



National
Electricity
Market of
Singapore

Report by Dispute Resolution Counsellor

April 2004 to March 2005

11 July 2005

**This report is prepared for the Energy Market Company Pte Ltd and
the Energy Market Authority.**

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INTRODUCTION

This is a report by the Dispute Resolution Counsellor (“DRC”) on dispute resolution in relation to the wholesale electricity markets of the National Electricity Market of Singapore (“NEMS”) from 1 April 2004 to 31 March 2005.

DISPUTE RESOLUTION INSTITUTIONS

The dispute resolution institutions for the wholesale electricity markets of NEMS comprise the DRC and the group from which a Disputes and Compensation Resolution Panel (“DCRP”) may be selected to carry out an arbitration when necessary. The members of the group are:

- (a) Associate Professor Lawrence Boo;
- (b) Mr Naresh Mahtani;
- (c) Associate Professor Tan Cheng Han SC;
- (d) Mr Tan Ching Tiong; and
- (e) Mr George Tan.

MARKET ASSESSMENT UNIT

The Market Assessment Unit (“MAU”) of the Energy Market Company Pte Ltd (“EMC”) supports the dispute resolution process for the wholesale electricity markets of NEMS and assists the DRC and DCRP group in discharging their functions.

DISPUTE RESOLUTION PROCESS

The dispute resolution process under the Singapore Electricity Market Rules at present generally comprises:

- a First Stage Dispute Resolution Process where parties endeavour to resolve disputes on their own; and
- a Second Stage Dispute Resolution Process where disputes not resolved through the First Stage are subject to arbitration.

DISPUTES

Requests for Assistance and Dispute Referrals

Parties who wish to raise a dispute under the First Stage Dispute Resolution Process do so by serving a notice of dispute on the other party or parties. They do not have to serve a notice of dispute with the DRC. However, they may invite the DRC to assist in facilitating the resolution of the dispute. During the period 1 April 2004 to 31 March 2005, I did not receive any request for such assistance.

A party desiring to have a dispute resolved under the Second Stage Dispute Resolution Process has to refer the dispute to the DRC. During the period 1 April 2004 to 31 March 2005, I did not receive any notice of a dispute.

REVIEW OF THE DISPUTE RESOLUTION PROCESS

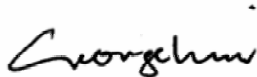
In my last report, I had indicated that the MAU and I were working on a proposal to improve the current dispute resolution framework so as to create a fair, efficient and cost-effective dispute resolution process.

We consulted the industry on the proposed rules in September 2004, and concluded the exercise with a detailed response to all comments received. A rule change proposal encapsulating the views of the industry was formally submitted to the Rules Change Panel on 1 October 2004.

The proposal is still going through the rules change process. However, I understand that the principles of the proposal were largely supported by the Rules Change Panel, which comprises mainly of industry representatives. The new rules are for the benefit and use of the industry. It is therefore important that they reflect industry preferences.

CONCLUSION

Plans are currently underway for the effective implementation of the new rules and I look forward to the changes being approved. Nonetheless, should members of the industry require any assistance with disputes before the new framework is in place, I will certainly do my best to assist.



George Lim
Dispute Resolution Counsellor
11 July 2005