

NOTICE OF SPECIFIED PENALTY

Date of Issue: July 24, 2014

Payment Due Date: August 25, 2014

| | | | |
|-------------------------------|---------------|--|---|
| MSA File Number: | 2014-242 | Specified Penalty Amount: | \$ 750 |
| Market Participant Name: | Powerex Corp. | | |
| Asset ID (if applicable): | FNG1 | Self Report | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
| ISO Rule: | 203.3 | Date of Contravention: | June 19, 2014 |
| Date of Referral/Self Report: | July 17, 2014 | This is the second contravention by this asset for this rule within a rolling 12 month period. | |

EVENT DETAILS

On June 19, 2014, at 06:56 MDT Powerex submitted an offer restatement for the FNG1 generating asset having the effect of redistributing offer block volumes for HE 8 to HE 11. Information available to the MSA indicated that an available capability (AC) restatement could reasonably have accommodated the asset's operating state. ISO rule 203.3 directs that a pool participant who submits an offer must submit a MW restatement redistributing the MW to represent the operating state of the asset, as soon as practicable, if the source asset cannot comply with the current offer as a result of i) an acceptable operational reason or ii) an operation deviation and an available capability restatement cannot reasonably accommodate the source asset's operating state.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of ISO Rule 203.3.

MATERIAL FACTS

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

1. Self-report from Powerex Corp. to the MSA dated July 17, 2014.
2. AESO generation, restatement, and dispatch data for FNG1 for June 19, 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 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: | July 24, 2014 |
| Name: | Doug Doll | Title: | Manager, Compliance and Corporate Services |