

NOTICE OF SPECIFIED PENALTY

Date of Issue: August 18, 2026		Payment Due Date: September 18, 2026	
MSA File Number	RS2026-042	Specified Penalty Amount ¹	\$2,250.00
Market Participant Name:	TransCanada Energy Ltd.		
Reliability Standard	FAC-008-AB-3	Self-Report	Yes: ☐ No: ☒
Requirement	R2	Accepted Mitigation Plan	Yes: ☒ No: ☐
Date of Referral / Self Report	February 27, 2026	Date of Contravention:	May 01, 2022 - April 30, 2025
MSA FINDINGS			

FAC-008-AB-3 Requirement R2 states:

R2 Each legal owner of a generating unit and legal owner of an aggregated generating facility must have a documented methodology for determining the facility ratings of its facilities connected between the location specified in requirement R1 and the interface with a transmission facility (based on equipment ownership) that contains all of the following:

R2.1 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 the International Council on Large Electric Systems ("CIGRE"); or (c) a practice that has been verified by testing, performance history or engineering analysis;

R2.2 the underlying assumptions, design criteria, and methods used to determine the equipment ratings identified in requirement R2.1, 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 real time);
- (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

R2.3 a statement that a facility rating must not exceed the most limiting applicable equipment rating of the individual equipment that comprises that facility;

R2.4 the process by which the equipment ratings of the equipment that comprises a facility are determined, where:

R2.4.1 the scope of equipment that comprises the facility, addressed in accordance with requirement R2.4 must include (based on equipment ownership), but not be limited to, conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices; and

R2.4.2 the scope of equipment ratings addressed in accordance with requirement R2.4 must include, as a minimum, both normal ratings and emergency ratings, such that:

R2.4.2.1 the emergency ratings for equipment comprising power transformers must be specified for a 30 minute duration and the next 3.5 hour duration; and R2.4.2.2 the emergency ratings for transmission lines must be specified for a ten (10) minute duration.

Based on the information in the AESO's referral, the MSA is satisfied TransCanada Energy Ltd. (TCN) contravened FAC-008-AB-3 R2, from May 1, 2022, to Apr 30, 2025, as TCN's methodology for determining facility ratings did not include a process for determining emergency ratings for the 138 kV transmission line, and nor did it include the emergency rating specified for a ten-minute duration as required by R2.4.2.2.

The MSA assessed this contravention as Lower severity based on the facts presented and in consideration of the impact, the risk or the scope of the contravention on the safe, reliable and economic operation of the interconnected electric system.

The MSA accepted the mitigation plan, in accordance with section 4.9(c) of AUC Rule 027, as the actions correct the contravention and are intended to prevent reoccurrence of the root cause.

DELIVERY OF PAYMENT

Payment can be made by electronic funds transfer (EFT). Please reach out to compliance@albertamsa.ca (<mailto:compliance@albertamsa.ca>) for instructions. When submitting the EFT, please send an email to AU.FinOps@gov.ab.ca (<mailto:AU.FinOps@gov.ab.ca>), compliance@albertamsa.ca (<mailto:compliance@albertamsa.ca>) and enforcement@auc.ab.ca (<mailto:enforcement@auc.ab.ca>) noting the MSA file #, market participant name, name as appears on bank account, payment amount and the date of the payment. Questions can be directed to compliance@albertamsa.ca (<mailto: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 unless it qualifies for the public reporting exception for critical infrastructure protection (CIP) contraventions in s. 5.3 of AUC Rule 027. 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>).

APPROVED BY

Johanne Poirier Mouallem, Advisor, Alberta Reliability Standards on August 18, 2026

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