

NOTICE OF SPECIFIED PENALTY

Date of Issue: October 23, 2014

Payment Due Date: November 24, 2014

MSA File Number:	RS2014-104 through RS2014-107	Specified Penalty Amount:	\$ 10,000
Registered Entity Name:	FortisAlberta Inc.		
Reliability Standard :	CIP-001-AB-1/CIP-001-AB1-1	Self Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirement:	R1.2, R2, R3, R4.1	Accepted Mitigation Plan:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Date of Referral/Self Report:	September 9, 2014	Date of Contravention:	July 1, 2011 – March 31, 2014

EVENT DETAILS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2014 – 2016 Audit schedule, the AESO conducted a scheduled Q2 2014 compliance monitoring audit of FortisAlberta Inc. The applicable audit period with respect to CIP-001 extended from July 1, 2011 to March 31, 2014. Based upon AESO audit findings, CIP-001 was contravened in the following instances:

- 1) CIP-001-AB-1/CIP-001-AB1-1 R1.2. From July 1, 2011 to March 31, 2014, sabotage reporting procedures did not include processes for receiving information about sabotage events from one of the entities listed in R1.2. R1.2 and MR1.2 of the standard states:

R1 Each responsible entity must document and implement procedures for:

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)

MR1.2 Written procedures exist, content is complete and meets requirement R1.2. Evidence exists that the procedures specified in requirement R1.2 were implemented upon an occurrence of a sabotage event.
- 2) CIP-001-AB-1/CIP-001-AB1-1 R2. From July 1, 2011 to March 31, 2014, sabotage reporting procedures did not include steps to communicate information concerning sabotage events to the SC, nor did those procedures include the contact information of the SC. R2 and MR2 of the standard states:

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

MR2 Written procedures exist, content is complete and meets the requirements of R2. Evidence exists that the procedures specified in requirement R2 were implemented upon an occurrence of a sabotage event.
- 3) CIP-001-AB-1/CIP-001-AB1-1 R3. From July 1, 2011 to November 27, 2013, operating personnel were not provided with sabotage reporting procedures. From November 28, 2013 to March 31, 2014, not all operating personnel were provided with sabotage reporting procedures. R3 and MR3 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.

MR3 Written procedures exist, content is complete and meets the requirements of R3. Records indicate that operating personnel were provided with the sabotage event response procedures and related contact information within the previous 12 months.
- 4) CIP-001-AB-1/CIP-001-AB1-1 R4.1. From July 1, 2011 to March 31, 2013, sabotage reporting procedures did not include contact information for the entities listed under R4.1 of the standard which states:

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).

To satisfy this requirement, MR4.1 necessitates:

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 R1.2, 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 September 8, 2014 based upon findings of the AESO Q2/2014 reliability compliance audit of FortisAlberta Inc.

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