

NOTICE OF SPECIFIED PENALTY

Date of Issue: September 12, 2014

Payment Due Date: October 13, 2014

MSA File Number:	2014-273	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:	203.3	Date of Contravention:	March 13, 2014
Date of Referral/Self Report:	August 14, 2014	This is the second contravention by this asset for this rule within a rolling 12 month period.	

EVENT DETAILS

On March 12, 2014 the MEG1 generating asset had a declared Available Capability (AC) of 92MW for the settlement period HE 01 on March 13, 2014. At 23:42 on March 12, 2014, MEG1 was dispatched to move from 135MW to 92MW effective at the beginning of the upcoming settlement period (00:00 on March 13, 2014). The 23:42 dispatch timed out without acknowledgement. The 23:42 dispatch was re-issued at 23:45 and was subsequently rejected. During the relevant period, the net generation level of MEG1 was stable at or about 135MW. At 00:37 on March 13, 2014, MEG1 restated AC for HE01 on March 13 to 135MW and at 00:38, received a dispatch to 135MW which was accepted. ISO Rule 203.3 states that a pool participant with a submitted offer must, if there is a change to the available capability of the source asset as a result of an acceptable operational reason, submit an available capability restatement revising the available capability for the applicable hours, as soon as reasonably practicable.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of ISO Rule 203.3.

MATERIAL FACTS

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

1. AESO generation, dispatch, and available capability (AC) data for MEG1 for March 12-13, 2014.
2. AESO information request issued to MEG1 on July 10th, 2014.
3. AESO information request clarifications provided to MEG1 on July 15th and 16th, 2014.
4. MEG1 responses provided to AESO on July 15th, 16th, and 17th 2014.
5. AESO letter to MEG1 dated August 14, 2014 indicating 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:	"Original Signed"	Signature Date:	September 12, 2014
Name:	Doug Doll	Title:	Manager, Compliance and Corporate Services