

NOTICE OF SPECIFIED PENALTY

Date of Issue: January 11, 2012

Payment Due Date: February 13, 2012

MSA File Number:	2011-233	Specified Penalty Amount:	\$ 500
Market Participant Name:	Alberta Pacific Forest Industries Inc.		
Asset ID (if applicable):	AFG1	Self Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
ISO Rule:	3.5.3	Date of Contravention:	August 19, 2011
Date of Referral/Self Report:	November 30, 2011	This is the first contravention by this asset for this rule within a rolling 12 month period.	

EVENT DETAILS

On August 19, 2011 at 13:47 an energy restatement was submitted for the AFG1 asset impacting HE 15 and 16 without an acceptable operational reason. The restatement had the effect of increasing the volume in offer block 2 from 0 to 11 MW and decreasing the volume in offer block 3 to from 20 to 9 MW for both impacted hours. Section 3.5.3.2 (b) of ISO rule 3.5.3 states that "A pool participant who has submitted an offer must submit a revised offer for its asset redistributing the quantity (MW) to represent the operating state of the asset as soon as reasonably practicable, if all of the following conditions are met: i) the asset can no longer comply with the pool participant's current submission; ii) an energy restatement under a) cannot reasonably accommodate the asset's operating state, and iii) the pool participant can no longer submit a price restatement in accordance with rule 3.5.3.3.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of ISO rule 3.5.3.

MATERIAL FACTS

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

1. AESO Energy Offer Restatement data for AFG1 asset on August 19, 2011.
2. AESO Information Request to Alberta Pacific Forest Industries Inc. dated October 18, 2011.
3. Alberta Pacific Forest Industries Inc. October 31, 2011 response to AESO information request.
4. AESO letter to Alberta Pacific Forest Industries Inc. dated November 30, 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:	January 11, 2012
Name:	Doug Doll	Title:	Manager Compliance