

## NOTICE OF SPECIFIED PENALTY

Date of Issue: May 6, 2014

Payment Due Date: June 6, 2014

MSA File Numbers:	RS2014-046 through RS2014-049	<b>Specified Penalty Amount:</b>	\$7,500
Registered Entity Name:	Shell Canada Limited		
Reliability Standard :	CIP-001-AB-1 / CIP-001-AB1-1	Self Report:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Requirement:	All, R1, R3, R4	Accepted Mitigation Plan:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Date of Referral/Self Report:	April 10, 2014	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 Shell Canada Limited. 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 and CIP-001-AB1-1, all requirements. There were no written sabotage reporting procedures in place for the following units:
  - o Caroline - from April 12, 2010 to March 27, 2011
  - o Scotford Upgrader – from February 14, 2012 to March 31, 2013

**MR1** through **MR4** of the standard includes: Written procedures exist, content is complete and meets [the] requirement.

- 2) CIP-001-AB-1 and CIP-001-AB1-1, R1. From March 28, 2011 to March 31, 2013, for the Caroline generating unit:
  - o The procedures in effect during this period did not include action steps in the event information is received from one of the entities listed in R1.2.
  - o The procedures in effect during this period did not include steps to make its operating personnel aware of sabotage events.

**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
- 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-AB-1 and CIP-001-AB1-1, R3. From March 28, 2011 to March 31, 2013 there were operating personnel who were not provided with the sabotage event response procedures during the following periods:
  - o March 28, 2011 to March 31, 2013 as nine operating personnel identified were not provided with the procedures.
  - o March 28, 2011 to May 31, 2011 and June 1, 2012 to March 31, 2013 as eleven operating personnel were not annually provided with the sabotage procedures.

**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.

- 4) CIP-001-AB-1 and CIP-001-AB1-1, R4. From March 28, 2011 to March 31, 2013, for the Caroline generating unit, the procedures in effect during this period did not include any contact information of the entities listed in R4.1. **R4.1** 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)

**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

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### FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the events were contraventions of the applicable versions of Reliability Standard CIP-001, all requirements, R1, R3, and R4 respectively. Additionally, no penalty reduction regarding a mitigation plan was made in recognition of the audit results.

### MATERIAL FACTS

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

1. AESO Alberta Reliability Standards Compliance Monitoring Audit Report dated March 31, 2014 based upon findings of the AESO Q2/2013 reliability compliance audit.
2. Shell Canada Limited self-report of CIP-001-AB-1 contraventions dated November 19, 2010, and accompanying mitigation plan revised on December 13, 2010.

### 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](mailto:compliance@albertamsa.ca), with copy to the following AUC personnel: Sabi Ghavami (Director, Finance) [sabi.ghavami@auc.ab.ca](mailto:sabi.ghavami@auc.ab.ca), and Darin Lowther (Director, Market Rules) [darin.lowther@auc.ab.ca](mailto: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](mailto:compliance@albertamsa.ca).

### SIGNATURE

Signature:	"Original Signed"	Signature Date:	May 6, 2014
Name:	Doug Doll	Title:	Manager, Compliance and Corporate Services