

# Compliance Quarterly Report

## Q2 2014

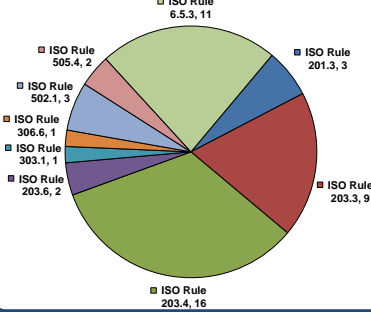
ISO Rules.....	1
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Load Settlement.....	3
Alberta Reliability Standards.....	4
Terminology.....	5

## Compliance Quarterly Report - ISO Rules - Q2 2014

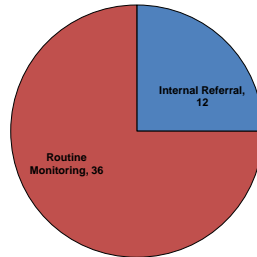
Updated: August 27, 2014

The following charts summarize the activities of the ISO Rules Compliance group in Q2 of 2014 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 in regards to this report, please send an email to [marketcompliance@aeso.ca](mailto:marketcompliance@aeso.ca).

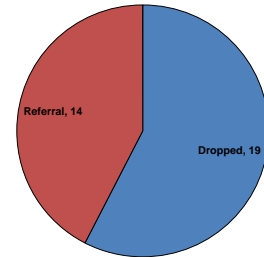
Files Opened in Period - Count by Category



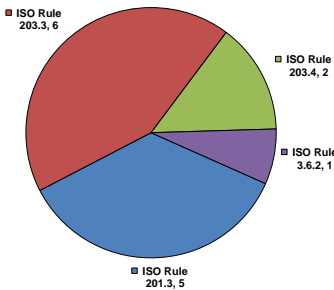
Files Opened in Period - Count by Origin



Files Closed in Period - Count by Status



Referrals to MSA in Period - Count by Category

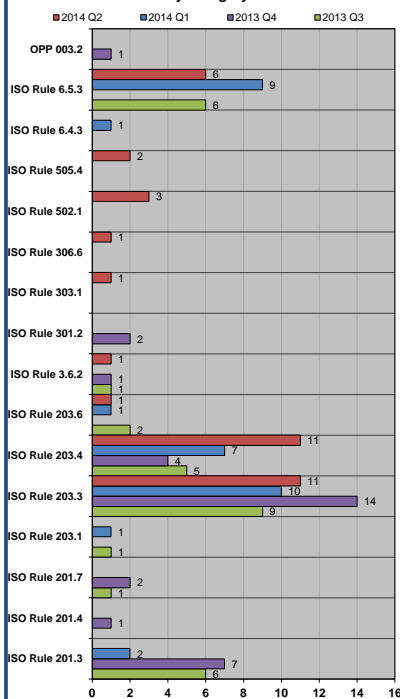


### Commentary

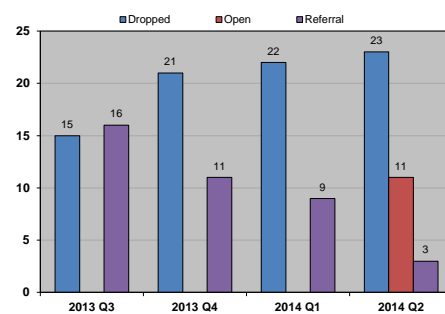
There were 48 files opened this quarter and 33 files closed. About 3/4 of the files opened were related to the three rules 6.5.3, 203.3 and 203.4. Of the 33 files closed in Q2, there were 14 referrals to the MSA of suspected contraventions. Eleven (11) of these referrals were for contraventions of rule 203.3 or 201.3. The 39 referrals to the MSA made over the past 4 quarters are distributed across 24 market participants and 8 ISO Rules. Processing times remain largely unchanged from the last quarterly report with an average of 98 days between the occurrence of the event and closure of the handling of the event. Correction of historical data errors in the generation of this report has caused some of the corrected statistics to be inconsistent with past reports. The format of the report has also been changed somewhat to more effectively present the information. If you have any questions about these changes or the information in this report, please contact us at [marketcompliance@aeso.ca](mailto:marketcompliance@aeso.ca)

Note: As the AESO may refer multiple events in a single referral to the MSA, the count of Referrals to the MSA will not necessarily line up with the count of penalties issued by the MSA in any given period.

Files Opened by Quarter of File Date - Count By Category



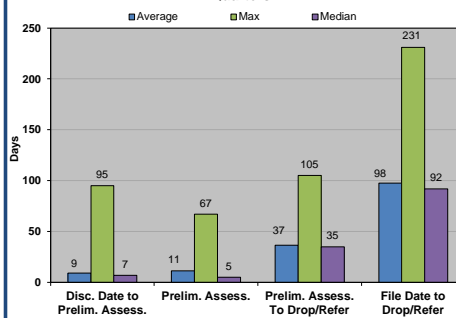
Files Opened by Quarter of File Date - Count By Status



Referrals to MSA by Quarter of File Date and Masked ID

Participant	2013 Q3	2013 Q4	2014 Q1	2014 Q2
P1	2	1	1	
P2	1			
P3		1		
P4	1			
P5	1		1	
P6		1		
P7	1	1		
P8			1	1
P9	1	1	1	
P10	1			
P11	1			
P12	1			
P13	1	1	1	1
P14		1		
P15	1			
P16		1	1	
P17			1	
P18			1	
P19	1	1		
P20				1
P21	1	1		
P22	1	1		
P23	1			
P24			1	

Processing Time of Files Opened in Last Four Quarters



Referral to MSA by Quarter of File Date and Category

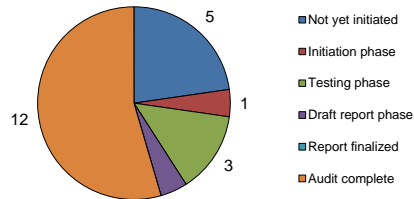
Category	2013 Q3	2013 Q4	2014 Q1	2014 Q2
ISO Rule 201.3	4	6	2	
ISO Rule 201.7	1			
ISO Rule 203.1	1			
ISO Rule 203.3	5	4	4	1
ISO Rule 203.4	2		2	1
ISO Rule 3.6.2		1		
ISO Rule 306.6				1
ISO Rule 6.5.3	3		1	

## ISO Rule 9.1 Compliance Quarterly Report - Q2 2014

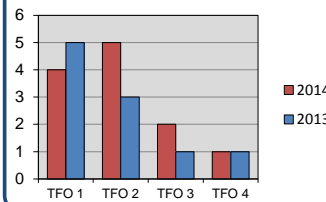
**Updated: July 2, 2014**

The following charts summarize the status of the 2013 and 2014 activities of ISO Rules Compliance group in relation to ISO rule 9.1 as of Q2 2014. For any questions in regards this report, please send an email to [tpcompliance@aeso.ca](mailto:tpcompliance@aeso.ca).

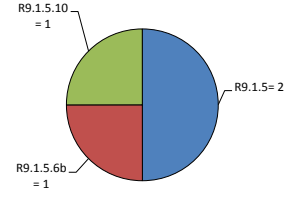
**1. Status of the 2014/2013 ISO Rule 9.1 Compliance Audits - Count by Projects**



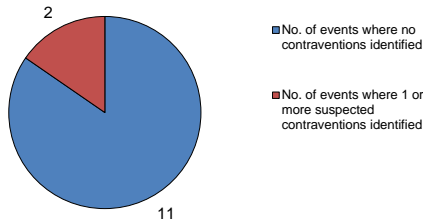
**2. Distribution of 2014/2013 Audits - Count by Masked TFO**



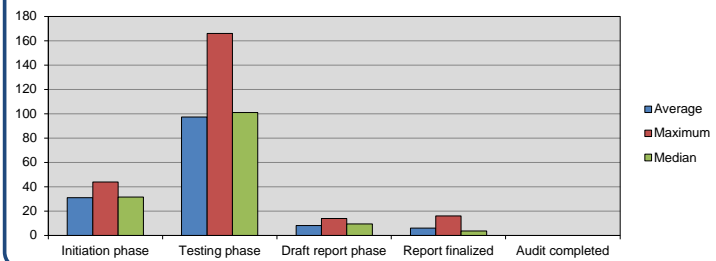
**3. Other 9.1 Events in 2014/2013 - Count by ISO Rule Subsection**



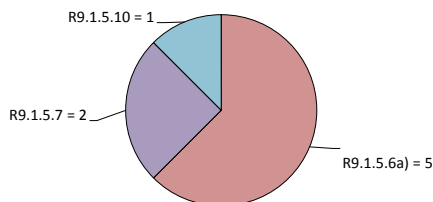
**4. 2014/2013 ISO Rule 9.1 Event Outcomes - Count by Category**



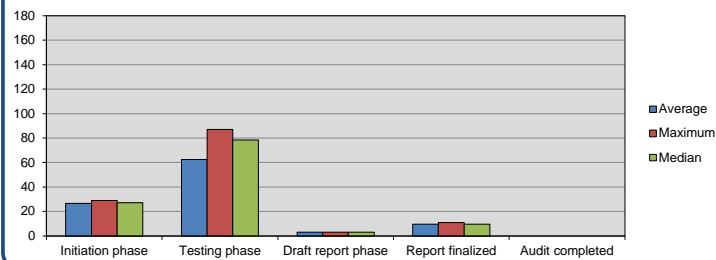
**6. 2013 ISO Rule 9.1 Completed Compliance Audits - Duration in days of each phase**



**5. Suspected Contraventions in 2014/2013 - Count by ISO Rule Subsection**



**7. 2014 ISO Rule 9.1 Completed Compliance Audits - Duration in days of each phase**



### Commentary

This report for the second quarter of 2014 also includes a summary of activities and monitoring for 2013.

All of the ten (10) full audits in 2013 have been completed as shown in graph no. 1. In 2014, there are 12 full audits and as of Q2 2014, two (2) have been completed, one (1) is in the draft report phase, three (3) are in the testing phase, one (1) is in the initiation phase and five (5) have not yet been initiated.

Other non-audit 9.1 events are captured in graph no. 3. Three (3) events related to ISO rules 9.1.5 and 9.1.5.6b were investigated in 2013. As of Q2 2014, one (1) other event related to ISO rule 9.1.5.10 was investigated.

With respect to 2013/2014 monitoring, there have been two (2) referrals to the MSA regarding suspected contraventions as shown in graph no. 4. Graph 5 shows the types of contraventions that were identified in these referrals.

Graphs 6 and 7 serve as an indication of the time it has taken to complete the various phases of each completed audit.

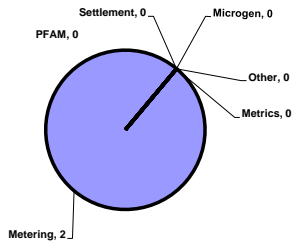
The Compliance section of the AESO website contains a subsection titled "ISO Rule 9.1 Compliance Monitoring". This is intended to provide clarity and transparency regarding the AESO's monitoring of TFO compliance with ISO rule 9.1. Among the documents is a Compliance Monitoring Audit process document, as well as related templates. These documents provide market participants with a comprehensive description of how the audits are carried out. This documentation is updated and enhanced as the processes are refined and market participants are encouraged to review it at regular intervals. Updates made in 2013 can be found in the Compliance section of the AESO website under Notices. In addition, Information Document # 2012-003(R) *Transmission Facility Projects*, was posted to the Rules and Standards section of the AESO website in Q2 2012. This Information Document is intended to provide additional clarity on the intent of ISO rule 9.1.

## Compliance Quarterly Report - Load Settlement - Q2 2014

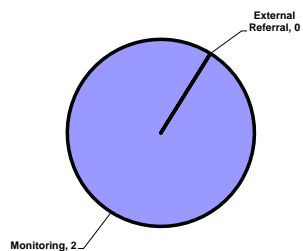
**Update August 19, 2014**

The following charts summarize the activities of the Load Settlement Compliance group over the four quarters ending June 2014. Please refer to the attached chart explanation and help documentation for details on interpreting the charts below. For any questions in regards this report, please send an email to [compliance@aeso.ca](mailto:compliance@aeso.ca).

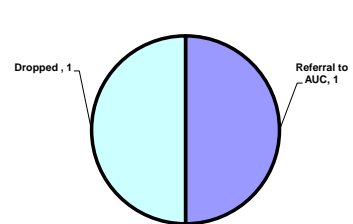
**Files Opened in Period - Count by Category**



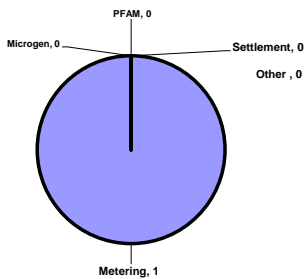
**Files Opened in Period - Count by Origin**



**Files Closed in Period - Count by Status**



**Referrals to AUC in Period - Count by Category**



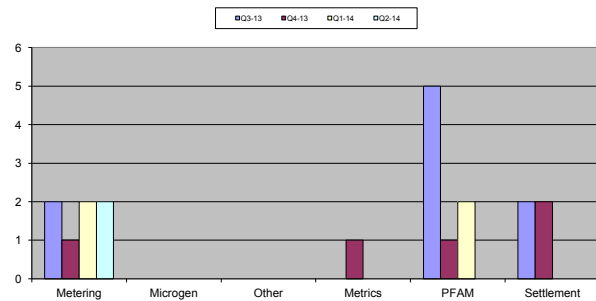
### Commentary

For the second quarter of 2014 we continue to see very low errors from market participants in all areas, including settlement, microgen, metering and post final adjustment data. This steady improvement with market participants compliance to Rule 21 shows that the Rule is stabilizing and market participants systems are working. In Q2 there were only two investigations opened regarding metering issues.

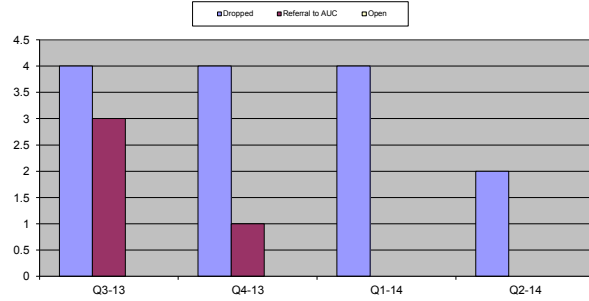
We will continue to work with industry and the AUC to simplify and streamline Rule 021 to make it more effective for all involved.

The majority of issues found were minor enough to be dealt with directly with the participants involved. The AUC is notified in those cases but a formal investigation is not undertaken.

**Files Opened by Quarter - Count By Category**



**Files Opened by Quarter - Count by Status**



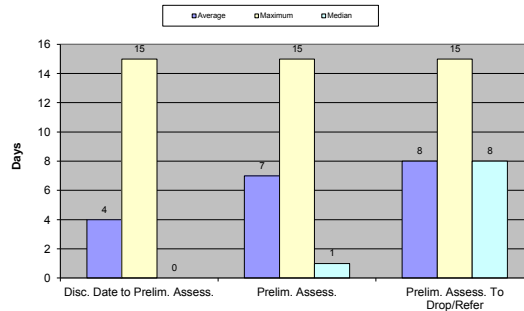
**Referrals to AUC by Quarter of Referral Date and Masked Participant ID**

Participant	Q3-13	Q4-13	Q1-14	Q2-14
LS1				
LS2				
LS3				
LS4				
LS5				
LS6	3	1	1	1
LS7	2	1		
LS8	1	1		
LS9				
LS10				
LS11	1	1		
LS12	1			
LS13	1			

**Referrals to AUC by Quarter of Referral Date and Category**

Category	Q3-13	Q4-13	Q1-14	Q2-14
Metering				1
Microgen				
Other				
Metrics				
PFAM	3		1	
Settlement		1		

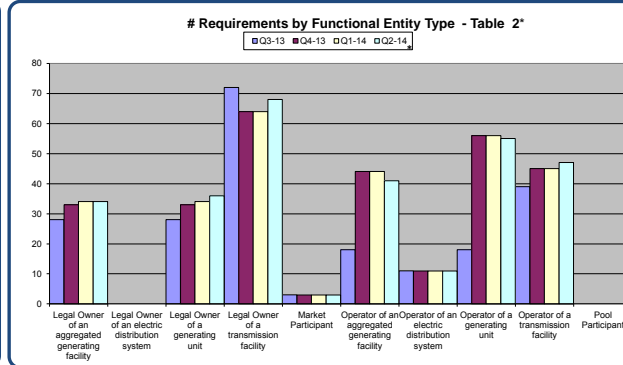
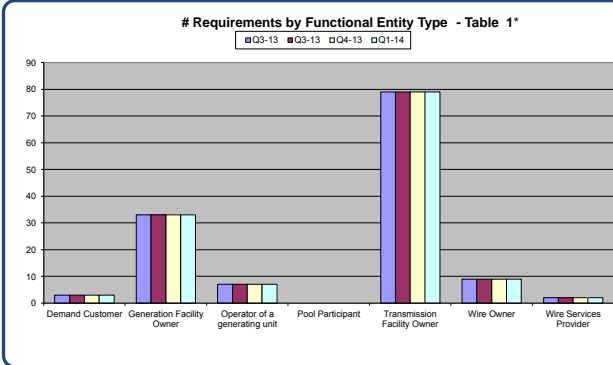
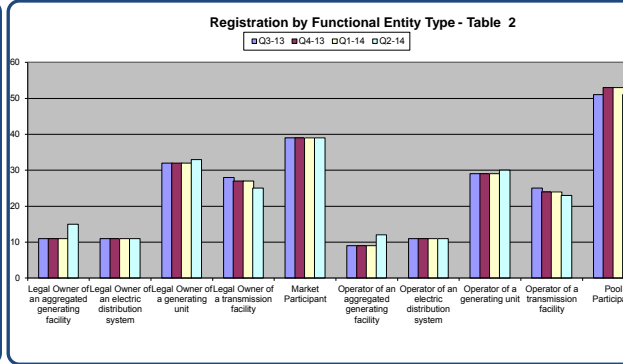
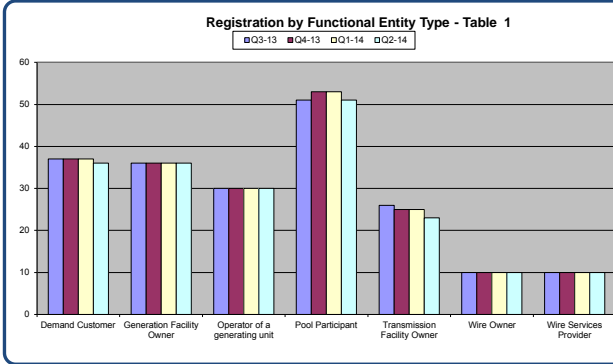
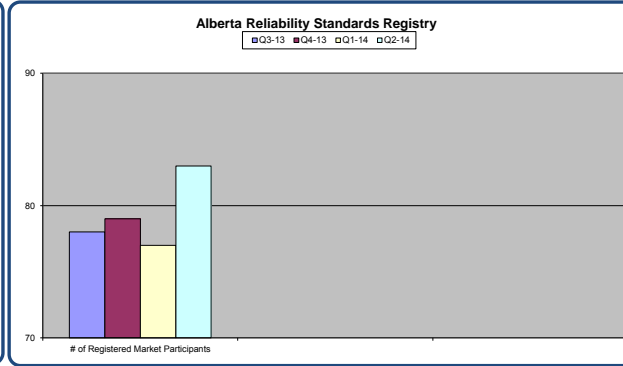
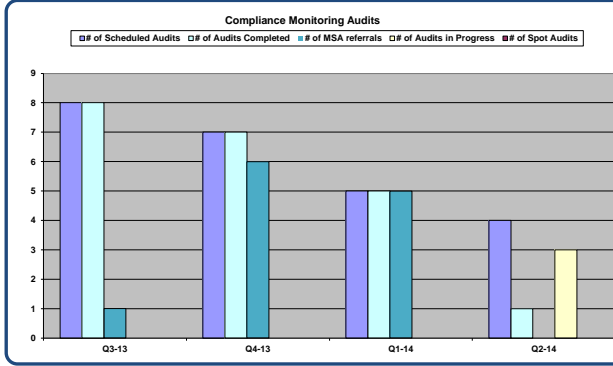
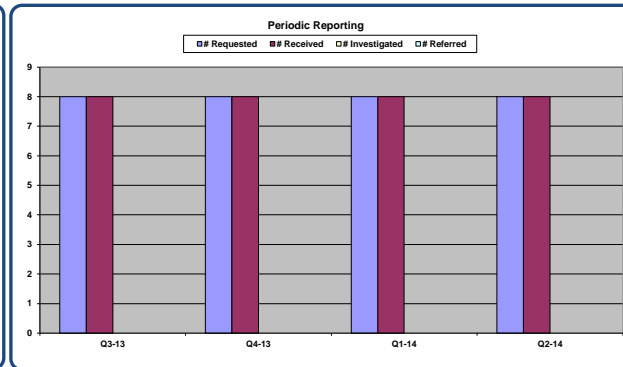
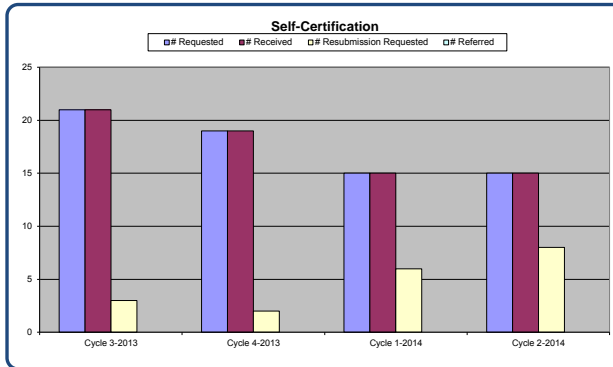
**Processing Time of Files Opened in Last Four Quarters**



## Compliance Quarterly Report - Alberta Reliability Standards Monitoring - Q1 2014

Updated: August 25, 2014

The following charts summarize the activities of the Alberta Reliability Standards Compliance Monitoring group for Q1/2014 and the distribution of events over the past four quarters. Please refer to the attached help documentation for details on interpreting the charts below. For any questions in regards to this report, please send an email to [rscompliance@aeso.ca](mailto:rscompliance@aeso.ca).



\*Note: As the AESO may refer multiple items within a single referral to the MSA, the count of Referrals to MSA will not necessarily line up with the count of penalties issued by the MSA in any given period.

Common Terminology	
<b>Category</b>	Each <b>Compliance File</b> 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.
<b>Clarification Request</b>	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 <b>Monitoring</b> process.
<b>Compliance File</b>	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.
<b>Compliance Monitoring Audit</b>	As described in ISO Rule 103.12. The process of monitoring or review of a TFO's compliance with ISO Rule 9.1.5.
<b>Compliance Monitoring Audit Report</b>	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.
<b>Date of Discovery</b>	For an <b>internal</b> or <b>external referral</b> , the date that the referral was received. For an event identified by <b>Monitoring</b> , the date on which the AESO discovers the event and logs it for <b>Preliminary Assessment</b> .
<b>Date of Notification</b>	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.
<b>File</b>	Synonym for <b>Compliance File</b> .
<b>File Date</b>	A unique date associated with a <b>Compliance File</b> . In the case of ISO rules compliance, this is the date of the <b>event</b> itself. In the case of AUC 021 monitoring, this is the <b>Date of Discovery</b> .
<b>Files Closed in Period</b>	Compliance Files whose <b>status</b> changed to either <b>Dropped File</b> or <b>Referred File</b> within the reporting period. Note that these may have file dates from earlier quarters.
<b>Files Opened in Period</b>	Compliance Files with a <b>Date of Discovery</b> falling within the reporting period.
<b>Flagged Event</b>	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 <b>Monitoring</b> , an <b>Internal Referral</b> or an <b>External Referral</b> or from <b>Clarification Requests</b> .
<b>Information Request</b>	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.
<b>Masked Participant ID</b>	A unique identifier associated with each market participant for tracking <b>Referred Files</b> for that participant but without revealing the particular participant. The Masked Participant ID will NOT be consistent from report to report.
<b>Masked Transmission Facility Owner (TFO)</b>	A unique identifier associated with each <b>TFO</b> for tracking Compliance Monitoring Audits for that participant but without revealing the <b>TFO</b> name. The Masked TFO ID will NOT be consistent from report to report.
<b>Monitoring</b>	Queries, reports and other tools run by Compliance on a regular basis to identify <b>Flagged Events</b> .
<b>Other</b>	A <b>Category</b> of Other applies to events which Compliance examined but did not prove to be associated with any potential rule contravention.
<b>Other Events</b>	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> .
<b>Preliminary Assessment</b>	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.
<b>Referrals in Period</b>	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.
<b>TFO Records</b>	Documents, correspondences and other records of information that support compliance with ISO Rule 9.1.5
<b>Warning Letter</b>	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	
<b>Origin</b>	A <b>Compliance File</b> has an origin which is an indication of how the <b>Flagged Event</b> was identified eg. <b>Monitoring</b> , <b>SC Referral</b> , <b>OC Referral</b> , etc.
<b>CR</b>	A <b>File Origin</b> of CR indicates that the event resulted from a <b>Clarification Request</b> .
<b>External Referral</b>	A <b>File Origin</b> 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.
<b>Internal Referral</b>	A <b>File Origin</b> 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.
<b>Other</b>	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.

<b>Status</b>	The current state of a <b>Compliance File</b> . Either <b>Open File</b> , <b>Dropped File</b> or <b>Referred File</b> .
<b>Dropped File</b>	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.
<b>Open File</b>	The <b>status</b> of a <b>Compliance File</b> which has been opened but which has not yet been <b>Dropped</b> or <b>Referred</b> to the MSA/AUC.
<b>Referred File</b>	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.

<b>Processing Time of Files Opened in the Last Four Quarters</b>	An indication of the number of days taken to move a <b>Compliance File</b> through the various stages of the Compliance Process.
<b>Disc. Date to Prelim. Assess</b>	The number of days between the <b>Date of Discovery</b> for a <b>Compliance File</b> and the commencement of the <b>Preliminary Assessment</b> .
<b>Prelim. Assess.</b>	The number of days between the commencement of the <b>Preliminary Assessment</b> and its completion.
<b>Prelim. Assess. To Drop/Refer</b>	The number of days between the completion of a <b>Preliminary Assessment</b> and the decision to drop or refer the file to the MSA/AUC. This is only relevant for events where an <b>Information Request</b> was sent.
<b>File Date to Drop/Refer</b>	The number of days between the <b>File Date</b> and the change in status for the <b>Compliance File</b> to either <b>Dropped File</b> or <b>Referred File</b> .

<b>Duration of ISO Rule 9.1 Compliance Audits</b>	An indication of the number of weeks taken to move a Compliance Monitoring Audit through the various stages of the audit process.
<b>Initiated</b>	The number of weeks between the <b>Date of Notification</b> and the date that the AESO received the <b>TFO Records</b> .
<b>Testing phase</b>	The number of weeks between the receipt of the <b>TFO Records</b> and the date that the AESO provided a Draft <b>Compliance Monitoring Audit Report</b> to the TFO for review and comments.
<b>Draft report phase</b>	The number of weeks between the end of the Testing Phase and the receipt of TFO comments on the draft <b>Compliance Monitoring Audit Report</b> .
<b>Report finalized</b>	The number of weeks between the receipt of the Draft <b>Compliance Monitoring Audit Report</b> with TFO comments and the <b>Compliance Monitoring Audit Report</b> is finalized.
<b>Audit completed</b>	The number of weeks between the date of finalizing the <b>Compliance Monitoring Audit Report</b> and the date of referral to the MSA or closing the audit, in case of non-referral.