

## NOTICE OF SPECIFIED PENALTY

Date of Issue: July 23, 2014

Payment Due Date: August 25, 2014

MSA File Numbers:	RS2014-076 through RS2014-079	<b>Specified Penalty Amount:</b>	\$7,500
Registered Entity Name:	Canadian Natural Resources Ltd..		
Reliability Standard :	CIP-001-AB-1 / CIP-001-AB1-1	Self Report:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Requirement:	R1, R2, R3, R4.1	Accepted Mitigation Plan:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Date of Referral/Self Report:	June 25, 2014	Date of Contravention:	April 12, 2010 – September 30, 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 Canadian Natural Resources Ltd (CNRL). The applicable audit period with respect to CIP-001 extended from the effective date of the standard (April 12, 2010) to September 30, 2013. Based upon AESO audit findings, CIP-001 was contravened in the following instances:

- 1) Findings from the AESO compliance audit indicated there was insufficient evidence to demonstrate that documented sabotage event related procedures meeting the requirement R1 specifications existed at CNRL sites:
  - o April 12, 2010 – December 5, 2010 for the Primrose site
  - o April 12, 2010 – November 11, 2012 for the Horizon site

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

- 2) Findings from the AESO compliance audit indicated there was insufficient evidence to demonstrate that documented procedures for communicating information concerning sabotage events to the SC existed at CNRL sites:
  - o April 12, 2010 to December 5, 2010 for the Primrose site
  - o April 12, 2010 to November 11, 2012 for the Horizon site

**R2** of the standard states:

**R2** Each responsible entity must document and implement procedures for communicating information concerning sabotage events to the SC.

- 3) Findings from the AESO compliance audit indicated there was insufficient evidence to demonstrate that all applicable operating personnel at the following sites were provided with sabotage event response procedures:
  - o April 12, 2010 until July 24, 2011 for the Primrose site
  - o April 12, 2010 until May 21, 2013 for the Horizon site

**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) Findings from the AESO compliance audit indicated there was insufficient evidence to demonstrate that documented sabotage event reporting procedures existed that identified contacts for the local police service, RCMP and ASSIST or there was insufficient evidence to demonstrate that applicable contacts were verified within the previous 12 months:
  - o April 12, 2010 until December 5, 2010 for the Primrose site
  - o April 12, 2010 until November 11, 2012 for the Horizon site
  - o February 16, 2013 until September 30, 2013 for the Primrose site

**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 R1, R2, R3, and R4.1 respectively.

### MATERIAL FACTS

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

1. AESO Alberta Reliability Standards Compliance Monitoring Audit Report dated June 25, 2014 based upon findings of the AESO Q4/2013 reliability compliance audit.
2. Reliability Standards Self Report submitted to the MSA by CNRL on July 27, 2011.

### 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 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](mailto:compliance@albertamsa.ca).

### SIGNATURE

Signature:	"Original Signed"	Signature Date:	July 23, 2014
Name:	Doug Doll	Title:	Manager, Compliance and Corporate Services