

NOTICE OF SPECIFIED PENALTY

Date of Issue: October 2, 2017		Payment Due Date: November 1, 2017	
MSA File Number	2017-364	Specified Penalty Amount	\$1,500
Registered Entity Name	MEG Energy Corp.		
Asset ID (if applicable)	MEG1	Self-Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
ISO Rule	203.3	Date of Contravention	June 3, 2017
Date of Referral/Self Report	September 12, 2017	This is the first contravention by this asset for this rule within a rolling 12 month period.	

EVENT DETAILS

On June 2, 2017 during the HE 01 to HE 24 settlement intervals, the MEG1 generating asset's declared available capability (AC) was 47 MW and MEG1 was dispatched for 47 MW of energy. The declared AC for MEG1 for the following settlement interval (HE 01 on June 3, 2017) remained at 202 MW (its maximum capability). At approximately 23:46 on June 2, 2017, MEG1 received an advanced dispatch to 202 MW for HE 01 on June 3, 2017. At approximately 23:47 on June 2, 2017, the AC of MEG1 for HE 01 on June 3, 2017 was restated from 202 MW to 47 MW. Section 203.3 of the ISO rules indicates that if there is a change to the AC of the source asset, the pool participant must restate the AC as soon as reasonably practicable. Subsection 2(2) of section 203.3 of the ISO rules states:

A pool participant that submits an offer must, if there is a change to the available capability of the source asset as a result of any of the circumstances outlined in subsections 2(1)(a), (b) or (c), submit an available capability restatement revising the available capability for the applicable hours, as soon as reasonably practicable.

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. AESO dispatch and available capability data for MEG1 for June 2 and 3, 2017.
2. AESO information request issued to MEG Energy Corp. dated August 16, 2017.
3. MEG Energy Corp.'s response to the AESO information request dated August 30, 2017.
4. Referral from the AESO to the MSA dated September 12, 2017.

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 directed to the 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: Jeremy Smith (Financial Accountant) Jeremy.Smith@auc.ab.ca, and Greg Andrews (Investigator) Greg.Andrews@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

Signature	"Original Signed"	Signature Date	October 2, 2017
Name	Andrew Wilkins	Title	Manager, Compliance