standard	PRC-001-AB2-1	Self-Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirement	R3	Accepted Mitigation Plan	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Date of Referral/Self Report	August 14, 2018	Date of Contravention	September 17 to 18, 2017

### EVENT DETAILS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2018-2020 Audit Schedule, the AESO conducted a scheduled Q2/2018 compliance monitoring audit of Fort Hills Energy Corporation. The applicable audit period with respect to PRC-001-AB2-1 extended from May 1, 2015 to September 30, 2017. Based upon the AESO Audit findings, PRC-001-AB2-1 was contravened as follows:

For September 17 to 18, 2017, there was insufficient evidence submitted by Fort Hills Energy Corporation to demonstrate that Fort Hills Energy Corporation notified the ISO within 24 hours of protective relay failures for buses 635PP-1006 and 635PP-1007, which reduce transmission system reliability on the bulk electric system. PRC-001-AB2-1 states, in part:

**R3** Each operator of a transmission facility must do the following if a protective relay or equipment fails, and such failure reduces transmission system reliability on the bulk electric system:

- R3.1** notify the ISO, each directly affected operator of a transmission facility and interconnected transmission operator as soon as possible, but no longer than twenty four (24) hours after the earlier of receiving knowledge of or detecting such failure; and
- R3.2** commence as soon as possible, and proceed diligently thereafter, to correct such failure unless otherwise directed by the ISO.

**MR3** Measures for this requirement are identified in the subsections below:

- MR3.1** notifications exist for each failure as specified in requirement R3.1; and
- MR3.2** evidence exists that corrective actions have been taken as specified in requirement R3.2

### FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of Reliability Standard PRC-001-AB2-1, requirement R3.

### MATERIAL FACTS

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

1. Referral from the AESO to the MSA dated August 14, 2018, including the AESO Alberta Reliability Standards Compliance Monitoring Audit Report on the AESO Q2/18 compliance monitoring audit of Fort Hills Energy Corporation.
2. Mitigation Plan submitted by Fort Hills Energy Corporation to the MSA on September 5, 2019.
3. Revised completed Mitigation Plan submitted by Fort Hills Energy Corporation to the MSA on November 29, 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](mailto:compliance@albertamsa.ca), with copy to the following AUC personnel: Jeremy Smith (Financial Accountant) [Jeremy.Smith@auc.ab.ca](mailto:Jeremy.Smith@auc.ab.ca), and Greg Andrews (Investigator) [Greg.Andrews@auc.ab.ca](mailto: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](mailto:compliance@albertamsa.ca).

**SIGNATURE**

Signature	"Original Signed"	Signature Date	December 12, 2019
Name	Anders Renborg	Title	Director, Critical Infrastructure