

DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL MSCP/2004/D6

Market Surveillance and Compliance Panel (“MSCP”)

Mr Joseph Grimberg, Chair
Professor Lim Chin
Mr Lee Keh Sai
Mr TPB Menon

Date of Determination

14 September 2004

Party

Energy Market Company Pte Ltd (“EMC”)

Subject

Late Price Confirmation Advisory Notice on 26 June 2003 and 26 November 2003

Applicable Rule(s) in the Singapore Electricity Market Rules (the “market rules”)

1. Section 9.3.2A of Chapter 6 provides that:

“The *EMC* shall provide confirmation by 12.00 noon each day, in such manner as will provide adequate notice, using electronic means, or in the case where electronic means are not available, by any other means it considers suitable, as to whether prices determined for the previous *dispatch day* are final or provisional.”

Facts and Circumstances

Incident on 26 June 2003

2. An EMC staff member who was responsible for publishing the price confirmation notice on 26 June 2003 had forgotten that he was rostered to carry out the publication that day. By the time the EMC staff remembered, he was unable to meet the deadline to publish the price confirmation notice. The price confirmation notice on 26 June 2003 was therefore published at 1305 hrs, ie one hour and 5 minutes late.
3. The EMC put in place additional procedures to prevent a similar incident from recurring. The EMC staff scheduled to carry out the price finalization process for the current day will:

- (a) confirm with the Manager of the Pricing & Information team in the morning that he is responsible for carrying out the price finalization process and publishing the price confirmation notice for that day; and
 - (b) on the next day, check and confirm with the EMC staff responsible for carrying out the price finalization process for that day by 1100 hrs that the price confirmation notice has been published.
4. The EMC has also created weekly recurring appointments in the Microsoft Outlook calendar of the EMC staff who is responsible for publishing the price confirmation notice by 1100 hrs on each day.

Incident on 26 November 2003

5. The EMC staff responsible for publishing the price confirmation notice on 26 November 2003 did not realize that the price confirmation advisory notice was in "DRAFT" mode and not "ISSUED" mode. The notice had to be in "ISSUED" mode in order for market participants to be able to view it from the trading website. The error was discovered and rectified on 27 November 2003 by the EMC.
6. Arising from this incident, the EMC has updated its procedures requiring the EMC staff responsible for carrying out the price finalization process the next day to check with the EMC staff responsible for publishing the price confirmation notice for the current day to ensure that the price confirmation notice is in "ISSUED" mode.

Determination

7. The MSCP determined on the basis of the facts referred to above, that the EMC had breached section 9.3.2A of Chapter 6 of the market rules on both occasions.
8. On 11 February 2004, the MSCP issued a letter informing the EMC that it considered that the EMC had prima facie breached section 9.3.2A of Chapter 6 of the market rules and invited the EMC to make written representations. No written representations were received by the expiry of the deadline stipulated.
9. However, the breaches were self-reported, inadvertent, and quickly rectified without impact on the market. The EMC also put in place procedures to prevent a recurrence of such breaches.
10. Therefore, the MSCP determined that the appropriate enforcement action to be taken is to issue a letter of non-compliance to the EMC and directs the EMC to pay costs, fixed at \$1,000.



Lim Chin
for and on behalf of
Chair, Market Surveillance and Compliance Panel