

NOTICE OF SPECIFIED PENALTY

Date of Issue: September 11, 2013

Payment Due Date: October 14, 2013

MSA File Numbers:	RS2013-027, RS2013-028, RS2013-029, RS2013-030	Specified Penalty Amount:	\$10,000
Registered Entity Name:	TransCanada Energy Ltd.		
Reliability Standard :	CIP-001-AB-1	Self Report:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirement:	R1.2, R2, R3, R4.1	Accepted Mitigation Plan:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Date of Referral/Self Report:	2013-07-26	Date of Contravention:	2010-04-12 – 2012-07-15

EVENT DETAILS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2011 – 2014 Audit schedule, the AESO conducted a scheduled Q4 2012 compliance monitoring audit of TransCanada Energy Ltd. (TCE). The applicable audit period with respect to CIP-001-AB-1 (“the standard”) extended from the effective date of the standard (April 12, 2010) to September 30, 2012. Based upon AESO audit findings, CIP-001-AB-1 was contravened in four instances as follows:

- Findings from the AESO compliance audit indicated a lack of evidence to demonstrate that TCE had procedures in place from April 12, 2010 to January 11, 2012 for receiving information regarding sabotage events affecting the Interconnection from the ISO and the Alberta Security and Strategic Intelligence Support Team (ASSIST).

R1.2 of the standard states the following:

R1 Each responsible entity must document and implement procedures for:

R1.2 Receiving information about *sabotage events* affecting the *Interconnection* from:

- o the *ISO*
- o the local municipal police service, if applicable
- o the Royal Canadian Mounted Police
- o the Alberta Security and Strategic Intelligence Support Team (ASSIST)

- Findings from the AESO compliance audit indicated a lack of evidence to demonstrate that TCE had procedures in place from April 12, 2010 to January 11, 2012 for communicating information concerning sabotage events to the ISO.

R2 of the standard states the following:

R2 Each responsible entity must document and implement procedures for communicating information concerning sabotage events to the SC.

- Findings from the AESO compliance audit indicated a lack of evidence to demonstrate that between December 22, 2010 and July 15, 2012 operating personnel were provided annually with sabotage event response procedures, including personnel to contact, for reporting sabotage events.

R3 of the standard states the following:

R3 Each responsible entity must annually provide its operating personnel with sabotage event response procedures, including personnel to contact, for reporting sabotage events.

- Findings from the AESO compliance audit indicated a lack of evidence to demonstrate that current communications contacts with the Alberta Security and Strategic Intelligence Support Team (ASSIST) were documented from April 12, 2010 to January 11, 2012.

R4.1 of the standard states the following:

R4 Each responsible entity must:

R4.1 Document sabotage event reporting procedures that identify current communications contacts with the following:

- o the local municipal police service, if applicable;
- o the Royal Canadian Mounted Police;
- o the Alberta Security and Strategic Intelligence Support Team (ASSIST)

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the events were contraventions of Reliability Standard CIP-001-AB-1, requirements R1.2, R2, R3, and R4.1.

MATERIAL FACTS

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

1. The AESO's Alberta Reliability Standards Compliance Monitoring Audit Report dated September 27, 2012 based upon the audit evidence collected by AESO
2. Additional information submitted by letter from TCE to the MSA dated August 27, 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:	September 11, 2013
Name:	Doug Doll	Title:	Manager, Compliance and Corporate Services