NOTICE OF SPECIFIED PENALTY

Date of Issue: December 17, 2010		Payment Due Date: January 19, 2011	
MSA File Number:	2010-103	**Specified Penalty Amount:**	$ 5,000
Market Participant Name:	Morgan Stanley Capital Group		
Asset ID (if applicable):	MOBC	Self Report	☐ YES ☒ NO
ISO Rule:	6.3.3	Date of Contravention:	August 17, 2010
Date of Referral/Self Report:	November 15, 2010	This is the 5th contravention by this asset for this rule within a rolling 12 month period.	

EVENT DETAILS

On August 17, 2010 an offer restatement was submitted for the MOBC asset at 7:27 for HE 8 which increased the available capability (AC) for the asset within the T-2 window. This restatement had the effect of increasing the AC value from 0 to 25 MW. ISO rule 6.3.3 requires that the sum of the importer's (exporter's) e-tag quantities (MW) and importer's (exporter's) wheel-through interchange e-tag quantities (MW) for a single import source (sink) asset may only be less than the AC of such asset stated two hours before the start of the settlement interval if the importer (exporter) has an acceptable operational reason. Each importer (exporter) who offers (bids) energy must submit an energy restatement in accordance with rule 3.5.3.2 prior to the settlement interval in which the the offer is to take effect, if the sum of the importer's (exporter's) e-tag quantities (MW) and importer's (exporter's) wheel-through interchange transaction e-tag quantities (MW) for such settlement interval is less than the AC. Unless otherwise requested by the system controller under rule 6.3.7, the sum of the e-tag quantities (MW) and importer's (exporter's) wheel through interchange transaction e-tag quantities (MW) cannot be greater than the AC offerred two hours before the start of a settlement interval.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of ISO rule 6.3.3.

MATERIAL FACTS

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

1. AESO restatement data for the MOBC asset for August 17, 2010.
2. AESO Information Request to Morgan Stanley Capital Group dated October 14, 2010.
3. Morgan Stanley Capital Group October 27, 2010 response to AESO information request.
4. AESO letter to Morgan Stanley Capital Group dated November 15, 2010 notifying the referral of the matter to the MSA.
5. Morgan Stanley Capital Group December 13, 2010 response to the MSA's email dated December 9, 2010.

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: Sabi Ghavami (Director, Finance) sabi.ghavami@auc.ab.ca, and Darin Lowther (Director, Market Rules) darin.lowther@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 an ISO rule. Specified penalties are set out in AUC Rule 019.

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 019 this Notice of Specified Penalty will be made public no earlier 30 days 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:	December 17, 2010
Name:	Doug Doll	Title:	Manager Compliance