

NOTICE OF SPECIFIED PENALTY

Date of Issue: June 13, 2014

Payment Due Date: July 14, 2014

MSA File Number:	RS2013-049	Specified Penalty Amount:	\$7,500
Registered Entity Name:	Alberta-Pacific Forest Industries		
Reliability Standard :	CIP-001-AB-1	Self Report:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Requirement:	R3	Accepted Mitigation Plan:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Date of Referral/Self Report:	May 23, 2014	Date of Contravention:	June 14, 2011 – April 10, 2013

EVENT DETAILS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2011 – 2014 Audit schedule, the AESO conducted a scheduled Q4/2013 compliance monitoring audit of Alberta-Pacific Forest Industries (ALPAC). The applicable audit period with respect to CIP-001 extended from the effective date of the standard (R3: April 12, 2010) to September 30, 2013. Based upon AESO audit findings, CIP-001 was contravened in the following instance:

- 1) CIP-001-AB-1, R3. From June 14, 2011 up to April 10, 2013, there was insufficient evidence to demonstrate that all of ALPAC's operating personnel received the sabotage event procedures, including personnel to contact, for reporting sabotage events in the abovementioned period.

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.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of Reliability Standard CIP-001-AB-1, requirement R3.

MATERIAL FACTS

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

- 1) Alberta-Pacific Forest Industries self-report submitted to the MSA on October 30, 2013.
- 2) The AESO's Alberta Reliability Standards Compliance Monitoring Audit Report dated May 23, 2014 based upon findings of the AESO Q4/2013 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:	June 13, 2014
Name:	Doug Doll	Title:	Manager, Compliance and Corporate Services