

NOTICE OF SPECIFIED PENALTY

Date of Issue: January 17, 2013

Payment Due Date: February 18, 2013

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|-------------------------------|---------------------|---|---|
| MSA File Number: | 2012-449 | Specified Penalty Amount: | \$ 5,000 |
| Market Participant Name: | Cenovus Energy Inc. | | |
| Asset ID (if applicable): | EC04 | Self Report | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| ISO Rule: | OPP 102 | Date of Contravention: | June 16, 2012 |
| Date of Referral/Self Report: | December 17, 2012 | This is the third contravention by this asset for this rule within a rolling 12 month period. | |

EVENT DETAILS

On June 16, 2012 between 08:20 and 08:29, the EC04 asset received four dispatches for 72 MW of energy immediate effect. These ADaMS dispatches were neither accepted nor rejected within the required 2 minute time period. OPP 102 requires that pool participants must respond to ADaMS energy market dispatches within the required time as described in OPP 003.2. OPP 003.2 stipulates this required time is 2 minutes for all Participants with a total capacity offer of greater than or equal to 2 MW and bids or offers in the energy market merit order.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of OPP 102.

MATERIAL FACTS

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

1. AESO dispatch data for the EC04 asset for June 16, 2012.
2. AESO Information Request issued to Cenovus Energy Inc. dated October 17, 2012.
3. Cenovus Energy Inc. October 31, 2012 response to the AESO Information Request.
4. AESO letter to Cenovus Energy Inc. dated December 17, 2012 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

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| Signature: | "Original Signed" | Signature Date: | January 17, 2013 |
| Name: | Doug Doll | Title: | Manager Compliance |