

**DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL
MSCP/2004/D13**

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

Wrong settlement payment date

Applicable Rule(s) in the Singapore Electricity Market Rules

1. Section 5.2.6 of Chapter 7 provides that :

“The market participant payment date for each invoice shall be the 20th day after the trading day subject to business day convention.”

2. Section 5.2.8 of Chapter 7 provides that :

“The EMC payment date for each invoice shall be one day after the market participant payment date, subject to business day convention, for that invoice.”

Facts and Circumstances

3. For dispatch day 11 December 2003,

(a) the market participant payment date was 31 December 2003; and

(b) the EMC payment date was therefore 1 January 2004. However, as 1 January 2004 was a public holiday, the correct EMC payment date should be 2 January 2004.

4. Investigations by EMC indicated that the IT system was not updated to recognize that 1 January 2004 was a public holiday. As a result, the invoices were erroneously issued to market participants stating 1 January 2004 to be the payment date.
5. Upon realizing the error, the Settlement team of the EMC took action to:
 - (a) notify market participants regarding the incorrect payment date and the correct payment date by email;
 - (b) amend the tax invoices manually to reflect the correct payment dates;
 - (c) amend the fund transfer instructions manually to ensure fund transfers are executed on the correct payment date.
6. There was no significant impact resulting from this incident.

Determination

7. On 2 April 2004, the MSCSP issued a letter informing the EMC that it considered that the EMC had prima facie breached section 5.2.8 of Chapter 7 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.
8. The MSCSP determined on the basis of the facts referred to above that the EMC breached section 5.2.8 of Chapter 7 of the market rules.
9. However, the breach was self-reported and had no significant impact on the market. There was also no indication that the EMC had not made a reasonable attempt to comply with the market rules.
10. Therefore, the MSCSP 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