

NOTICE OF SPECIFIED PENALTY

Date of Issue: May 29, 2015

Payment Due Date: June 29, 2015

MSA File Number:	RS2015-013	Specified Penalty Amount:	\$ 18,750
Registered Entity Name:	AltaLink LP by its General Partner, AltaLink Management Inc.		
Reliability Standard :	FAC-003-AB-1/FAC-003-AB1-1	Self Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirement:	R1.2.1	Accepted Mitigation Plan:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Date of Referral/Self Report:	March 23, 2015	Date of Contravention:	July 1, 2011 to 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 Q3/2014 compliance monitoring audit of AltaLink LP by its General Partner, AltaLink Management Inc. The applicable audit period with respect to FAC-003 extended from July 1, 2011 to March 31, 2014. Based upon AESO audit findings, FAC-003 was contravened as follows:

1. FAC-003-AB-1/FAC-003-AB1-1 R1.2.1. From July 1, 2011 to March 31, 2014, clearance distances specified in the Transmission Vegetation Management Programs (TVMP) were found not to reflect local conditions and the expected time frame to return for future vegetation management work leading to two events of vegetation grow-in within the audit period.

R1.2.1 of the standard states:

R1.2.1 Clearance 1 — Each legal owner of a transmission facility must determine and document appropriate clearance distances to be achieved at the time of vegetation management work based upon local conditions and the expected time frame in which the legal owner of a transmission facility plans to return for future vegetation management work. Local conditions may include, but are not limited to: operating voltage, appropriate vegetation management techniques, fire risk, reasonably anticipated tree and conductor movement, species types and growth rates, species failure characteristics, local climate and rainfall patterns, line terrain and elevation, location of the vegetation within the span, and worker approach distance requirements. Clearance 1 distances must be greater than those defined in Clearance 2.

MR1.2.1 Clearance 1 values exist for every transmission line. Clearance 1 values specified are greater than those of Clearance 2.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of Reliability Standard FAC-003-AB-1/FAC-003-AB1-1, requirement R1.2.1.

MATERIAL FACTS

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

1. AESO Alberta Reliability Standards Compliance Monitoring Audit Report dated March 23, 2015 based upon findings of the AESO Q3/2014 reliability compliance audit of AltaLink LP by its General Partner, AltaLink Management Inc.
2. Management Responses and additional evidence from AltaLink LP by its General Partner, AltaLink Management Inc. to the MSA dated April 15, 2015.
3. Mitigation Plan of AltaLink LP by its General Partner, AltaLink Management Inc. dated May 28, 2015.

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, Markets) 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 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:	May 29, 2015
Name:	Doug Doll	Title:	Manager Compliance and Corporate Services