

NOTICE OF SPECIFIED PENALTY

Date of Issue: January 30, 2024		Payment Due Date: February 29, 2024	
MSA File Number	RS2023-147	Specified Penalty Amount¹	\$ 2,250
Market Participant Name	City of Lethbridge		
Reliability Standard	FAC-008-AB-3	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	July 14, 2023	Date of Contravention	January 1, 2020

MSA FINDINGS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2021 to 2023 audit schedule, the AESO conducted the Q1/2023 compliance monitoring audit of City of Lethbridge (Lethbridge). The applicable audit period with respect to this standard extended from January 1, 2020, to December 31, 2022.

The Market Surveillance Administrator (MSA) finds that FAC-008-AB-3 R3 was contravened from January 1, 2020, to December 31, 2022, as there was insufficient evidence to demonstrate that Lethbridge documented the methodology for determining the facility ratings.

FAC-008-AB-3 states, in part:

R3 Each legal owner of a transmission facility must have a documented methodology for determining the facility ratings of its facilities (except for those facilities associated with a generating unit or aggregated generating facility addressed in requirements R1 and R2) that contains all of the following:

R3.1 the method used to establish the equipment ratings of the equipment that comprises the facility must be consistent with at least one (1) of the following:

- (a) ratings provided by equipment manufacturers or obtained from equipment manufacturer specifications, such as the nameplate rating;
- (b) one (1) or more industry standards developed through an open process such as the IEEE or CIGRE; or
- (c) a practice that has been verified by testing, performance history or engineering analysis;

R3.2 the underlying assumptions, design criteria, and methods used to determine the equipment ratings identified in requirement R3.1, including identification of how each of the following were considered:

- (a) equipment rating standard(s) used in development of this method;
- (b) ratings provided by equipment manufacturers or obtained from equipment manufacturer specifications;
- (c) ambient conditions (for particular or average conditions or as they vary in);
- (d) operating limitations; and
- (e) both summer and winter season operations, where summer is defined as May 1st at 12:01 AM Mountain Time to October 31st at 12:00 midnight Mountain Time and winter is defined as November 1st at 12:01 AM Mountain Time to April 30th at 12:00 midnight Mountain Time;

R3.3 a statement that a facility rating must not exceed the most limiting applicable equipment rating of the individual equipment that comprises that facility; and

R3.4 the process by which the equipment ratings of the equipment that comprises a facility are determined, where:

- R3.4.1 the scope of equipment that comprises the facility, addressed in accordance with requirement R3.4, must include, but not be limited to, conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices; and
- R3.4.2 the scope of equipment ratings addressed in accordance with requirement R3.4 must include, at a minimum, both normal ratings and emergency ratings, such that:
 - R3.4.2.1 the emergency ratings for equipment comprising power transformers must be specified for a 30 minute duration and the next 3.5 hour duration; and
 - R3.4.2.2 the emergency ratings for transmission lines must be specified for a ten (10) minute duration.

MR3 Evidence of having a documented facility ratings methodology as described in requirement R3 exists.

The MSA is satisfied that the conduct was a contravention of Reliability Standard FAC-008-AB-3, requirement R3.

DELIVERY OF PAYMENT

Payment can be made by electronic funds transfer (EFT). Please reach out to compliance@albertamsa.ca for instructions. When submitting the EFT, please send an email to AU.FinOps@gov.ab.ca, compliance@albertamsa.ca and enforcement@auc.ab.ca noting the dollar amount, date of the EFT, market participant name and the MSA File #. Questions can be directed to compliance@albertamsa.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 an Alberta 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.

APPROVED BY

Mark Nesbitt, Director, Enforcement on January 29, 2024.

¹ Specified penalty amount conditional on the completion of the accepted Mitigation Plan.