

Rule 019

Specified Penalties for Contravention of ISO Rules

The Alberta Utilities Commission (AUC/Commission) has approved this rule on January 2, 2008.

Definitions

1 In these rules:

- (a) “Act” means the *Alberta Utilities Commission Act*;
- (b) “Commission” means the Alberta Utilities Commission.

Application

2 These rules apply to the contravention of the ISO rules.

Notice of Specified Penalty

3(1) The Market Surveillance Administrator may issue a notice of specified penalty under section 52 of the Act for the contravention of ISO rules, if the issuance of the notice is within two years from the date on which the contravention occurred or the date on which evidence of the contravention first came to the notice of the Market Surveillance Administrator, whichever date is later.

(2) A notice of specified penalty must state:

- (a) the name of the market participant who is required to pay the specified penalty;
- (b) the date or dates of the contravention;
- (c) the ISO rule that was contravened;
- (d) a description of the conduct of the market participant named, its officers, personnel, or agents, the activity or omission which resulted in the contravention or any other particulars relating to the contravention;
- (e) a description of the facts on which the Market Surveillance Administrator relied on to conclude that a contravention had taken place;

- (f) if any, the amount of the specified penalty for each day the contravention, if the contravention continues for more than one day;
- (g) the date, at least 30 days from the date of issuance, on which the payment of the specified penalty, if an amount, is due;
- (h) that failure to pay the specified penalty, if one is due, will result in a hearing or other proceeding before the Commission; and
- (i) that if the market participant named disputes the issuance of the notice, to inform the Market Surveillance Administrator of the dispute and that a hearing or other proceeding before the Commission will result.

Penalty Assessment

4(1) If the Market Surveillance Administrator determines the amount of the specified penalty for each contravention that occurs or continues calculated in accordance with the Penalty Table, the maximum amount is \$100,000.00 for each day.

(2) The Market Surveillance Administrator determines the level and amount of the specified penalty in accordance with the Penalty Table.

Notice of Penalty Public

5 The Market Surveillance Administrator shall make public any notice of specified penalty issued for a contravention of the ISO rules under section 52 of the Act and post the notice on the MSA website, 30 days after of issuance of the notice.

6 Where the level of non-compliance cannot be clearly assessed or determined to be in one of two consecutive levels, the Market Surveillance Administrator shall assess the failure to comply at the lower of the two levels.

7 These rules expire on April 30, 2008.

Penalty Table

All ISO Rules				
Level of Non-Compliance	First Failure to Comply in a Rolling 12 month period	Second Failure to Comply in a Rolling 12 month period	Third Failure to Comply in a Rolling 12 month period	Fourth and Subsequent Failure to Comply in a Rolling 12 month period
<p>Level 1 Instances where a market participant has failed to comply, in whole or in part, with all of the requirements of an ISO rule, and where such non-compliance has little or no impact on other market participants, the operation of the market or the system controller's ability to direct the safe, reliable and economic operation of the AIES, as determined solely by the Market Surveillance Administrator.</p>	Warning letter	Warning letter or Non-compliance letter	Warning letter, non-compliance letter or an administrative penalty of up to \$2,000.00 per day	Warning letter, non-compliance letter or an administrative penalty of up to \$10,000.00 per day
<p>Level 2 Instances where a market participant has failed to comply, in whole or in part, with all of the requirements of an ISO rule, and where such non-compliance has a <i>material impact</i> on other market participants, the operation of the market or the system controller's ability to direct the safe, reliable and economic operation of the AIES, as determined solely by the Market Surveillance Administrator</p>	Warning letter or Non-compliance letter	Non-compliance letter or an administrative penalty of up to \$5,000.00 per day	Non-compliance letter or an administrative penalty of up to \$25,000.00 per day	Non-compliance letter or an administrative penalty of up to \$100,000.00 per day
<p>Level 3 Instances where a market participant has failed to comply, in whole or in part, with all of the requirements of an ISO rule, and where such non-compliance has a severe impact on other market participants, the operation of the market or the system controller's ability to direct the safe, reliable and economic operation of the AIES, as determined solely by the Market Surveillance Administrator.</p>	Warning letter, non-compliance letter or an administrative penalty of up to \$5,000.00 per day	Non-compliance letter or an administrative penalty of up to \$25,000.00 per day	Non-compliance letter or an administrative penalty of up to \$50,000.00 per day	Non-compliance letter or an administrative penalty of up to \$100,000.00 per day