

## NOTICE OF SPECIFIED PENALTY

Date of Issue: November 9, 2023		Payment Due Date: December 11, 2023	
MSA File Number	RS2023-142	<b>Specified Penalty Amount<sup>1</sup></b>	<b>\$ 7,500</b>
Market Participant Name	City of Medicine Hat		
Reliability Standard	PRC-005-AB2-6	Self-Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirement	R3	Accepted Mitigation Plan	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Date of Referral/Self Report	July 14, 2023	Date of Contravention	January 1, 2020

### MSA FINDINGS

The Alberta Electric System Operator (AESO) conducted a scheduled Q1-2023 compliance monitoring audit of the City of Medicine Hat (CMH) to verify compliance with the Alberta Reliability standards (ARS) applicable to CMH. The applicable audit period with respect to PRC-005-AB2-6 extended from January 1, 2020 to December 31, 2022. The MSA finds that PRC-005-AB2-6 R3 was contravened as follows:

- 1) From January 1, 2020, until the applicable mitigation plan activity is completed, CMH did not provide evidence to demonstrate implementation of monitoring of communications systems for CMH transmission assets.
- 2) From January 1, 2020, until the applicable mitigation plan activity is completed, CMH did not provide evidence to demonstrate it had implemented all of the required monitoring requirements in Tables 1-1 and 3 to allow for the extension of the maintenance interval to 12 years for CMH transmission assets.
- 3) From January 1, 2020, until October 1, 2021, CMH did not provide evidence to demonstrate that it completed 30% of the required maintenance for CMH transmission assets.
- 4) In periods between April 1, 2020 and September 14, 2022, CMH did not demonstrate that battery testing requirements were conducted in accordance with maximum maintenance interval as stated in Table 1-4(b).
- 5) In periods starting December 1, 2020 and lasting until the applicable mitigation plan activity is completed, CMH did not provide evidence to demonstrate it completed battery maintenance, resistance verification and physical condition inspections required by Table 1-4(b), or provide evidence of automated monitoring which would exempt CMH from this requirement.
- 6) From January 1, 2020 to until the applicable mitigation plan activity is completed, CMH did not provide evidence to demonstrate that it completed electrolyte level inspections for one unit as required by Table 1-4(a).
- 7) From January 1, 2020, until the applicable mitigation plan activity is completed, CMH did not provide evidence to demonstrate that AC measurements are continuously verified against an independent AC measurement source and in particular that unacceptable errors or failures are alarmed, thus allowing for no periodic maintenance on voltage and current sensing devices.

PRC-005-AB2-6 states, in part:

R3. Each legal owner of a transmission facility, legal owner of a generating unit, and legal owner of an aggregated generating facility that uses time-based maintenance program(s) must maintain its protection system, automatic reclosing, and sudden pressure relaying components that are included within the time-based maintenance program in accordance with the minimum maintenance activities and maximum maintenance intervals prescribed within Tables 1-1 through 1-5, Table 2, Table 3, Tables 4-1 through 4-3, and Table 5 of Appendix 1.

MR3. Evidence of maintaining protection system, automatic reclosing, and sudden pressure relaying components in accordance with the minimum maintenance activities and maximum maintenance intervals as required in requirement R3 exists. Evidence may include, but is not limited to, dated maintenance records, dated maintenance summaries, dated check-off lists, dated inspection records, or dated work orders or other equivalent evidence.

The MSA is satisfied that the conduct was a contravention of Reliability Standard PRC-005-AB2-6, requirement R3.

### DELIVERY OF PAYMENT

Payment can be made by electronic funds transfer (EFT). Please reach out to [compliance@albertamsa.ca](mailto:compliance@albertamsa.ca) for instructions. When submitting the EFT, please send an email to [azeez.z.salawu@gov.ab.ca](mailto:azeez.z.salawu@gov.ab.ca), [compliance@albertamsa.ca](mailto:compliance@albertamsa.ca) and [enforcement@auc.ab.ca](mailto:enforcement@auc.ab.ca) noting the dollar amount, date of the EFT, market participant name and the MSA File #. Questions can be directed to [compliance@albertamsa.ca](mailto:compliance@albertamsa.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 Alberta 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).

**APPROVED BY**

Mark Nesbitt, Director, Enforcement on November 9, 2023

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<sup>1</sup> Specified penalty amount conditional on the completion of the accepted Mitigation Plan.