

NOTICE OF SPECIFIED PENALTY

Date of Issue: May 6, 2014

Payment Due Date: June 6, 2014

MSA File Numbers:	RS2014-050, RS2014-051	Specified Penalty Amount:	\$5,000
Registered Entity Name:	Shell Canada Limited		
Reliability Standard :	PRC-001-AB-1 / PRC-001-AB1-1	Self Report:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirement:	R1, R5	Accepted Mitigation Plan:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Date of Referral/Self Report:	April 10, 2014	Date of Contravention:	January 13, 2011 – 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 PRC-001 extended from the effective date of the standard to March 31, 2013. Based upon AESO audit findings, PRC-001 was contravened in the following instances:

- 1) PRC-001-AB-1 and PRC-001-AB1-1, R1. From January 13, 2011 up to March 31, 2013, no evidence was seen to demonstrate that Shell Canada Limited's operating personnel were familiar with the purpose and limitations of protection system schemes applied in its area. **R1** of the standard states:

R1 The operating personnel of each of the ISO, the *operator* of a *transmission facility*, the *operator* of a generating unit and the *operator* of an *aggregated generating facility* must be familiar with the purpose and limitations of protection system schemes applied in its area

MR1 Training records are available that indicate training of staff who operate the system in protection system schemes and any RASs applicable within their system.
- 2) PRC-001-AB-1 and PRC-001-AB1-1, R5. From January 22, 2010 to March 31, 2013, no evidence was seen to demonstrate that Shell Canada Limited coordinated all new protection systems and all protection system changes with its interconnecting TFO and the ISO. **R5** of the standard states:

R5 Each *legal owner* of a *generating unit* and *legal owner* of an *aggregated generating facility* must coordinate all new *protection systems* and all *protection system* changes with each interconnecting *legal owner* of a *transmission facility* and the *ISO*.

MR5 Evidence exists including, but not limited to, revised fault analysis study, letters of agreement on settings, notifications of changes, all of which meets the requirements as specified in requirement R5.

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 PRC-001, requirements R1 and R5.

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.

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.

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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.

SIGNATURE

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