

NOTICE OF SPECIFIED PENALTY

Date of Issue: July 26, 2012

Payment Due Date: August 27, 2012

MSA File Number:	2012-205	Specified Penalty Amount:	\$ 1,500
Market Participant Name:	MEG Energy Corp.		
Asset ID (if applicable):	MEG1	Self Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
ISO Rule:	3.5.3	Date of Contravention:	February 2, 2012
Date of Referral/Self Report:	July 9, 2012	This is the second contravention by this asset for this rule within a rolling 12 month period.	

EVENT DETAILS

On February 2, 2012 between 05:01 to 05:59, the Available Capability (AC) of the MEG1 asset for HE 6 was 35 MW while the maximum capability was at 78 MW. During this same time period, the MEG1 asset was generating between 45 MW and 78 MW. At 06:00, the AC for the MEG1 asset was restated to 73 MW for HE 7. Section 3.5.3.1 (c) of ISO Rule 3.5.3 states "the available capability (MW) for each source asset must be stated. Available capability must equal the maximum capability, unless the pool participant has submitted an acceptable operational reason with the offer".

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of ISO Rule 3.5.3.

MATERIAL FACTS

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

1. AESO available capability, maximum capability, generation and dispatch data for the MEG1 asset for February 2, 2012.
2. AESO Information Request to MEG Energy Corp. dated June 14, 2012.
3. MEG Energy Corp. June 21, 2012 response to the AESO Information Request.
4. AESO letter to MEG Energy Corp. dated July 9, 2012 notifying the referral of the matter 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: 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:		Signature Date:	July 26, 2012
Name:	Doug Doll	Title:	Manager Compliance