

NOTICE OF SPECIFIED PENALTY

Date of Issue: June 19, 2013

Payment Due Date: July 19, 2013

MSA File Number:	RS2013-013	Specified Penalty Amount:	\$ 7,500
Registered Entity Name:	Enbridge Pipelines Inc.		
Reliability Standard :	CIP-001-AB-1	Self Report:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Requirement:	All requirements	Accepted Mitigation Plan:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Date of Referral/Self Report:	October 21, 2012	Date of Contravention:	April 12 2010 – June 30, 2012

EVENT DETAILS

Enbridge Pipelines Inc. (Enbridge) self-reported non-compliance with R4.1 and R4.2 of the standard on November 23, 2010 on the basis that its internal procedures did not satisfy these requirements. On January 27, 2011, the MSA issued a notification of conditional forbearance pending the outcome of an Enbridge application to the AESO regarding applicability of CIP-001-AB-1. In correspondence with the AESO dated August 4, 2011, Enbridge withdrew its exemption request pertaining to CIP-001-AB-1. On December 19, 2011, the MSA requested confirmation from Enbridge of whether an exemption had been obtained. On January 11, 2012, Enbridge acknowledged to the MSA that an exemption had not been received from the AESO. Based upon subsequent acknowledgements from Enbridge to the MSA that the organization was in full compliance with the standard as of August 2011 and that there had been no sabotage events from the effective date of the standard to August 2011, the MSA issued a letter to Enbridge dated March 16, 2012 indicating that the matter would not be pursued further subject to there being no misrepresentation of any material fact and Enbridge meeting the terms and conditions agreed to. Subsequently, AESO reliability compliance audit findings determined that existing Enbridge procedures were non-specific in relation to the recognition and reporting of sabotage events, accordingly, the AESO suspected a contravention of all requirements of the standard for the duration of the audit period (April 12 2010 – June 30, 2012). All requirements of CIP-001-AB-1 (R1-4) require the existence of written procedures that expressly relate to the recognition and reporting of 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, all requirements.

MATERIAL FACTS

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

1. Enbridge self-report to MSA dated November 23, 2010 and related correspondence for MSA matter RS2010-023
2. Enbridge correspondence with AESO dated August 4, 2011 pertaining to exemption request.
3. Enbridge correspondence with MSA dated January 11, 2012 pertaining to status of the exemption request.
4. Enbridge correspondence with MSA dated March 1, 2012 regarding compliance status per CIP-001-AB-1.
5. Enbridge correspondence with MSA dated March 7, 2012 regarding compliance status per CIP-001-AB-1.
6. AESO Compliance Monitoring Audit Report (audit period: April 12, 2010 – June 30, 2012) dated April 19, 2013.

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:	"Original Signed"	Signature Date:	June 19, 2013
Name:	Doug Doll	Title:	Manager, Compliance and Corporate Services