

NOTICE OF SPECIFIED PENALTY

Date of Issue: April 23, 2014

Payment Due Date: May 23, 2014

MSA File Number:	RS2014-038 through RS2014-042	Specified Penalty Amount:	\$10,000
Registered Entity Name:	Air Liquide Canada Inc.		
Reliability Standard :	CIP-001-AB-1 / CIP-001-AB1-1	Self Report:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirement:	All, R1, R2, R3, R4	Accepted Mitigation Plan:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Date of Referral/Self Report:	2014-04-08	Date of Contravention:	April 12, 2010 – March 31, 2013

EVENT DETAILS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2011 – 2014 Audit schedule, the AESO conducted a scheduled Q2 2013 compliance monitoring audit of Air Liquide Canada Inc. (ALC). The applicable audit period with respect to CIP-001 extended from the effective date of the standard to March 31, 2013. Based upon AESO audit findings, CIP-001 was contravened in the following instances:

- 1) CIP-001-AB-1, all requirements. From April 12, 2010 to February 28, 2011 there were no written sabotage reporting procedures in place.

MR1 through **MR4** of the standard includes: Written procedures exist, content is complete and meets [the] requirement.
- 2) CIP-001-AB1-1, R1. From March 1, 2011 up to March 31, 2013, written procedures did not include action steps in the event that information is received from one of the entities listed in R1.2. **R1** of the standard states:

R1 Each responsible entity must document and implement procedures for:
 - R1.1** Recognizing sabotage events on its equipment.
 - R1.2** Receiving information about sabotage events affecting the Interconnection from:
 - The *ISO*;
 - the local municipal police service, if applicable;
 - the Royal Canadian Mounted Police; and
 - the Alberta Security and Strategic Intelligence Support Team (ASSIST).
 - R1.3** Making its operating personnel aware of sabotage events on its equipment and sabotage events affecting the Interconnection
- 3) CIP-001-AB1-1, R2. From March 1, 2011 up to March 31, 2013, the *SC* contact information included in the written procedure was incorrect. **R2** of the standard states:

R2 Each responsible entity must document and implement procedures for communicating information concerning sabotage events to the *SC*.
- 4) CIP-001-AB1-1, R3. From March 1, 2011 to March 31, 2013, there were some operating personnel that were not provided with the sabotage event response procedure. **R3** of the standard states:

R3 Each responsible entity must annually provide its operating personnel with sabotage event response procedures, including personnel to contact, for reporting sabotage events.
- 5) CIP-001-AB1-1, R4. From March 1, 2011 to March 31, 2013, the procedures in effect did not include current contact information of ASSIST, and the contact information of ASSIST was not verified within the previous 12 months. **R4** and **MR4.1** of the standard state the following:

R4 Each responsible entity must :
 - R4.1** Document sabotage event reporting procedures that identify current communications contacts with the following:
 - the local municipal police service, if applicable;
 - the Royal Canadian Mounted Police; and
 - the Alberta Security and Strategic Intelligence Support Team (ASSIST)
 - R4.2** Implement the procedures as identified in requirement R4.1 upon the occurrence of a sabotage event.
MR4 Measures for this requirement are identified in the subsections below.
MR4.1 Written procedures exist, content is complete and meets the requirements of R4.1. Records indicate that the contact information was verified within the previous 12 months

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the events described were contraventions of the applicable versions of Reliability Standard CIP-001, all requirements, R1, R2, R3 and R4.

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MATERIAL FACTS

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

1. AESO Alberta Reliability Standards Compliance Monitoring Audit Report dated April 7, 2014 based upon findings of the AESO Q2/2013 reliability compliance audit.

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 the 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:	April 23, 2014
Name:	Doug Doll	Title:	Manager, Compliance and Corporate Services