

NOTICE OF SPECIFIED PENALTY

Date of Issue: May 5, 2011

Payment Due Date: June 6, 2011

MSA File Number:	2011-068	Specified Penalty Amount:	\$ 1,500
Market Participant Name:	MEG Energy Corp.		
Asset ID (if applicable):	MEG1	Self Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
ISO Rule:	6.6	Date of Contravention:	October 25, 2010
Date of Referral/Self Report:	March 22, 2011	This is the first contravention by this asset for this rule within a rolling 12 month period.	

EVENT DETAILS

On October 24, 2010 at approximately 23:38 the MEG1 asset accepted an advanced energy dispatch for 75 MW effective at 00:00 on October 25, 2010. The MEG1 asset did not move directionally towards the new dispatch level. The MEG1 asset was out compliance until approximately 01:25, approximately 1 hour and 25 minutes. Section 6.6.3(a) of ISO rule 6.6 requires that in accordance with an energy market dispatch issued to a pool participant, the output of a generating asset must be changed to move directionally towards the quantity (MW) indicated in that energy market dispatch within ten (10) minutes of the time specified in the energy market dispatch.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of ISO rule 6.6.

MATERIAL FACTS

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

1. AESO available capability, generation and dispatch data for the MEG1 asset for October 24 and October 25, 2010.
2. AESO Information Request to MEG Energy Corp. dated December 9, 2010.
3. MEG Energy Corp. December 20, 2010 response to AESO information request.
4. AESO letter to MEG Energy Corp. dated March 22, 2011 notifying the referral of the matter to the MSA.

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 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 5, 2011
Name:	Doug Doll	Title:	Manager Compliance