

Compliance Quarterly Report

Q3 2015

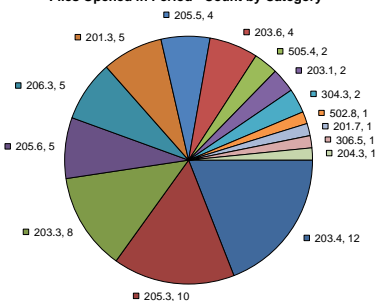
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Compliance Quarterly Report - ISO Rules - Q3 2015

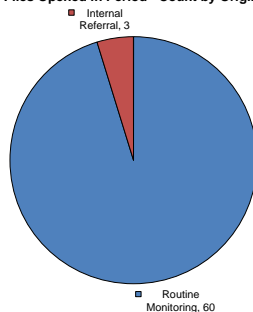
Updated: November 3, 2015

The following charts summarize the activities of the ISO Rules Compliance group in Q3 of 2015 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.

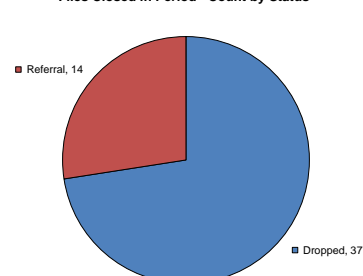
Files Opened in Period - Count by Category



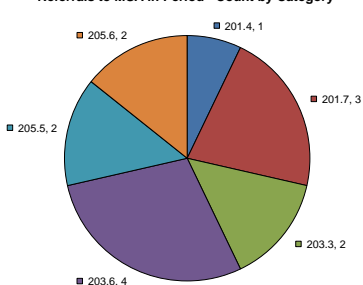
Files Opened in Period - Count by Origin



Files Closed in Period - Count by Status



Referrals to MSA in Period - Count by Category



Commentary

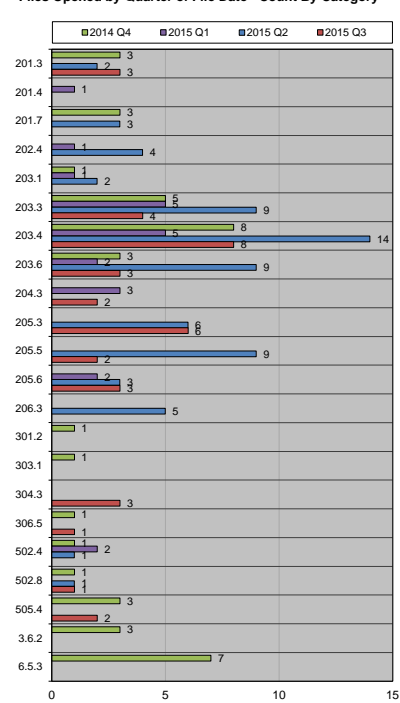
There were 63 files opened this quarter and 51 files closed. Of the 51 files closed in the quarter, there were 14 referrals to the MSA of suspected contraventions. These 14 referrals are distributed across 6 rules.

The 40 referrals to the MSA made over the past 4 quarters are distributed across 26 market participants and 11 ISO rules. Processing times are slightly down from the last quarterly report with a median of 86 days between the occurrence of the event and closure of the handling of the event.

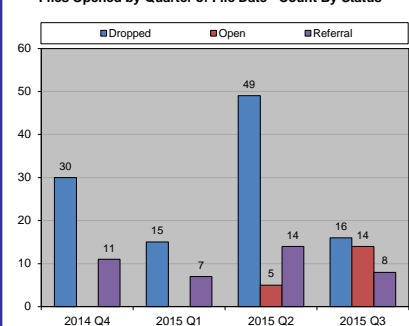
ISO rules 3.6.2 and 6.5.3 were replaced on December 23, 2014 with the new Division 205 - Ancillary Services Market rules as part of the Transition of Authoritative Documents (TOAD) project. Files opened previous to this date are associated with the corresponding version of the rule in place at the time.

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



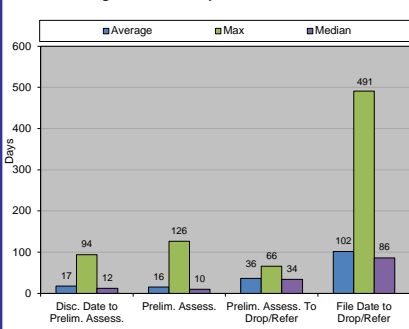
Files Opened by Quarter of File Date - Count By Status



Referrals to MSA by Quarter of File Date and Masked ID

Participant	2014 Q4	2015 Q1	2015 Q2	2015 Q3
P1		1		
P2			3	
P3			1	
P4			1	
P5				1
P6		1		
P7		1	1	
P8		1		
P9				1
P10			2	
P11			1	
P12	1			
P13	1			
P14	1			
P15				2
P16		1	1	
P17	2	1	1	
P18	1			
P19	1			
P20	1			
P21			1	
P22	1			
P23			1	
P24		1	1	
P25	1			
P26	1			4

Processing Time of Files Opened in Last Four Quarters



Referral to MSA by Quarter of File Date and Category

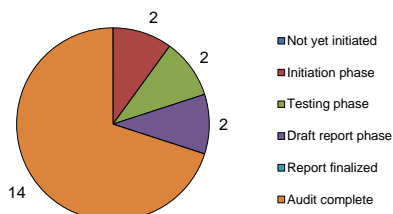
Category	2014 Q4	2015 Q1	2015 Q2	2015 Q3
201.3				2
201.4		1		
201.7	1		3	
203.3	2	4	1	
203.4	2			
203.6	3	1	4	
205.3				2
205.5			3	1
205.6		1	3	3
3.6.2	2			
6.5.3	1			

Compliance Quarterly Report - ISO Rule 9.1 - Q3 2015

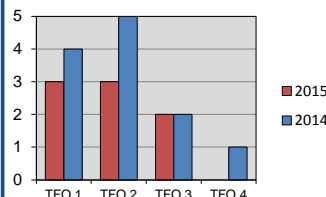
Updated: November 3, 2015

The following charts summarize the status of the 2014 and 2015 activities of ISO Rules Compliance group in relation to Section 9.1 of the ISO Rules ("Section 9.1") as of Q3 2015. For any questions in regards this report, please send an email to tpcompliance@aeso.ca.

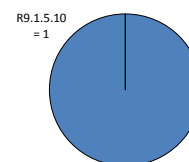
1. Status of the 2015/2014 ISO Rule 9.1 Compliance Audits - Count by Projects



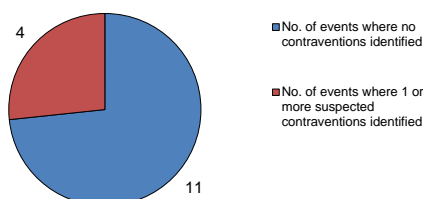
2. Distribution of 2015/2014 Audits - Count by Masked TFO



3. Other 9.1 Events in 2015/2014 - Count by ISO Rule Subsection



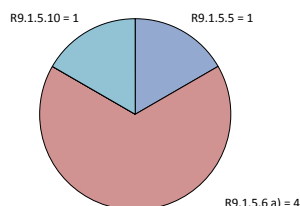
4. 2015/2014 ISO Rule 9.1 Event Outcomes - Count by Category



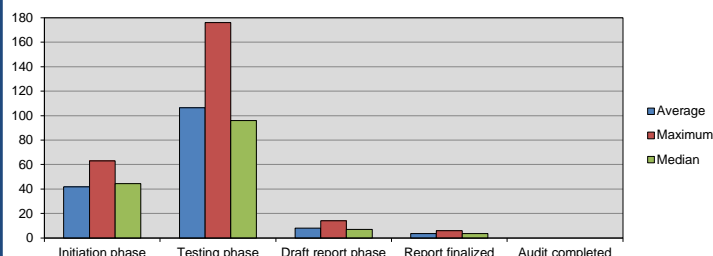
6. 2014 ISO Rule 9.1 Completed Compliance Audits - Duration in days of each phase



5. Suspected Contraventions in 2015/2014 - Count by ISO Rule Subsection



7. 2015 ISO Rule 9.1 Completed Compliance Audits - Duration in days of each phase



Commentary

This report for the third quarter of 2015 includes a summary of activities and monitoring for 2014, and additional information up to the date of this report as indicated.

All of the 12 full audits in 2014 have been completed as shown in graph no. 1. In 2015, there are 7 full audits planned for the year and as of Q3 2015, 2 audits are in the information gathering or initiation phase, 1 audit is in the testing phase, 2 audits are in the draft report phase, and 2 audits have been completed. As of the November 3, 2015, testing is underway on 3 audits and 4 audits have been completed.

Other non-audit 9.1 events are captured in graph no. 3. One event related to Section 9.1.5.10 of the ISO Rules was investigated in 2014. As of Q3 2015, there are no other non-audit 9.1 events that needed investigation by the Compliance group.

With respect to 2014/2015 monitoring, as of Q3 2015, there have been four 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 Section 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.

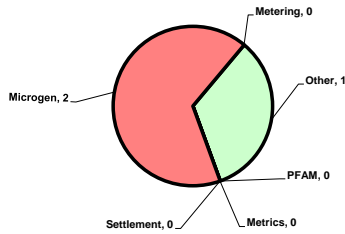
The AESO's Transmission Cost Accountability Recommendation Paper, published in 2012, recommended a review of Section 9.1 in the context of the current legislative framework and current marketplace for the design and construction of transmission facilities. The AESO is currently in the process of consulting with market participants and reviewing Section 9.1 in this regard.

Compliance Quarterly Report - Load Settlement - Q3 2015

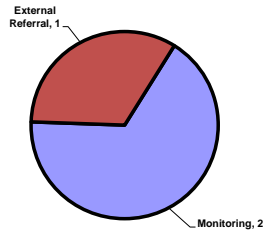
Update November 13, 2015

The following charts summarize the activities of the Load Settlement Compliance group over the four quarters ending June 2015. 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.

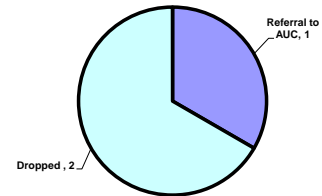
Files Opened in Period - Count by Category



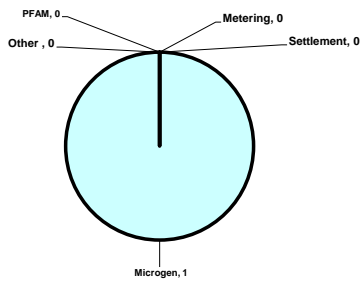
Files Opened in Period - Count by Origin



Files Closed in Period - Count by Status



Referrals to AUC in Period - Count by Category



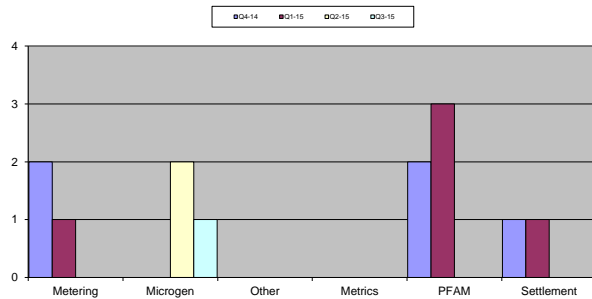
Commentary

For the third quarter of 2015, we continue to see very low errors from market participants in all areas including settlement, micro generation (Microgen), metering and post final adjustment data. This steady improvement with market participants compliance to AUC Rule 21 shows that the rule is stabilizing and market participants systems are working. In Q3, there were 2 files opened for Microgen discrepancies. These files have minimal financial impact.

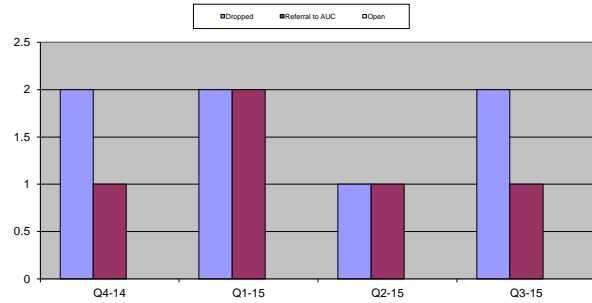
We will continue to work with the industry and the AUC to simplify and streamline Rule 021 to make it more effective for all involved.

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



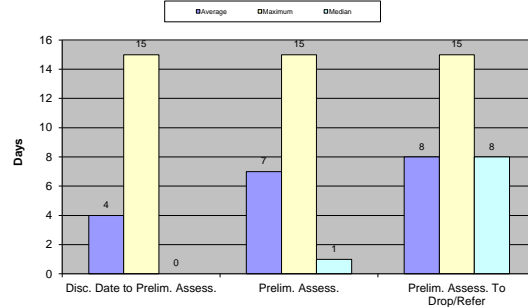
Referrals to AUC by Quarter of Referral Date and Masked Participant ID

Participant	Q4-14	Q1-15	Q2-15	Q3-15
LS1				
LS2				
LS3	2	1	1	
LS4	1	2		1
LS5				
LS6	1	1		
LS7	1	1		
LS8				
LS9				
LS10				
LS11		1		
LS12				
LS13				

Referrals to AUC by Quarter of Referral Date and Category

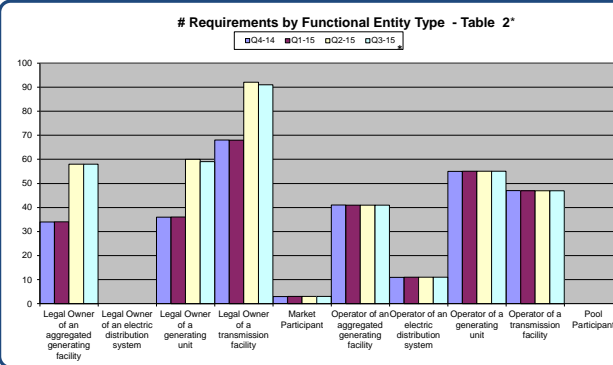
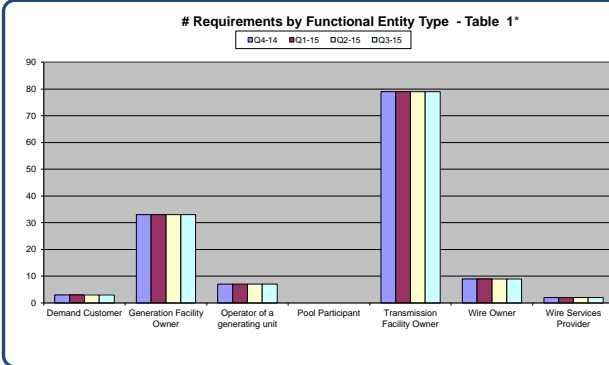
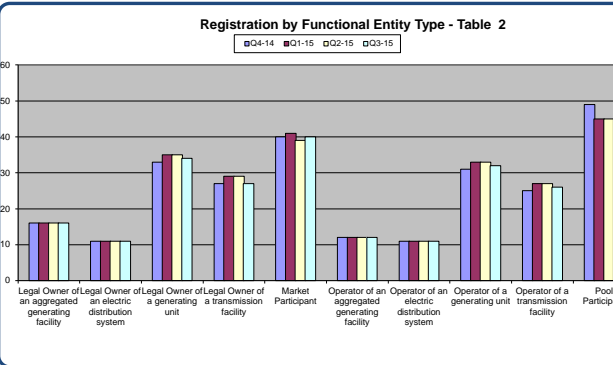
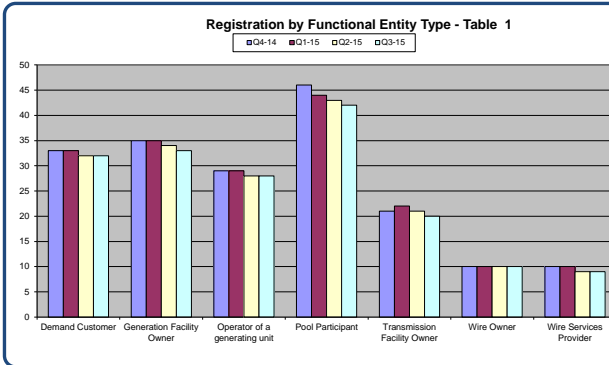
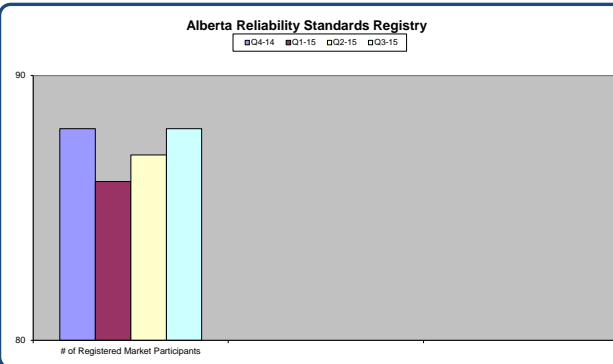
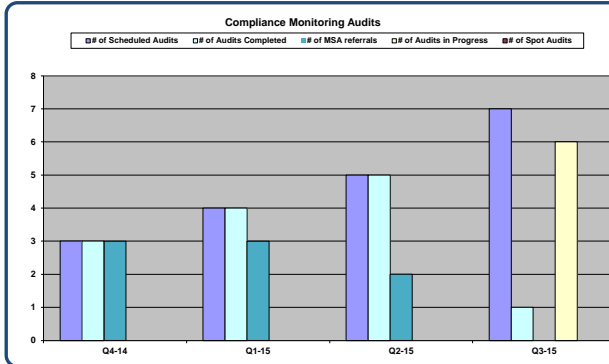
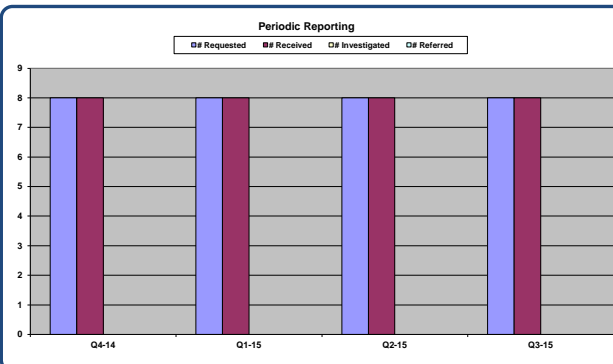
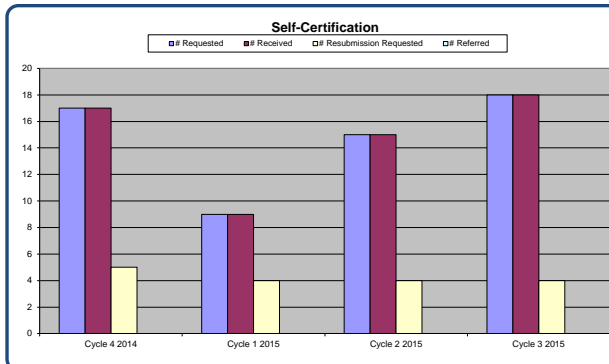
Category	Q4-14	Q1-15	Q2-15	Q3-15
Metering		1		
Microgen			1	1
Other				
Metrics				
PFAM	1			
Settlement		1		

Processing Time of Files Opened in Last Four Quarters



Compliance Quarterly Report - Alberta Reliability Standards Monitoring - Q3 2015

The following charts summarize the activities of the Alberta Reliability Standards Compliance Monitoring group for Q3/2015 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 this report, please send an email to 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	
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.