

NOTICE OF SPECIFIED PENALTY

Date of Issue: September 27, 2019		Payment Due Date: October 28, 2019	
MSA File Number	RS2019-111	Specified Penalty Amount	\$2,250
Registered Entity Name	Alberta Newsprint Company		
Reliability Standard	VAR-002-AB-1.1b	Self-Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirement	R1	Accepted Mitigation Plan	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Date of Referral/Self Report	March 27, 2019	Date of Contravention	October 1 to 17, 2015 and March 17 to March 31, 2016

EVENT DETAILS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2018--2020 Audit Schedule, the AESO conducted a scheduled Q4/2018 compliance monitoring audit of Alberta Newsprint Company. The applicable audit period with respect to VAR-002-AB-1.1b extended from October 1, 2015 to March 31, 2016. Based upon the AESO's Audit findings, VAR-002-AB-1.1b was contravened as follows:

From October 1 to 17, 2015 and March 17 to 31, 2016, there was insufficient evidence to demonstrate that Alberta Newsprint Company had operated their generating units with the automatic voltage regulator in service, in voltage control mode. , VAR-002-AB-1.1b states, in part:

R1 The operator of a generating unit, subject to requirement R3 and the ISO's consent to operate otherwise, must only operate such generating unit with the automatic voltage regulator in service, in voltage control mode and controlling voltage.

MR1 Evidence of operating as required in requirement R1 exists. Evidence may include operator logs or data files.

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, requirement R1.

MATERIAL FACTS

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

1. Referral from the AESO to the MSA dated March 27, 2019, including the AESO Alberta Reliability Standards Compliance Monitoring Audit Report on the AESO Q4/2018 compliance monitoring audit of Alberta Newsprint Company.
2. Mitigation Plan submitted on September 5, 2019 by Alberta Newsprint Company to the MSA.

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, 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	September 27, 2019
Name	Anders Renborg	Title	Director, Compliance