

October 17, 2014



Greg Andrews, Market Analyst – Markets Division
Alberta Utilities Commission
Fourth Floor, 425 First Street S.W.
Calgary, AB T2P 3L8

Dear Mr. Andrews:

RE: Bulletin 2014-13 (Consultation on AUC Rule 019 – Specified Penalties for Contravention of ISO Rules)

AUC Rule 019 plays a fundamental role in the efficiency of ISO rules compliance enforcement in Alberta, accordingly, the MSA is pleased to provide comments for the Commission's consideration regarding possible amendments to AUC Rule 019.

In respect of the Commission's views noted in Bulletin 2014-13 relating to the penalty treatment of ISO rule sections 203.3 and 203.6, the MSA supports the positioning of these rules within the same specified penalty category to avoid difficulties when assigning penalties. For example, a common manner of contravention of ISO rule section 203.6 is the failure to restate a submitted offer on a timely basis, typically following the curtailment of a scheduled intertie flow. In this case, a market participant transacting on the interconnections is exposed to a greater specified penalty than would arise out of a similar restatement failure by a generator under ISO rule 203.3. Related ISO rules 3.6.2 and 3.6.3 contain similar restatement provisions applicable to ancillary service providers; hence, there is a basis for these two rules to reside within the same penalty category as 203.3 and 203.6. That being said, the MSA is not aware of the initial basis for category 3 placement of ISO rule section 203.6 given that its precursor, ISO rule 6.3.3, was positioned in category 2 prior to its removal, therefore, the MSA suggests the desired common treatment for this set of rules could also be achieved by realigning 203.6 with rules 203.3, 3.6.2, and 3.6.3 within their current Category 2 placement.

The MSA supports the proposed revisions concerning ISO rules 306.4 (Transmission Planned Outage Reporting and Coordination) and 306.5 (Generation Outage Reporting and Coordination) to reflect recent ISO rule changes. While the relevant precursor rules in this case were positioned in different penalty categories, the MSA suggests that the

successor rule sections 306.4 and 306.5 are more related and therefore there is a basis to position them within the same penalty category. The MSA further suggests that for congruence, related outage reporting rule sections 306.3 and 306.6 be considered for inclusion along with 306.4 and 306.5.

The MSA notes that the AESO, in its most recent authoritative documents development schedule, has indicated the intent to file new operating reserve rules before the Commission on or about November 17, 2014. The MSA believes it is important to reflect these ISO rule changes in Rule 019 at an early juncture. In this regard, the MSA presumes it will be difficult for the Commission to accommodate further consultation on Rule 019 this year for this purpose and therefore suggests it may be practical to extend the current consultation to allow consideration of these near-term ISO rule changes.

If you have any questions in relation to any of the above, please contact the undersigned at (403) 233-6497.

Yours truly,

“Original Signed”

Market Surveillance Administrator

Per: Doug Doll

Manager, Compliance and Corporate Services