

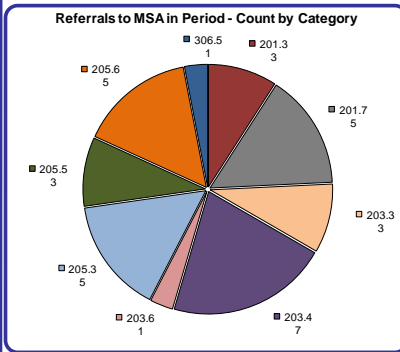
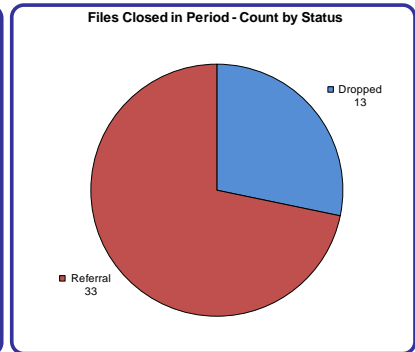
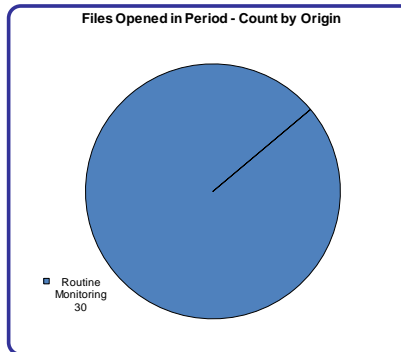
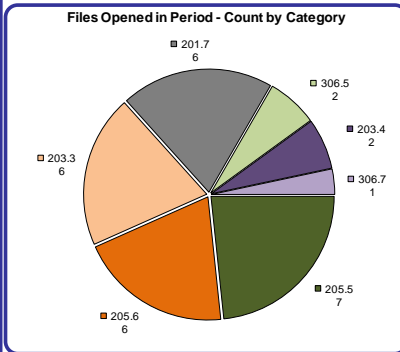
Compliance Quarterly Report

Q3 2019

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Compliance Quarterly Report - ISO Rules - Q3 2019

The following charts summarize the activities of the ISO Rules External Compliance Monitoring group in Q3 of 2019 and the distribution of events over the past 4 quarters. Please refer to the attached help documentation for details on interpreting the charts below. For any questions regarding this report, please send an email to isorulescompliance@aeso.ca.

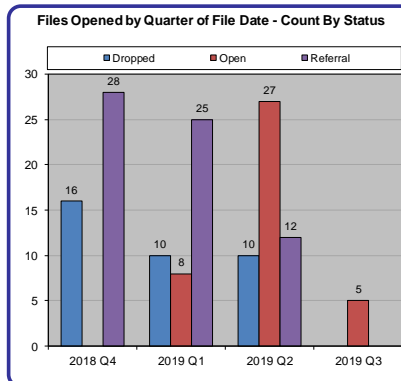
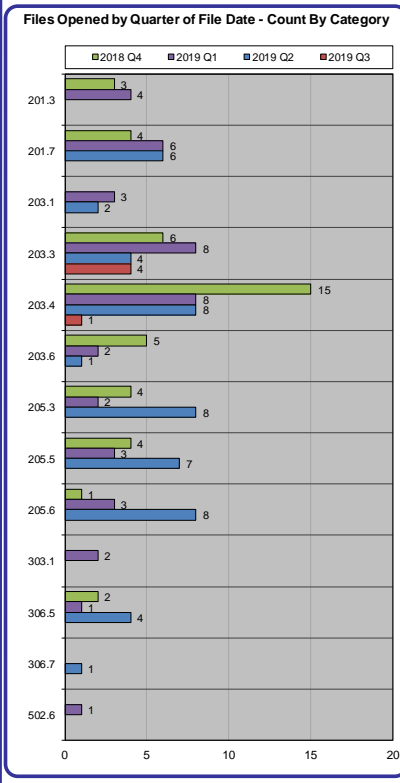


Commentary

There were 30 files opened during Q3 2019 and 46 files closed. Of the 46 files closed in the quarter, there were 33 referrals to the MSA of suspected contraventions. These referrals are distributed across 9 ISO rules.

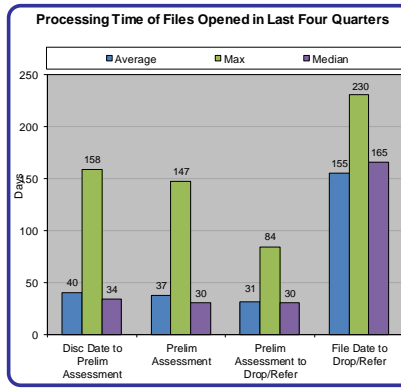
The 65 referrals to the MSA made over the past 4 quarters (by quarter of file date) are distributed across 22 pool participants and 9 ISO rules. Processing times are down from the last quarterly report with a median of 165 days between the occurrence of the event and closure of the handling of the event.

Note: As the AESO may refer multiple events in a single referral to the MSA, the AESO's count of referrals to the MSA may not match the MSA's count of AESO referrals, nor the count of penalties issued by the MSA in any given period from AESO referrals.



Referrals to MSA by Quarter of File Date and Masked ID

Participant	2018 Q4	2019 Q1	2019 Q2	2019 Q3
P1			1	
P2	2	1	1	
P3	1	5		
P4	4		2	
P5	2	2	2	
P6		1		1
P7		1		
P8	4	4	3	
P9	3	4		
P10		1		
P11	1			
P12	2			
P13	1			
P14	3	1		
P15	1	1		
P16	1	1		
P17			1	
P18			1	
P19	1	1		1
P20	2			
P21		1	3	
P22		1		



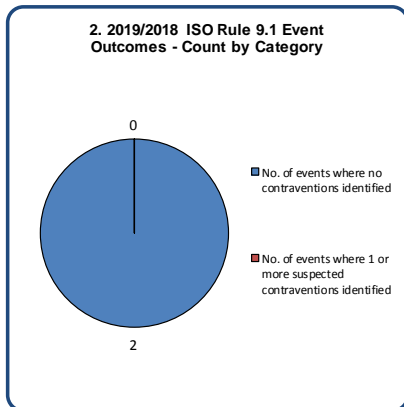
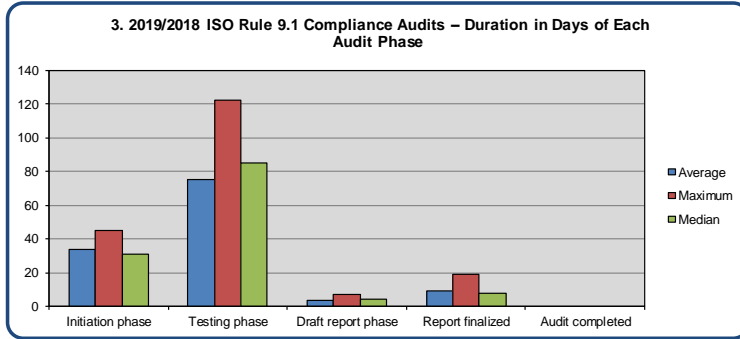
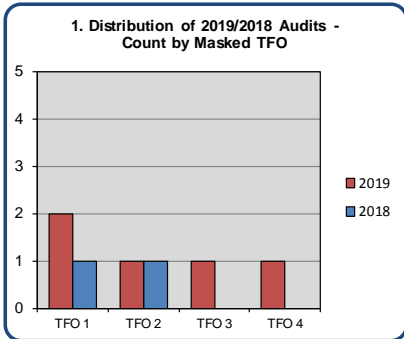
Referral to MSA by Quarter of File Date and Category

Category	2018 Q4	2019 Q1	2019 Q2	2019 Q3
201.3	3	4		
201.7	3	5		
203.3	4	4		
203.4	9	3	4	
203.6	4	1	1	
205.3	3	2	3	
205.5	1	3		
205.6	1	3	2	
306.5			2	

Compliance Quarterly Report - Sections 9.1 and 501.2 of the ISO Rules - Q3 2019

The following charts summarize the status of the activities of the ISO Rules External Compliance Monitoring group in relation to Sections 9.1 and 501.2 of the ISO Rules as of Q3 2019. For any questions regarding this report, please send an email to tpcompliance@aeso.ca (for Section 9.1) or securityrulecompliance@aeso.ca (for Section 501.2).

Section 9.1 of the ISO Rules



Commentary

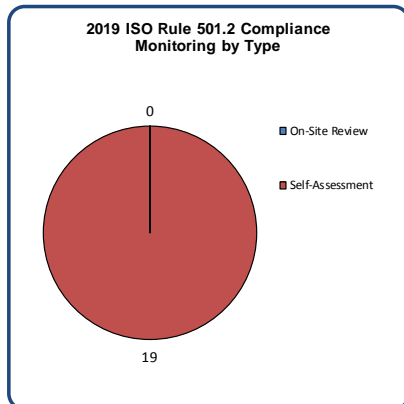
There are five full audits planned for 2019, of which three have already been initiated as of the end of Q3 2019. The distribution of audits across legal owners of transmission facilities ("TFO") is presented in Graph 1.

There are no other (non-audit) 9.1 events requiring investigation by the External Compliance Monitoring group as of Q3 2019.

No referrals have been made the MSA resulting from the completed compliance monitoring audits of Section 9.1 for 2019 and 2018.

Graph 3 serves as an indication of the time it has taken to complete the various phases of each completed audit in 2018.

Section 501.2 of the ISO Rules



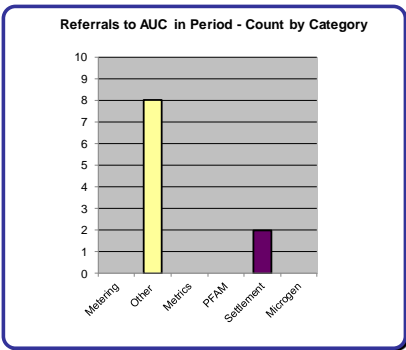
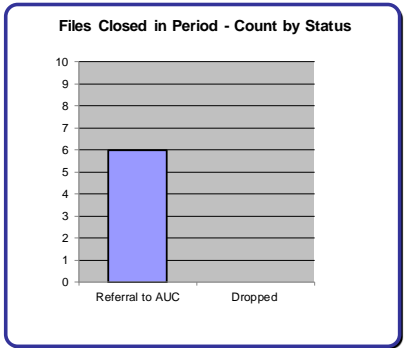
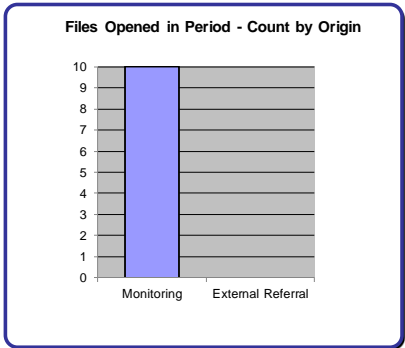
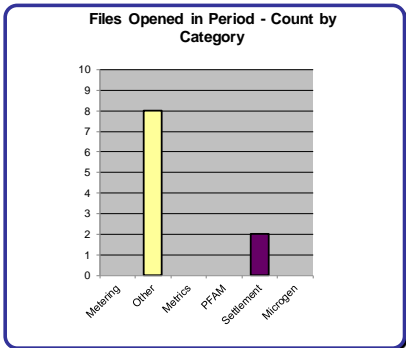
Commentary

In 2019, the AESO is planning self-assessments for all selected sites designated as Critical Facilities by the Government of Alberta's Security and Strategic Intelligence Support Team.

No referrals have been made to the MSA resulting from the completed compliance monitoring of Section 501.2 for 2018 and 2019.

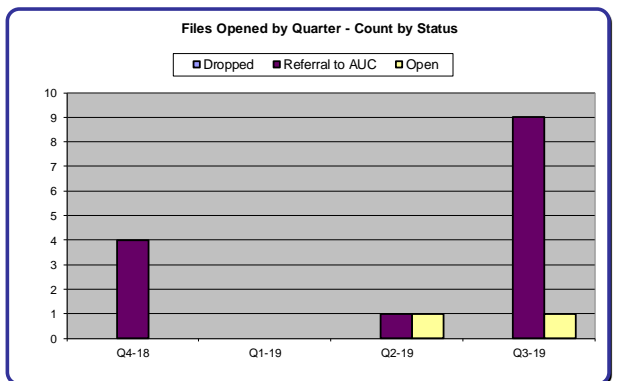
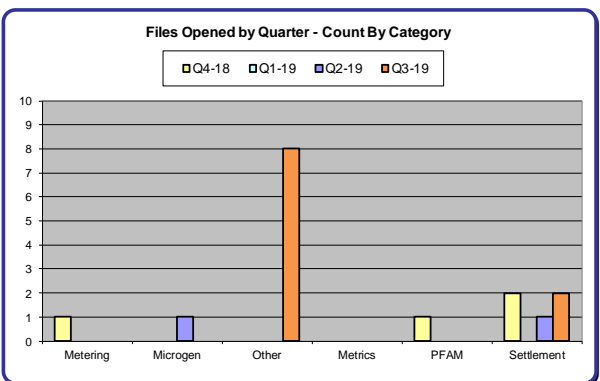
Compliance Quarterly Report - Load Settlement - Q3 2019

The following charts summarize the activities of the Load Settlement External Compliance Monitoring group over the four quarters ending September 2019. Please refer to the attached help documentation for details on interpreting the charts below. For any questions regarding this report, please send an email to loadsettlementcompliance@aeso.ca.



Commentary

In the third quarter of 2019 the AESO opened ten new files. One remains open and ten have been referred to the AUC.



Referrals to AUC by Quarter of Referral Date and Masked Participant ID

Participant	Q4-18	Q1-19	Q2-19	Q3-19
LS1	1	1		1
LS2	1			1
LS3			1	1
LS4		1		1
LS5				1
LS6				1
LS7				1
LS8				1
LS9				1
LS10				1
LS11				
LS12				
LS13				

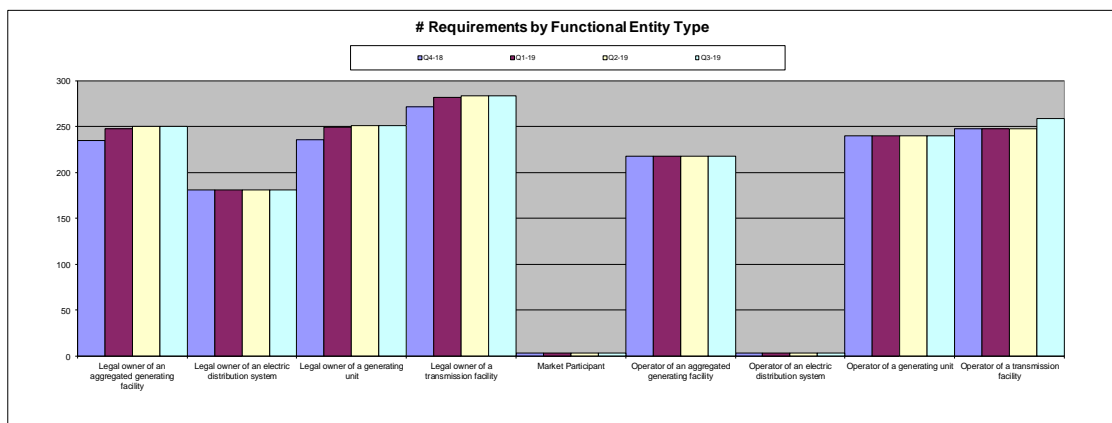
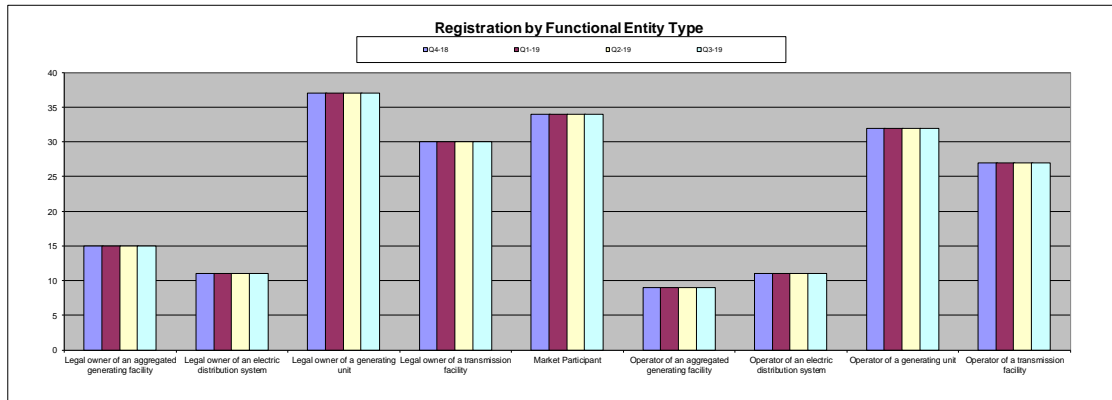
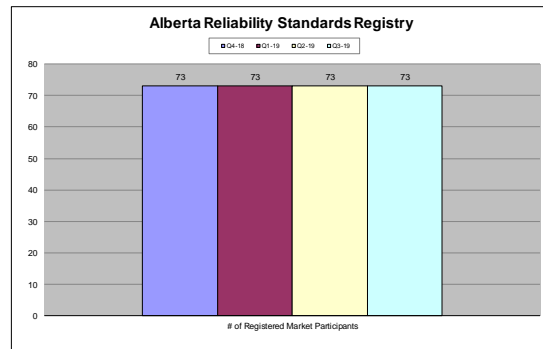
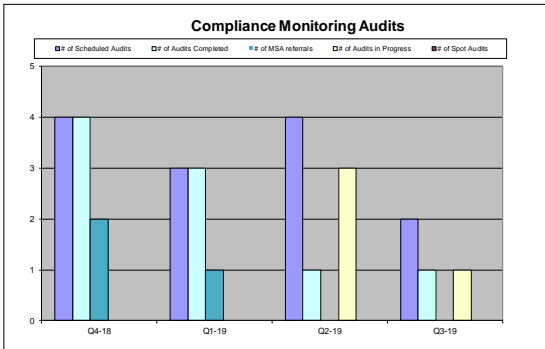
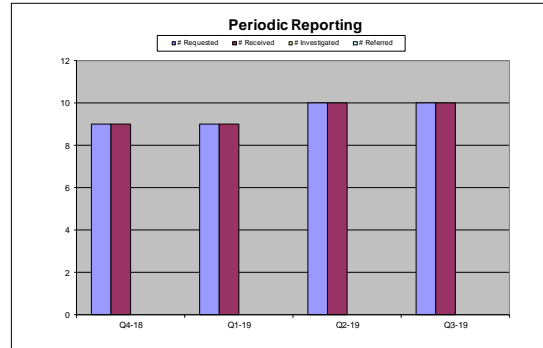
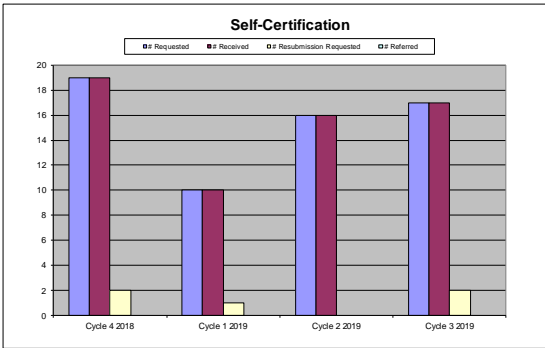
Referrals to AUC by Quarter of Referral Date and Category

Category	Q4-18	Q1-19	Q2-19	Q3-19
Metering				
Microgen		1		
Other				8
Metrics			1	
PFAM		1		2
Settlement				

Compliance Quarterly Report - Alberta Reliability Standards Monitoring - Q3 2019

Updated: October 2019

The following charts summarize the activities of the Alberta Reliability Standards Compliance Monitoring group for Q3 2019 and the distribution of events over the past four quarters. For any questions regarding this report, please send an email to rscompliance@aeso.ca.



Common Terminology	
Category	Each Compliance File has an associated Category which refers to the ISO rule, AUC Rule 021 topic or Reliability Standard which may have been contravened. In the case of multiple categories, a principle category is assigned to the File.
Clarification Request	An email request sent in the ISO Rules Compliance process seeking additional detail on the information submitted with an offer restatement. This is part of the ISO Rules Monitoring process.
Compliance File	A compliance file refers to one or more Flagged Events that have been logged for Preliminary Assessment, or where a suspected contravention has been identified through a Compliance Monitoring Audit in accordance with ISO Rule 103.12. Every Compliance File has a status of Open, Dropped or Referred. Each Compliance File is applicable to a single market participant and has an associated File Date and Category.
Compliance Monitoring Audit	As described in ISO Rule 103.12. The process of monitoring or review of a TFO's compliance with ISO Rule 9.1.5.
Compliance Monitoring Audit Report	A report described in ISO Rule 103.12.9 (4) which communicates the results of the Compliance Monitoring Audit to the TFO and provides support for any referral to the MSA.
Date of Discovery	For an internal or external referral , the date that the referral was received. For an event identified by Monitoring , the date on which the AESO discovers the event and logs it for Preliminary Assessment .
Date of Notification	The date that a TFO is notified of a Compliance Monitoring Audit of its transmission facility project and a request for information that facilitate commencement of the Compliance Monitoring Audit.
File	Synonym for Compliance File .
File Date	A unique date associated with a Compliance File . In the case of ISO rules compliance, this is the date of the event itself. In the case of AUC 021 monitoring, this is the Date of Discovery .
Files Closed in Period	Compliance Files whose status changed to either Dropped File or Referred File within the reporting period. Note that these may have file dates from earlier quarters.
Files Opened in Period	Compliance Files with a Date of Discovery falling within the reporting period.
Flagged Event	A collection of one or more submissions or actions carried out by a market participant that may form the basis of a compliance file. Flagged events can come from Monitoring , an Internal Referral or an External Referral or from Clarification Requests .
Information Request	As described in ISO Rule 103.12, an Information Request is a letter submitted to a market participant describing the particulars of a potential ISO rule, AUC 021 topic or Reliability Standard contravention and seeking the market participant's input on the event.
Masked Participant ID	A unique identifier associated with each market participant for tracking Referred Files for that participant but without revealing the particular participant. The Masked Participant ID will NOT be consistent from report to report.
Masked Transmission Facility Owner (TFO)	A unique identifier associated with each TFO for tracking Compliance Monitoring Audits for that participant but without revealing the TFO name. The Masked TFO ID will NOT be consistent from report to report.
Monitoring	Queries, reports and other tools run by Compliance on a regular basis to identify Flagged Events .
Other	A Category of Other applies to events which Compliance examined but did not prove to be associated with any potential rule contravention.
Other Events	Compliance monitoring activities, other than Compliance Monitoring Audit, in relation to ISO Rule 9.1.1 <i>Monthly Reporting</i> , ISO Rule 9.1.3.4 <i>Project Change Proposal</i> , and ISO Rule 9.1.3.6 <i>Final Cost Report</i> .
Preliminary Assessment	As described in ISO Rule 103.12. The process of carrying out a detailed examination of a potential ISO rule, AUC 021 topic or Reliability Standard contravention (which is separate from a Compliance Monitoring Audit). This starts with the opening of a Compliance File and culminates in a decision to: send an Information Request regarding the event to the relevant market participant; to conclude that the data does not support an assessment of non-compliance and to drop the event; or, potentially, to make a referral to the AUC or MSA.
Referrals in Period	Compliance Files which have been referred to the MSA/AUC (as appropriate) in the period. Note that these may have file dates from previous quarters.
TFO Records	Documents, correspondences and other records of information that support compliance with ISO Rule 9.1.5
Warning Letter	In certain cases where a Preliminary Assessment has not been carried out or does not support an assessment of non-compliance, a letter may be sent to one or more participants which clarifies the obligations of a particular rule.

Table Specific Terminology	
Origin	A Compliance File has an origin which is an indication of how the Flagged Event was identified eg. Monitoring , SC Referral , OC Referral , etc.
CR	A File Origin of CR indicates that the event resulted from a Clarification Request .
External Referral	A File Origin of External Referral is a possible ISO rule, AUC 021 topic or Reliability Standard contravention identified by individuals outside the AESO and referred to compliance for a more detailed examination.
Internal Referral	A File Origin of Internal Referral is a possible ISO rule, AUC 021 topic or Reliability Standard contravention identified by other (non-compliance) personnel in the AESO in the course of their own work and referred to compliance for a more detailed examination.
Other	A File Origin of type Other refers to events which Compliance examined but which were brought to our attention through untypical means such as a question from a market participant or an AESO IT problem report.
Status	The current state of a Compliance File . Either Open File , Dropped File or Referred File .
Dropped File	The status of a Compliance File which is closed but is not a Referred File . A File may be closed for a variety of different reasons including: unreliable data, AESO IT system problems, Mitigating Factors as defined in ISO Rule 103.12 or an assessment that no rule has been contravened. A dropped file may have resulted in a Warning Letter being sent.
Open File	The status of a Compliance File which has been opened but which has not yet been Dropped or Referred to the MSA/AUC.
Referred File	The status of a Compliance File for which a referral regarding the file has been made to the AUC/MSA in accordance with ISO Rule 103.12.
Processing Time of Files Opened in the Last Four Quarters	An indication of the number of days taken to move a Compliance File through the various stages of the Compliance Process.
Disc. Date to Prelim. Assess	The number of days between the Date of Discovery for a Compliance File and the commencement of the Preliminary Assessment .
Prelim. Assess.	The number of days between the commencement of the Preliminary Assessment and its completion.
Prelim. Assess. To Drop/Refer	The number of days between the completion of a Preliminary Assessment and the decision to drop or refer the file to the MSA/AUC. This is only relevant for events where an Information Request was sent.
File Date to Drop/Refer	The number of days between the File Date and the change in status for the Compliance File to either Dropped File or Referred File .
Duration of ISO Rule 9.1 Compliance Audits	An indication of the number of weeks taken to move a Compliance Monitoring Audit through the various stages of the audit process.
Initiated	The number of weeks between the Date of Notification and the date that the AESO received the TFO Records .
Testing phase	The number of weeks between the receipt of the TFO Records and the date that the AESO provided a Draft Compliance Monitoring Audit Report to the TFO for review and comments.
Draft report phase	The number of weeks between the end of the Testing Phase and the receipt of TFO comments on the draft Compliance Monitoring Audit Report .
Report finalized	The number of weeks between the receipt of the Draft Compliance Monitoring Audit Report with TFO comments and the Compliance Monitoring Audit Report is finalized.
Audit completed	The number of weeks between the date of finalizing the Compliance Monitoring Audit Report and the date of referral to the MSA or closing the audit, in case of non-referral.