

NOTICE OF SPECIFIED PENALTY

Date of Issue: January 15, 2015

Payment Due Date: February 17, 2015

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| MSA File Number: | 2014-421 | Specified Penalty Amount: | \$ 250 |
| Market Participant Name: | AltaGas Ltd. | | |
| Asset ID (if applicable): | ALP2 | Self Report | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
| ISO Rule: | 3.6.2 | Date of Contravention: | November 21, 2014 |
| Date of Referral/Self Report: | December 5, 2014 | This is the first contravention by this asset for this rule within a rolling 12 month period. | |

EVENT DETAILS

From 17:20 to 18:00 on November 21, 2014, ALP2 ramped up energy production from 0 MW to their maximum capability (MC) of 10 MW, resulting in an inability to comply with a supplemental reserve dispatch of 8 MW. This change in the ability of the asset to provide supplemental reserves was not restated for the duration of the event. ISO rule 3.6.2 states that ancillary services providers are required to submit an initial declaration for each asset and thereafter are required to restate changes in the capability of the asset to deliver the service.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of ISO rule 3.6.2.

MATERIAL FACTS

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

1. AESO ancillary service dispatch, generation, and offer data for ALP2 for November 21, 2014, as well as, AESO historical ancillary service dispatch data for ALP2 from 2012 to 2014.
2. Self-report from AltaGas Ltd. to the MSA dated December 5, 2014.
3. AltaGas Ltd.'s response to MSA information request dated December 11, 2014.

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 an ISO rule. Specified penalties are set out in AUC Rule 019.

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 019 this Notice of Specified Penalty will be made public no earlier than 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

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| Signature: | "Original Signed" | Signature Date: | January 15, 2015 |
| Name: | Doug Doll | Title: | Manager Compliance and Corporate Services |