

**DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL
MSCP/2004/D14**

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

Failure to send Adequacy and Security Assessment (“ASA”) reports to market participants

Applicable Rule(s) in the Singapore Electricity Market Rules

Section 6.6.3 of Chapter 5 provides that:

1. “The PSO shall, not later than 17:00 hours on each day, prepare and forward a Daily Assessment Report covering a 14-day period commencing on the following day to the EMC. Upon receipt of such report, the EMC shall communicate the information received to market participants via electronic means.”

Facts and Circumstances

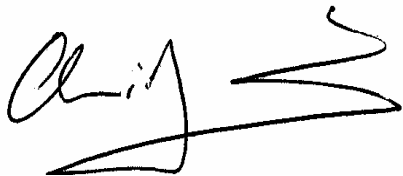
2. The PSO emails the ASA report to the EMC daily. The EMC then forwards the ASA report automatically to market participants via email through an external email forwarding function in the EMC’s email system. The ASA report mailing list consists of representatives from the various market participants and members of the EMC’s Market Operations team.
3. In addition to sending out the ASA report by email, the EMC also uploads the ASA report onto the trading website by 1630hrs on business days. On non-business days, the uploading is not carried out and the EMC relied on the external email forwarding function to send the ASA reports to market participants.
4. According to the EMC, a market participant highlighted to the EMC during a market participant forum that they had not received the ASA reports via email on non-business days. The EMC

was unaware that this had occurred as members of its Market Operations team received the ASA report via email on non-business days.

5. Investigations carried out by EMC indicated that the email forwarding function to external parties was disabled sometime between January to March 2003. However, the EMC is unable to ascertain exactly when this incident had occurred. As a result, the ASA report was not sent out to market participants on non-business days since the start of 2003. There are a total of 114 non-business days in 2003. The market operations team was able to receive the ASA report via the email forwarding function as it was not an external party.
6. According to the EMC, it has taken the following remedial action :
 - (a) the external email forwarding function was enabled and subsequent ASA reports have been automatically sent to market participants in the mailing list;
 - (b) an external email account (emcsg@singnet.com.sg) was added to the market participant mailing list to ensure that the external email forwarding function is functioning. The EMC has also incorporated daily system health check procedures to ascertain the delivery of the ASA reports by checking the external email account. The daily system health check will be performed on by the EMC on both business days and non-business days.
7. There was no significant impact on the market resulting from this incident.

Determination

8. On 2 April 2004, the MSCSP issued a letter informing the EMC that it considered that the EMC had prima facie breached section 6.6.3 of Chapter 5 of the Singapore Electricity Market Rules (the "market rules") and invited the EMC to make written representations. No written representations were received by the deadline stipulated.
9. The MSCSP determined on the basis of the facts referred to above that the EMC breached section 6.6.3 of Chapter 5 of the market rules.
10. However, the breach was self-reported and had no significant impact on the market. The EMC had taken remedial actions to prevent this incident from recurring. There was also no indication that the EMC had not made a reasonable attempt to comply with the market rules.
11. Therefore, the MSCSP determined that a letter of non-compliance be issued against 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