



**ORDER NUMBER**  
**R-42-17A**

IN THE MATTER OF  
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Rio Tinto Alcan  
Confirmation of Alleged Violation of Mandatory Reliability Standards:  
EOP-008-1 Requirement 1 - Violation ID: BCUC2016000587  
EOP-008-1 Requirement 7 - Violation ID: BCUC2016000588

**BEFORE:**

W. M. Everett, QC, Commissioner

on September 20, 2017

**ORDER**

**WHEREAS:**

- A. Order G-123-09 approved the Compliance Monitoring Program (CMP), which provides a process for dealing with violations to Mandatory Reliability Standards (MRS) adopted by the British Columbia Utilities Commission (Commission). Commission Order R-28-16 approved the Penalty Guidelines for British Columbia Mandatory Reliability Standards (Penalty Guidelines) and ordered that the imposition of penalties utilizing the Penalty Guidelines process will apply to violations that are identified and reported on or after August 1, 2016. Most recent revisions to the CMP and Penalty Guidelines were approved by Commission Order R-40-17, dated September 1, 2017;
- B. Pursuant to section 5.1.2 of the CMP, the Entity is not required to, but may, prepare a Mitigation Plan (MP) for an Alleged Violation at any time. Pursuant to section 5.1.1 of the CMP, the Entity must submit an MP for a Confirmed Violation within 10 business days following confirmation by the Commission;
- C. On May 16, 2016 through May 26, 2016, the Western Electricity Coordinating Council (WECC), acting as the Commission's Administrator for the British Columbia Mandatory Reliability Standards Program (BC MRS Program), conducted a Compliance Audit of Rio Tinto Alcan (RTA) and identified the two Alleged Violations noted above;
- D. On November 25, 2016, RTA submitted MPs for the above Alleged Violations which WECC rejected on March 30, 2017. To date, RTA has not submitted subsequent versions of the MPs for these Alleged Violations;
- E. On July 18, 2017, WECC issued a Notice of Alleged Violation (NOAV) to RTA for the Alleged Violations identified above. The NOAV described the nature of the Alleged Violations and provided an assessment of the severity of the Alleged Violations. On August 14, 2017, at the request of Commission staff, WECC issued

a revised NOAV to RTA for the same Alleged Violations to more accurately depict the penalty ranges in the approved BC Penalty matrix. WECC's assessment of each Alleged Violation is shown below;

Alleged Violation	Violation ID	Violation Risk Factor	Violation Severity Level	WECC's perceived risk to the Bulk Electric System	Base Penalty Range*	Proposed Penalty Amount
EOP-008-1 R1	BCUC2016000587	Medium	Severe	Minimal	\$0 - \$335,000	No penalty per Order R-28-16
EOP-008-1 R7	BCUC2016000588	Medium	Severe	Minimal	\$0 - \$335,000	No penalty per Order R-28-16

- F. On August 14, 2017, WECC also advised RTA of its rights under section 4.4 of the CMP, pursuant to which the Entity has three options and 30 days to respond to the NOAV. The CMP also states if the Entity fails to respond within 30 days, the Commission may consider the Alleged Violation(s) in the absence of a submission;
- G. RTA failed to respond to the NOAV within the prescribed time; and
- H. The Commission has reviewed the NOAV issued to RTA for the Alleged Violations noted above, including WECC's risk assessment and proposed penalty amount, and considers confirmation of the Alleged Violations is warranted.

**NOW THEREFORE** pursuant to section 125.2(10) of the UCA and in accordance with the CMP, the Commission confirms the Alleged Violations as set out in the NOAV issued to RTA on August 14, 2017 and identified as EOP-008-1 R1 and EOP-008-1 R7.

DATED at the City of Vancouver, in the Province of British Columbia, this 3<sup>rd</sup> day of October 2017.

BY ORDER

*Original signed by:*

W. M. Everett, QC  
Commissioner