

NOTICE OF SPECIFIED PENALTY

Date of Issue: September 20, 2012

Payment Due Date: October 22, 2012

MSA File Number:	RS2010-024	Specified Penalty Amount:	\$ 7,500
Registered Entity Name:	Syncrude Canada Limited		
Reliability Standard :	CIP-001-AB-1	Self Report:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Requirement:	R3	Accepted Mitigation Plan:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Date of Referral/Self Report:	December 9, 2011	Date of Contravention:	April 12, 2010 to March 31, 2011

EVENT DETAILS

A contravention of R3 of CIP-001-AB-1 was initially self-reported by Syncrude Canada Limited ("Syncrude") on November 24, 2010. Two self-report resubmissions and mitigation plans were submitted on January 13, 2011 and March 11, 2011. The mitigation plan was certified by Syncrude as completed March 25, 2011. Subsequently, the Alberta Electric System Operator conducted a scheduled Q2 2011 compliance monitoring audit of Syncrude. The audit period was from the effective date of the standard (April 12, 2010) until March 31, 2011. The evidence provided within the audit indicated that 22 operating personnel completed an internal training course titled "Electricity Regulation Compliance Training" during March 2011. However, the submitted evidence describing this training course did not demonstrate that operating personnel received sabotage event response procedures. R3 of Alberta Reliability Standard CIP-001-AB-1 states "Each responsible entity must annually provide its operating personnel with sabotage event response procedures, including personnel to contact, for reporting sabotage events".

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of Reliability Standard CIP-001-AB-1, requirement 3. Additionally no penalty reduction regarding the previously submitted mitigation plan was made in recognition of the audit results.

MATERIAL FACTS

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

1. Syncrude's self-report sent on November 24, 2010.
2. Syncrude's self-report resubmission and mitigation plan sent on January 13, 2011 (dated January 12, 2011).
3. Syncrude's self-report resubmission and mitigation plan sent on March 11, 2011.
4. Syncrude's mitigation plan completion form sent on April 12, 2012.
5. The AESO's Alberta Reliability Standards Compliance Monitoring Audit Report dated December 9, 2011 based upon the audit evidence collected by the AESO.
6. The MSA's information request to the AESO dated April 5, 2012.
7. The AESO's April 24, 2012 response to the MSA's information request.
8. The MSA's explanation request to the AESO dated June 29, 2012.
9. The AESO's August 16, 2012 response to the MSA's explanation request.

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 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 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:	September 20, 2012
Name:	Doug Doll	Title:	Manager Compliance