

## NOTICE OF SPECIFIED PENALTY

Date of Issue: April 24, 2018		Payment Due Date: May 24, 2018	
MSA File Number	RS2018-008	<b>Specified Penalty Amount</b>	<b>\$3,000</b>
Registered Entity Name	TransAlta Corporation		
Reliability Standard	VAR-002-AB-1.1b	Self-Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirement	R1	Accepted Mitigation Plan	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Date of Referral/Self Report	January 12, 2018	Date of Contravention	August 3, 2015 and September 3, 2015

### EVENT DETAILS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2017–2019 audit schedule, the AESO conducted a scheduled Q3/2017 compliance monitoring audit of TransAlta Corporation. The applicable audit period with respect to VAR-002-AB-1.1b extended from July 1, 2014 to March 31, 2016. Based upon the AESO audit findings, VAR-002-AB-1.1b was contravened as follows:

For a portion of August 3, 2015 there was no evidence to demonstrate that Keephills 3 was operated with the automatic voltage regulator in service, in voltage control mode. For a portion of September 3, 2015 the automatic voltage regular was in manual mode. VAR-002-AB-1.1b states, in part:

**R1** The operator of a generating unit, subject to requirement R3 and the ISO's consent to operate otherwise, must only operate such generating unit with the automatic voltage regulator in service, in voltage control mode and controlling voltage.

**MR1** Evidence of operating as required in requirement R1 exists. Evidence may include operator logs or data files.

### FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of Reliability Standard VAR-002-AB-1.1b, requirement R1.

### MATERIAL FACTS

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

- Referral from the AESO to the MSA dated January 12, 2018, including the AESO Alberta Reliability Standards Compliance Monitoring Audit Report on the AESO Q3/2017 compliance monitoring audit of TransAlta Corporation.

### 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: 1400, 600 – 3rd Avenue S.W., Calgary, Alberta, T2P 0G5. 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](mailto:compliance@albertamsa.ca), with copy to the following AUC personnel: Jeremy Smith (Financial Accountant) [Jeremy.Smith@auc.ab.ca](mailto:Jeremy.Smith@auc.ab.ca), and Greg Andrews (Investigator) [Greg.Andrews@auc.ab.ca](mailto: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 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](mailto:compliance@albertamsa.ca).

**SIGNATURE**

Signature	"Original Signed"	Signature Date	April 24, 2018
Name	Andrew Wilkins	Title	Manager, Compliance