

NOTICE OF SPECIFIED PENALTY

Date of Issue: September 16, 2014

Payment Due Date: October 16, 2014

MSA File Number:	2014-282	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:	203.4	Date of Contravention:	April 1, 2014
Date of Referral/Self Report:	August 19, 2014	This is the first contravention by this asset for this rule within a rolling 12 month period.	

EVENT DETAILS

On April 1, 2014 at or about 13:31, an apparent unit trip caused the MEG1 generating asset to begin ramping down from a prevailing dispatch level of 150 MW. By 13:34, the output of MEG1 leveled off at approximately 57 MW. Just prior to 13:35, an AC restatement was submitted for MEG1 restating AC from 150 MW to 85 MW. Just prior to 13:36, MEG1 accepted a dispatch from 150MW to 85MW for immediate effect. MEG1 maintained a steady net to grid output level of approximately 57MW from 13:35 until 14:16 while dispatched to 85MW. ISO rule section 203.4 states that a pool participant must, if an operational deviation extends for twenty (20) minutes or longer, submit an available capability restatement or MW restatement for the generating source asset that represents the operational capability of the generating source asset and must do so no later than twenty (20) minutes after the commencement of the operational deviation. While a restatement of AC was performed within the 20 minute time frame in this case, the restatement appeared not to represent the operational capability of the source asset between 13:35 and 14:16.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of ISO Rule 203.4.

MATERIAL FACTS

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

1. AESO generation and dispatch data for the MEG1 asset on April 1, 2014.
2. AESO information request issued to MEG1 on July 17, 2014.
3. MEG Energy Corp. response to the AESO information request dated July 29, 2014.
4. AESO letter to the MEG Energy Corp. dated August 19, 2014 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 than receipt of confirmation of payment from the Commission 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 16, 2014
Name:	Doug Doll	Title:	Manager Compliance and Corporate Services