

Licence No. EMA/MS/001R2



Smart Energy, Sustainable Future

Electricity Licence for Market Support Services Licensee

granted under
the Electricity Act (Cap. 89A) to

SP Services Limited

ELECTRICITY LICENCE FOR MARKET SUPPORT SERVICES LICENSEE

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PART I: SCOPE OF THE LICENCE

1. The Energy Market Authority of Singapore (“the Authority”), in exercise of the powers conferred by Section 9 of the Electricity Act (Cap. 89A) (the “Act”), hereby grants to SP Services Limited (“the Licensee”), a company incorporated in the Republic of Singapore with Registration Number 199504470N, an electricity licence (the “Licence”) authorising it to provide market support services to consumers and electricity licensees, subject to the conditions of this Licence (the “Conditions”).
2. The Conditions are subject to modification in accordance with their terms or with Section 12 of the Act.
3. Subject to paragraphs 4 and 5 below, this Licence shall be for a term of 10 (ten) years commencing on 1 January 2023. The Licensee may, no earlier than 3½ (three and a half) years and no later than 2½ (two and a half) years prior to the expiry of the Licence, apply to the Authority, in writing, for a renewal of the Licence. The renewal shall be on such terms and conditions as the Authority deems fit and will be notified to the Licensee, in writing, no later than 2 (two) years prior to the date of expiry of the Licence.
4. The Authority may at any time during the term of this Licence revoke or suspend this Licence in accordance with Section 13 of the Act.
5. Any request for the termination of this Licence by the Licensee is subject to the approval of the Authority. The Licensee shall continue to be bound by the terms of this Licence until such time as the Authority notifies the Licensee in writing of such approval.

31 Dec 2020

NGIAM SHIH CHUN
Chief Executive
Energy Market Authority of Singapore

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PART II: CONDITIONS OF THE LICENCE

Condition 1: Interpretation

1. Unless the context otherwise requires, words and expressions used in this Licence shall be construed as if they were in an Act of Parliament and the Interpretation Act (Cap. 1) applied to them and references to an enactment shall include any statutory modification or re-enactment thereof or any legislation substituted therefor after the date when this Licence comes into operation. A reference in this Licence to a body, whether statutory or not, which ceases to exist or whose functions are transferred to another body includes a reference to the body which replaces it or which substantially succeeds to its functions, powers or duties. A reference in this Licence to the word "including" or a grammatical variation thereof means "including but not limited to".
2. Unless the context otherwise requires or the term is otherwise defined in paragraph 3 of this Condition, all terms defined in the Act shall have the same meaning when used in this Licence.
3. In this Licence, unless the context otherwise requires:
 - "allowed activity" means an activity other than the authorised business in which the Licensee may engage subject to the provisions of paragraphs 2 and 3 of Condition 2;
 - "auditors" means the Licensee's auditors for the time being holding office in accordance with the requirements of the Companies Act (Cap. 50);
 - "authorised business" means, in respect of the Licensee, the business of providing market support services to consumers and to electricity licensees;
 - "consumer information" means information relating to a specific consumer of a market support services licensee obtained by the market support services licensee while conducting the authorised business and includes information obtained without the consent of the consumer;
 - "director" means any person who is a "director" within the meaning of Section 4(1) of the Companies Act (Cap. 50);
 - "indirect access" means access to a wholesale electricity market operated by the Market Company through a market support services licensee;
 - "market participant consumer" means a contestable consumer that purchases electricity directly from a wholesale electricity market operated by the Market Company or from a market participant retailer;

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"market participant retailer" means a retail electricity licensee that is a market participant;

"Market Support Services Code" means the code of practice issued by the Authority that describes the minimum standards of performance in accordance with which a market support services licensee is required to perform market support services for electricity licensees and contestable consumers;

"meter installation" means the meter and, if so equipped, the self-contained meter transformers, wiring, test links, fuses, lamps, data recorders, miniature circuit breakers, and communication modem required to provide remote access to the metered data so that readings from the meter can be taken for settlement purposes;

"Metering Code" means the code of practice issued by the Authority that describes the minimum standards of performance in accordance with which a metering services provider is required to perform metering services;

"Metering Data Registry" means a database that contains meter information and the meter readings collected by a MR, including data that has been verified, estimated and edited by a MDM;

"metering services" means services relating to meter installations, meter reading, meter data management and meter data aggregation, being services provided by a MESP, MR or MDM;

"MDM" or "meter data manager" means a person responsible under the terms of its electricity licence, for the management of data related to meter reading including storing meter data in the Metering Data Registry, transforming raw meter data to settlement-ready data, aggregating data for settlement purposes, and transmitting data to all relevant parties for billing, calculation of settlement or other suitable purposes;

"MESP" or "meter equipment service provider" means a person responsible under the terms of its electricity licence, for installing, maintaining and/or verifying the accuracy of a meter installation;

"MR" or "meter reader" means a person responsible under the terms of its electricity licence, for the reading of the registry of any meter and delivering meter data to a MDM;

"non-market participant consumer" means a contestable consumer that receives indirect access or purchases electricity from a non-market participant retailer;

"non-market participant retailer" means a retail electricity licensee that receives indirect access;

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"power system" means a system comprising (a) the transmission system; and (b) generation facilities and load facilities, as defined in the market rules, connected to the transmission system;

"regulated supply service" means the supply of electricity and the provision of market support services to a non-contestable consumer under Section 21 of the Act;

"Regulated Supply Service Code" means the code of practice issued by the Authority that describes the minimum standards of performance in accordance with which a market support services licensee is required to supply electricity to and perform market support services for non-contestable consumers;

"regulatory contract" means an agreement or arrangement which an electricity licensee is required, by condition of Licence, to enter into under Section 9(7)(a)(ii) of the Act;

"related enterprise" in relation to the Licensee or its subsidiary means any company or partnership over which the Licensee or its subsidiary, as the case may be (either directly or through another subsidiary company) is able to exercise control, that is, to direct the decision-making process of the company or partnership, whether through holding issued share capital or voting power of the company or partnership;

"relevant legislation" means the Act and the Energy Market Authority of Singapore Act (Cap. 92B), and includes in each case the regulations made thereunder;

"settlement" means the settling of monies owed to or from a market support services licensee, the transmission licensee or the Market Company, as the case may be;

"settlement-ready data" means meter data that has been managed in accordance with the applicable standards prescribed in the Metering Code so as to produce a quantity value that can be used for settlement of transactions, purchase or sales associated with regulated supply service, the retail electricity market or the wholesale electricity market;

"subsidiary" shall be construed in accordance with Section 5 of the Companies Act (Cap. 50);

"transmission services" means services relating to access to and use of the transmission system;

"vesting contract" means a contract or other financial arrangement between a market support services licensee and a generation licensee in a form approved by, and designated as a vesting contract by, the Authority; and

"wholesaler licensee" means a person who is authorised by an electricity licence to trade in a wholesale electricity market operated by the Market Company.

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4. For the purposes of the restriction on the transfer of this Licence, the provisions of Section 11 of the Act shall apply and, accordingly:
 - (a) this Licence is not transferable without the approval in writing of the Authority; and
 - (b) any purported transfer of this Licence shall be void.
5. Any reference in this Licence to a numbered paragraph is a reference to the paragraph bearing that number in the condition in which the reference occurs.
6. Where in this Licence the Licensee is required to comply with any obligation within a specified time limit, that obligation shall be deemed to continue after that time limit if the Licensee fails to comply with that obligation within that time limit.
7. The provisions of Section 99 of the Act shall apply for the purposes of the service of any document pursuant to this Licence.

Condition 2: Authorised Activities

1. The Licensee shall provide market support services.
2. The Licensee may, upon approval in writing of the Authority and subject to such conditions as may be imposed by the Authority at the time of approval or at any time thereafter, engage in allowed activities that:
 - (a) use an existing competency of the Licensee; and
 - (b) provide synergies with the activities comprised in the authorised business.
3. In making an application to the Authority for approval to engage in such an activity, the Licensee shall provide an assessment of the extent to which such activity complies with the criteria mentioned in paragraph 2 of this Condition. The Licensee shall inform the Authority of any change in the nature of an allowed activity if such change could reasonably be expected to cause such allowed activity to fail to comply with the criteria listed in paragraph 2 of this Condition, and shall provide such information no later than 2 (two) weeks after any such change being anticipated or taking place.
4. Other than the authorised business and allowed activities, the Licensee:
 - (a) shall not engage directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities; and
 - (b) shall procure that each of its subsidiaries and related enterprises do not engage, or seek to obtain from the Authority an electricity licence permitting

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it to engage, directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such business activities.

5. This Condition shall not prevent the Licensee from:
 - (a) engaging in any business, undertaking or activity incidental to the performance of its authorised business; or
 - (b) subject to Condition 5 making available to its subsidiaries the services of employees of the Licensee in order that such subsidiaries may provide to third parties such technical services and advice and assistance in respect of the services comprised within the authorised business or allowed activities.
6. The Authority may upon the application of the Licensee, relieve the Licensee from its obligations under paragraph 4 of this Condition in relation to any particular case to such extent and subject to such terms and conditions as the Authority shall specify in writing.

Condition 3: Separate Accounts for Authorised Business

1. The Licensee shall maintain accounting and reporting arrangements that enable separate accounts to be prepared for and show the financial affairs of:
 - (a) the authorised business; and
 - (b) the businesses of the Licensee in aggregate.
2. The Licensee shall, in respect of the authorised business:
 - (a) keep or cause to be kept for the period referred to in Section 199 of the Companies Act (Cap. 50) and in the manner referred to in that section such accounting records in respect of the authorised business:
 - (i) as would by Section 199 of the Companies Act (Cap. 50) be required to be kept in respect of such business; and
 - (ii) in accordance with such reasonable accounting policies as the Authority may from time to time prescribe or impose;
 - (b) prepare, on a consistent basis from such accounting records, accounting statements which conform to generally accepted accounting practices in Singapore, stating the accounting policies adopted, and in such form and substance as the Authority may from time to time require;
 - (c) procure, in respect of the accounting statements prepared in accordance with this Condition, a report by the auditors of the Licensee addressed to the Authority stating whether in their opinion those statements have been

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properly prepared in accordance with this Condition and give a true and fair view of revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the authorised business; and

- (d) deliver to the Authority a copy of the accounting statements required to be prepared by this Condition together with the auditors' report referred to in sub-paragraph (c) above as soon as reasonably practicable and in any event no later than 5 (five) months after the end of the period to which they relate.

3. The Licensee shall:

- (a) in respect of its financial affairs keep and prepare such accounts and accounting statements for, and as at the end of, each financial year as would be required by the Companies Act (Cap. 50) to be kept by the Licensee if the Licensee were a company which were not a subsidiary of any other company and which did not have any subsidiaries or related enterprises; and
- (b) procure, in relation to such accounting statements, a report of the auditors of the Licensee addressed to the Authority, and deliver a copy of such accounting statements together with the auditor's report to the Authority, in conformity with the requirements of sub-paragraphs (c) and (d) of paragraph 2 of this Condition, which shall apply *mutatis mutandis* to this paragraph.

Condition 4: Prohibition of Cross-subsidy

- 1. The Licensee shall, except as the Authority may otherwise approve in writing, procure that the authorised business shall not give any cross-subsidy to, or receive any cross-subsidy from, any other business or allowed activity of the Licensee or of any subsidiary or related enterprises of the Licensee.

Condition 5: Dealings with Subsidiaries

- 1. The Licensee shall not, without the prior written consent of the Authority, enter into any agreement or arrangement for the supply of goods or services or otherwise deal with any of its subsidiaries or related enterprises except where such agreement or arrangement is entered into on an arm's length basis. The Licensee shall also not unduly discriminate in favour of its subsidiaries or related enterprises.
- 2. In determining whether any such agreement or arrangement is on an arm's length basis, the Authority shall have regard to whether:

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- (a) the price and other terms affecting the financial value of the agreement or arrangement are in accordance with the market value based on the then current trends and practices to be ascertained by an independent qualified person to be appointed by the Licensee at its own cost and approved by the Authority;
- (b) the parties are contracting freely and independently of each other;
- (c) there is any special relationship between the parties; and
- (d) the terms are made on a “willing buyer and willing seller” basis given the circumstances surrounding the agreement or arrangement, as the case may be.

Condition 6: Non-discriminatory Access

1. The Licensee shall provide non-discriminatory access to persons similarly situated for services comprised within the authorised business.

Condition 7: Composition of the Board of Directors

1. The Licensee shall procure that at all times its directors shall not be employed by nor hold any office or engagement with:
 - (a) any person authorised by an electricity licence or exempted from the obligation to hold an electricity licence, to engage in an activity referred to in one or more of subsections (a), (c), (d) or (f) of Section 6(1) of the Act; or
 - (b) any person authorised by a gas licence or exempted from the obligation to hold a gas licence, to engage in an activity referred to in one or more of the subsections (c), (d), (g) or (h) of Section 6(1) of the Gas Act (Cap.116A).
2. The Authority may, on such terms as it may specify in writing and notified to the Licensee, waive or vary any of the requirements of this Condition for such period, as the Authority may determine.

Condition 8: Prohibition of Acquisition of Shares

1. The Licensee shall not directly or indirectly through its related enterprise acquire or hold any shares in:
 - (a) any person authorised by an electricity licence or exempted from the obligation to hold an electricity licence, to engage in an activity referred

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to in one or more of subsections (a), (c), (d) or (f) or Section 6(1) of the Act; or

- (b) any person authorised by a gas licence or exempted from the obligation to hold a gas licence, to engage in an activity referred to in one or more of subsections (c), (d), (g), or (h) of Section 6(1) of the Gas Act (Cap.116A).
2. The Authority may, on such terms as it may specify in writing and notified to the Licensee, waive or vary any of the requirements of this Condition for such period, as the Authority may determine.

Condition 9: Purchase of Electricity

1. The Licensee shall not procure or purchase electricity except:
- (a) as required and allowed under the Regulated Supply Service Code;
 - (b) as required and allowed under the Market Support Services Code; or
 - (c) to the extent required to conduct the authorised business or any allowed activity.
2. The Authority may, on such terms as it may specify in writing and notified to the Licensee, waive or vary any of the requirements of this Condition.

Condition 10: Purchase of Goods and Services

1. The Licensee shall, in the conduct of the activities comprised in the authorised business:
- (a) purchase such goods and/or services as may be reasonably required by the Licensee upon the most economically advantageous terms reasonably obtainable by the Licensee at the relevant time having regard to all relevant business criteria including an assessment of the performance, reliability, quality, terms of delivery, price and ongoing cost (if applicable) of such goods and/or services; and
 - (b) not unduly discriminate between suppliers of the goods and/or services.
2. This Condition shall not apply to the purchase of electricity or any other goods and/or services in respect of which the terms and conditions of purchase are prescribed or imposed by this Licence, the market rules, any applicable code of practice or arrangement approved by the Authority.

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Condition 11: Compliance with Market Rules

1. The Licensee shall at all times comply with the provisions of the market rules applicable to the Licensee.

Condition 12: Codes of Practice

1. The Licensee shall be subject to and shall comply with:
 - (a) the Market Support Services Code;
 - (b) the Regulated Supply Service Code;
 - (c) the Metering Code; and
 - (d) any other relevant codes of practice and standards of performance issued or approved by the Authority under Section 16 of the Act.
2. The Licensee shall be required to participate in the development of any code of practice and standard of performance to be issued by the Authority if such code of practice or standard of performance will directly or indirectly affect the authorised business of the Licensee.
3. The Licensee may propose modifications to a code of practice or standard of performance that is in force at the relevant time by notifying the Authority in writing of the proposed modification. The Authority may:
 - (a) review the proposed modification to a code of practice and determine whether the proposed modification should be made, in accordance with the code modification process set out in the relevant code; and
 - (b) review the proposed modification to a standard of performance to determine whether the proposed modification should be made.
4. The Authority may by written notification, exempt the Licensee from compliance with any code of practice, in whole or in part, and subject to such terms and conditions as the Authority may determine.
5. (1) The Licensee shall not:
 - (a) with regard to its authorised business or the electricity industry,
 - (i) make, prepare, attest to or certify, orally or in writing, any representation or statement that is false, incorrect or misleading or open to misconstruction by any person; or

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- (ii) make any representation or statement, orally or in writing, or give any answer, orally or in writing, or otherwise conduct itself in a manner that is likely to mislead any person; or
 - (b) mislead or otherwise create any confusion in the mind of a person about its authorised business.
- (2) If the Authority is satisfied that the Licensee is contravening or has contravened any provision of paragraph (1), the Authority may, by notice in writing to the Licensee, direct the Licensee to take such steps as are specified in such direction, to correct such false, incorrect or misleading representation, statement or answer or to correct such confusion, including without limitation, by requiring the Licensee to publish a correction or to write to such persons to set out the correct facts within a specified period of time as directed by the Authority.
- (3) The Authority may take enforcement action against the Licensee in accordance with the provisions of the Act if the Licensee fails to comply with the direction of the Authority issued under paragraph (2) above.

Condition 13: Regulatory Contracts

1. The Licensee shall enter or shall have entered into the following regulatory contracts:
 - (a) a market support services agreement with any retail electricity licensee who retails or intends to retail electricity to a contestable consumer;
 - (b) an agreement with a generation licensee, the Market Company, a wholesaler licensee or another market support services licensee to provide metering services;
 - (c) subject to Condition 20, an agreement with the transmission licensee by which the Licensee arranges for the provision of the transmission services to applicable consumers and electricity licensees, and calculates, bills and collects for monies owed to the transmission licensee for transmission services;
 - (d) an agreement with the Market Company respecting the activities of the Licensee in facilitating access to any wholesale electricity market operated by the Market Company for the purposes of obtaining supply of electricity for contestable consumers and retail electricity licensees, in providing other services related to access to any such wholesale electricity market, and for procuring electricity for supply and sale to non-contestable consumers;

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- (e) to assist the Authority in the prevention of the misuse of market power, enter into agreements (including vesting contracts) or arrangements with generation licensees on such terms and conditions as may be specified by the Authority; and
 - (f) an agreement (including a forward sales contract) with any generation licensee as may be required by the Authority and on such terms and conditions as may be specified by the Authority, to assist the Authority in the promotion of competition and fair and efficient market conduct.
2. The agreement referred to in paragraph 1(d) of this Condition shall provide:
- (a) for each of the Licensee and the Market Company to agree to perform and observe the market rules so far as they are applicable to each of the Licensee and the Market Company;
 - (b) for liability provisions that are consistent with the liability provisions contained in the market rules; and
 - (c) for all disputes under the agreement to be resolved in accordance with the dispute resolution provisions of the market rules.
3. The Licensee shall be required to participate in the preparation of any regulatory contract to which the Licensee will be a party.
4. If after a period which appears to the Authority to be reasonable, or such period agreed to between the parties and approved by the Authority, or such other period as stipulated by the Authority from time to time, the Licensee has failed to enter into a regulatory contract, the Authority may, at the request of the Licensee or of the person aggrieved by such failure, determine any terms of the regulatory contract in such manner as appears to the Authority to be reasonable. The Licensee shall thereafter enter into the regulatory contract on the terms as determined by the Authority.
5. Paragraph 4 of this Condition shall not apply to any regulatory contract under which the Authority or an entity that is operated by or to which the Authority has a shareholding is a party, in which case an independent third party shall be appointed to negotiate any terms that remain unresolved as between the Authority or the aforesaid entity, as the case may be, and the Licensee.
6. Any dispute arising under a regulatory contract to which the Licensee is a party shall, subject to paragraph 2(c), be resolved in accordance with the dispute resolution provisions of the regulatory contract.

Condition 14: Conditions of Service

1. The Licensee shall enter into a conditions of service agreement, in such standard form as is developed by the Licensee, filed by the Licensee with the

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Authority (in each case in accordance with the terms of the Market Support Services Code) and approved by the Authority in accordance with Section 41(2) of the Act, with each contestable consumer.

Condition 15: Disconnection and Reconnection Services

1. The Licensee shall direct the transmission licensee to disconnect or reconnect a non-contestable consumer in the circumstances set out in and subject to the provisions of the Act and the Regulated Supply Service Code.
2. The Licensee shall direct the transmission licensee to disconnect or reconnect a contestable consumer in the circumstances set out in and subject to the provisions set out in the Act and the relevant regulations made thereunder, the conditions of service agreement and the Market Support Services Code.

Condition 16: Audit Checks

1. The Licensee shall conduct audit checks on consumers' electrical installations that are exempted from the licensing requirement of Section 67 of the Act by the Authority. The Licensee shall submit to the Authority reports for the audit check in such manner as the Authority may require.

Condition 17: Supply to Non-contestable Consumers

1. The Licensee shall supply electricity to a non-contestable consumer in accordance with the Regulated Supply Service Code.

Condition 18: Provision of Indirect Access

1. The Licensee shall offer to provide indirect access to the following persons:
 - (a) a retail electricity licensee who is a non-market participant retailer; and
 - (b) a contestable consumer who is a non-market participant consumer.
2. The Licensee shall provide indirect access in accordance with the Market Support Services Code.

Condition 19: Provision of Metering Services

1. The Licensee shall provide the following metering services to a non-contestable consumer in accordance with the Regulated Supply Service Code and the Metering Code:

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- (a) Meter reading; and
 - (b) Meter data management
2. The Licensee shall provide the following metering services to a non-market participant consumer, a non-market participant retailer, a generation licensee, a wholesaler licensee, a market participant retail electricity licensee, another market support services licensee or the Market Company in accordance with the Market Support Services Code, the Metering Code and, where applicable, the market rules:
- (a) Meter reading; and
 - (b) Meter data management
3. The Licensee shall maintain a Metering Data Registry in accordance with the Metering Code in respect of all meter installations for which it acts as the meter data manager.
4. The Licensee shall procure that all metering data obtained by it in the performance of its obligations under this Condition in respect of a meter installation is made available to the transmission licensee.
5. The Licensee shall calculate and provide settlement-ready data in accordance with the Metering Code, the Market Support Services Code, the Regulated Supply Service Code and the market rules, as applicable.

Condition 20: Provision of Billing and Collection Services

1. The Licensee shall provide billing and collection services to the transmission licensee in respect of charges for transmission services on fair and reasonable terms approved by the Authority, subject to the following requirements:
- (a) the Licensee shall act as an agent of the transmission licensee;
 - (b) the Licensee shall calculate charges for transmission services on behalf of and in accordance with directions received from the transmission licensee;
 - (c) the Licensee shall bill for transmission services as part of its normal process, unless otherwise directed by the transmission licensee;
 - (d) the Licensee shall collect payment for transmission services on behalf of and in accordance with directions received from the transmission licensee and;
 - (e) the Licensee shall inform the transmission licensee of non-payment for transmission services in a timely manner.

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Condition 21: Provision of Access to Consumer Information

1. The Licensee shall provide access to current consumer information in accordance with the Metering Code, and where applicable, the market rules.
2. The Licensee shall provide access to historical consumer information for non-contestable consumers in accordance with the Regulated Supply Service Code.
3. The Licensee shall provide access to historical consumer information for contestable consumers in accordance with the Market Support Services Code.

Condition 22: Provision of Energy Efficiency Services for Residential Consumers

1. The Licensee shall, no later than 3 (three) months after this Licence comes into operation, prepare and submit to the Authority for approval a statement of practice setting out the ways in which the Licensee will make available to residential consumers such guidance on the efficient use of electricity as will, in the opinion of the Licensee, enable them to make informed judgments on measures to improve the efficiency with which they use the electricity supplied to them. Such statement of practice shall include:
 - (a) a statement, in a form approved by the Authority, setting out information and advice for the guidance of residential consumers in the efficient use of electricity supplied to them;
 - (b) the creation and maintenance within the Licensee's organisation of sources from which residential consumers may obtain further information about the efficient use of electricity supplied to them, including the maintenance of a telephone information service;
 - (c) the preparation of and making available to any residential consumer who requests it a statement of sources outside the Licensee's organisation known to the Licensee from which residential consumers may obtain additional information or assistance to improve the efficiency with which they use the electricity supplied to them, such statement to include basic information which is publicly available in connection with measures to promote the efficiency of energy use.
2. Where the Authority directs the Licensee to do so, the Licensee shall:
 - (a) review and prepare a revision of the statement of practice referred to in paragraph 1 of this Condition; and
 - (b) take such further steps as may be directed by the Authority to bring to the attention of residential consumers information on the efficient use of electricity supplied to them.

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3. The Licensee shall:

- (a) send a copy of any statement of practice prepared in accordance with paragraph 1 of this Condition and of any revision of such statement prepared in accordance with paragraph 2 of this Condition, in each case in the form approved by the Authority, to the Authority;
- (b) make a copy of such statement of practice, as revised from time to time, available for inspection during normal working hours by members of the public at any of its premises as are usually open to the public; and
- (c) give or send, free of charge, a copy of such statement of practice, as revised from time to time, to any person who requests it.

Condition 23: Discontinuance of Market Support Services

1. The Licensee may discontinue the provision of market support services:

- (a) at the request of the person who has been receiving such services; or
- (b) by reason of failure of the person to:
 - (i) make payment of monies owing for market support services (including any vesting contract debits);
 - (ii) make payment of monies owing for transmission services that the Licensee is collecting pursuant to Condition 20; or
 - (iii) provide security for the payment of monies in accordance with the applicable code of practice.

2. The Licensee shall notify the person no less than 7 (seven) days prior to the discontinuance of market support services of the reason for and proposed date of discontinuance of market support services, unless otherwise agreed by the Licensee and the person.

3. Notwithstanding paragraphs 1 and 2, the Licensee shall not discontinue the provision of market support services to any residential premises by reason of failure by the consumer to pay an account for that supply if the failure occurs through lack of income of the consumer and of any other person normally resident on the premises supplied until:

- (a) the Licensee has offered to advise the consumer about optional methods of arranging payment of the account; and
- (b) the consumer:

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- (i) refuses or fails to accept that offer of advice within the period (being not less than 7 days) specified by the Licensee in each case; or
- (ii) accepts the offer of advice, but refuses or fails to take any reasonable action to pay the account within the period (being not less than 7 days) specified by the Licensee.

Condition 24: Prices for Services

1. The Licensee shall develop a cost recovery methodology (the "methodology") setting out the basis upon which the charges for the provision of its market support services shall be made. The methodology and any proposed revisions thereto shall be submitted to the Authority for approval together with:
 - (a) a schedule of proposed fees and charges ("schedule"); and
 - (b) a statement of the effects of the application of the methodology and schedule on users of the Licensee's business.
2. The information referred to in paragraph 1 of this Condition shall be submitted by the Licensee to the Authority for approval no less than 60 (sixty) days prior to the date on which the proposed fees and charges set forth in the schedule are proposed to be first levied.
3. The methodology, and any proposed revisions thereto, shall be developed in accordance with, including in particular, but not limited to, the following objectives or considerations:
 - (a) the establishment of equal prices for the same services regardless of whether the services are provided to a consumer directly or through a retail electricity licensee, and of whether the user of the services is a market participant or not;
 - (b) separate prices for commodities and services and separate prices for separate services, including:
 - (i) the provision of regulated supply service in accordance with the Regulated Supply Service Code;
 - (ii) the provision of market support services in accordance with the Market Support Services Code;
 - (iii) other services comprised in the authorised business provided by the Licensee; and

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- (c) the fees and charges for the provision of market support services do not discriminate between any persons or classes of persons similarly situated.
4. Notwithstanding paragraphs 1, 2 and 3 of this Condition, the Licensee shall submit to the Authority for approval details of the tariffs proposed by the Licensee to be paid by non-contestable consumers for the supply of electricity, no less than 10 (ten) days or such other date as the Authority may determine prior to the date on which the tariffs are proposed to be first levied.
5. The Licensee shall publish statements, in a form approved by the Authority, setting out the basis upon which fees and charges for market support services will be levied in such detail as shall be necessary to enable any person to ascertain the fees and charges to which he would become liable for the provision of such market support services.
6. The Licensee shall obtain the written approval of the Authority before it enters into any agreement for the supply of market support services on terms differing from those terms implied by the methodology approved by the Authority at the relevant time pursuant to paragraph 1 of this Condition.

Condition 25: Economic Regulation

1. The Licensee shall in respect of each relevant year, use its best endeavours to ensure that its aggregate revenue earned from the provision of its market support services does not exceed the maximum allowable revenue per kWh in accordance with the following formula (the "Economic Regulation Formula"):

$$R_{m,t} = [A_t + S_t + E_t] / Q_t - K_t$$

where:

- $R_{m,t}$ means the maximum allowable revenue per kWh in relevant year t
- A_t means an allowed revenue in relevant year t to be determined in accordance with paragraph 4(a) of this Condition
- S_t means adjustments for operating expenditures, depreciation, taxes, etc. in relevant year t in accordance with paragraphs 4(b), 4(c), 4(d) and 4(e) of this Condition
- E_t means exogenous costs to the Licensee in relevant year t, including costs in complying with Conditions 29, 30 and 34 which are not separately recoverable and other changes in costs due to regulatory directives or changes in tax, licence conditions, codes or industry framework

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- Q_t means the kWh of electricity received by consumers in relevant year t , calculated using agreed estimation procedures
- K_t means any correction factor to be applied to the allowable revenue in relevant year t due to sales volume adjustments
2. For the purposes of paragraph 1 of this Condition:
- "relevant year" means a financial year commencing on or after a date to be determined by the Authority
- "relevant year t " means the relevant year for the purposes of which any calculation falls to be made
3. The Authority shall within a reasonable time period prior to the start of each regulatory period review the parameters of the Economic Regulation Formula, to take effect at the start of that regulatory period. The duration of each regulatory period shall be determined by the Authority in consultation with the Licensee.
4. The Authority shall, when required by paragraph 3 of this Condition, determine the parameters to be used in the Economic Regulation Formula in consultation with the Licensee and for each year in the regulatory period, the revenue allowed to the Licensee shall consist of:
- (a) A return on Licensee's regulatory asset base at an allowed rate of return calculated on a reasonable basis based on commonly accepted economic and financial principles;
 - (b) A return of capital for Licensee's regulatory asset base using Straight Line Depreciation methodology;
 - (c) Projections of operating expenses and pass-through expenses;
 - (d) Forecasted tax payments; and
 - (e) Capital and operating efficiency carryover generated in the previous regulatory period to promote sustained productivity initiatives.
5. For the purpose of paragraph 4 of this Condition:
- "Straight Line Depreciation" means the amortization of the cost of assets through equal annual charges over the estimated service life of an asset.
6. The Authority may determine that costs, whether in part or in full, associated with the Open Electricity Market be excluded from the Economic Regulation Formula. In such event, the Licensee shall develop and submit to the Authority for approval the cost recovery methodology for such costs.

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Condition 26: Risk Management and Insurance

1. The Licensee shall adopt and implement reasonable and prudent policies in relation to the management and insurance (including self-insurance) of risks associated with the authorised business.

Condition 27: Preparation for Emergencies and Security Arrangements

1. The Licensee shall take such action as the Authority may reasonably require, taking into consideration the provisions of the market rules related to emergency preparedness and restoration of the power system, to plan and prepare for emergencies, including taking part in tests and exercises.
2. The Licensee shall develop and implement such arrangements as are prudent to ensure the safety and, where reasonably practicable, the continuity of its operations in the event of an emergency.

Condition 28: Confidential Information

1. The Licensee shall take reasonable measures to ensure that all information that the Licensee generates, owns, develops or acquires in the course of or in relation to its authorised business (including but not limited to information relating to the electricity and/or gas transmission system, all electrical installations, substations, plants, systems, apparatus, cables, equipment and things used for the transmission of electricity, and all gas installations, pipelines, stations, plants, systems apparatus, equipment and things used for the transportation of gas):
 - (a) shall not be disclosed or otherwise made available to any person or used by the Licensee except in the following circumstances:
 - i. where such disclosure is permitted or required by the Authority, this Licence, any applicable code of practice, the market rules, any applicable law, regulations, directives or requests of any government, statutory or regulatory body or any court of tribunal of competent jurisdiction;
 - ii. where the disclosure of such information is to the Licensee's directors, officers or employees and is necessary for the due performance of their lawful duties and functions, or is disclosed to an agent, service provider or partner of the Licensee who has agreed in writing to ensure the confidentiality of such information.
 - (b) is not used by the Licensee for any purpose other than that for which it was provided or for a purpose other than as permitted by this Licence (including the purposes set out in (a) above), any applicable code of practice, the market rules, any applicable law, regulations, directives or requests of any

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government, statutory or regulatory body or any court of tribunal of competent jurisdiction; and

- (c) is not used by the Licensee for any commercial advantage in the provision of any service other than a service comprised in the authorised business.
- 2. The Licensee shall take such other action, including complying with restrictions upon the transfer, engagement, or re-engagement of employees, as the Authority may from time to time require to ensure that the information acquired by it in connection with the authorised business is, except as otherwise permitted by the Authority, this Licence, any applicable code of practice or the market rules, kept confidential by the Licensee and not dealt with in a manner which may restrict, distort or prevent competition in any of the industries to which it provides its services.
- 3. The Licensee shall, if requested by the Authority, procure that a certificate is issued by its auditors, in such form as the Authority may require, which confirms that the Licensee is complying with the requirements of this Condition.
- 4. Nothing in this Condition shall be construed as requiring the Licensee to keep confidential any information that is or becomes generally and publicly available other than as a result of a breach by the Licensee of paragraph 1 or 2 of this Condition.

Condition 29: Research and Development

- 1. The Authority may from time to time give directions to the Licensee requiring the Licensee to perform research and development activities, or to co-operate with other electricity licensees to perform research and development activities in relation to the conduct of the authorised business, and the Licensee shall comply with any such directions.
- 2. Where the Authority gives directions to the Licensee pursuant to paragraph 1 of this Condition for major research and development work, or the Licensee, on its own volition initiates major research and development work, the Licensee shall prepare a fully developed business case for the approval of the Authority prior to commencing any research and development activity.
- 3. Such a business case shall fully detail the nature of the research and development work to be undertaken, the benefits being sought from the research and development activity along with the economic costs and benefits of the proposed research and development work, the proposed sources of funding and cost recovery mechanism, and the proposed arrangements for the handling of any intellectual property developed during the course of the approved work.

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Condition 30: International Obligations

1. The Licensee, shall exercise its rights and powers and perform its duties and obligations under this Licence in a manner which is consistent with the Government's obligations:
 - (a) by virtue of the Government being a member of an international organisation or a party to an international agreement; or
 - (b) to attain or facilitate the attainment of that which is requisite and expedient in view of the Government being a member of such an organization or a party to such an agreement,to the extent that the Licensee has notice of such membership or agreement pursuant to paragraph 2 of this Condition.
2. The Authority shall notify the Licensee from time to time of any membership or agreement to which paragraph 1 of this Condition applies.
3. The Licensee may apply to the Government for compensation or grant to offset any loss or damage sustained as a result of complying with paragraph 1 of this Condition based on an audited claim submitted by the Licensee for such loss or damage.

Condition 31: Investigation of Offences

1. The Licensee shall monitor its activities with respect to compliance with this Licence and shall report any suspected non-compliance to the Authority. The Licensee shall also submit annually, or at such other frequency as notified by the Authority in writing, a compliance statement to the Authority that it has complied with the requirements in this Licence or describing any cases of any suspected non-compliance.
2. Where it comes to the attention of the Licensee that another electricity licensee has breached its electricity licence or relevant legislation, the Licensee shall report such suspected non-compliance to the Authority.
3. Where the Licensee reports suspected non-compliance by itself or another electricity licensee, or requests the Authority to institute a prosecution against any person for contravening a provision of relevant legislation in relation to the authorised business, the Licensee shall furnish to the Authority as soon as reasonably practicable:
 - (a) a written report on the suspected non-compliance or contravention; and
 - (b) any relevant information and evidence in the possession or control of the Licensee and requested by the Authority.

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4. Where the Authority receives any information from any person other than the Licensee indicating that an offence under relevant legislation may have been committed in respect of activities or property belonging to or managed by the Licensee, the Authority may, subject to Section 5 of the Act, inform the Licensee of such information and the Licensee shall furnish to the Authority as soon as reasonably practicable:
 - (a) a written report on the suspected offence; and
 - (b) any relevant information and evidence in the possession or control of the Licensee and requested by the Authority.
5. The Licensee and its directors and officers shall give full assistance and co-operation to the Authority and its prosecuting officer or counsel in connection with any prosecution proceedings arising from paragraphs 1 through 4 of this Condition.

Condition 32: Information, Access and Audit Rights of the Authority

1. The Licensee shall promptly inform the Authority of any circumstances that result, or are likely to result, in a change in the information provided to the Authority and shall provide updated information to the Authority in a timely manner.
2. The Licensee shall furnish the Authority with such information pertaining to the electricity supply to consumers as the Authority may reasonably require in order to facilitate the performance by the Authority of its duties and functions under the Act. Unless otherwise approved by the Authority, the Licensee may not pass on any cost associated with providing information to the Authority under this paragraph 2 of this Condition to electricity consumers.
3. Without prejudice to the powers of the Authority to call for information under or pursuant to any other conditions in this Licence or relevant legislation, the Licensee shall furnish to the Authority, at the Licensee's cost, such information as the Authority requires pursuant to Section 4 of the Act and in such form as the Authority requires.
4. The Licensee shall conduct, or have conducted by such independent third party as the Authority may specify such audits of the Licensee's financial records, systems or procedures pertaining to the authorised business as the Authority may from time to time require and shall submit to the Authority such reports as the Authority may direct in respect of such audits.

Condition 33: Special Administration Order

1. In accordance with any special administration order made by the Minister under Section 29 of the Act, the Authority may directly or indirectly manage the affairs,

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business and property of the Licensee in accordance with Section 28 of the Act. In such an event, the Licensee shall allow the Authority such access to or control of its property as required to permit the Authority to meet its obligations under the special administration order during the period for which the order is in force.

Condition 34: Payment of Fees

1. The Licensee shall, at the times stated hereunder, pay to the Authority fees in the amount specified in, or determined under, paragraphs 2 to 4 of this Condition.
2. The Authority shall notify the Licensee on or before the 1st of April of each year in which this Licence is in effect of the fee to be paid and the Licensee shall pay such fee to the Authority on or before 30th April of the year.
3. Without prejudice to any other powers of the Authority under this Licence or the Act, if the Licensee shall fail to pay in full any fee due pursuant to this Condition on or before the due date for payment thereof the Licensee shall pay to the Authority interest at the Prescribed Rate described in paragraph 4 below, which interest shall accrue daily on the amount unpaid on and from such due date to the date of actual payment and shall be compounded monthly at the end of each calendar month.
4. The Prescribed Rate shall be the rate which is four percentage points (4%) above the arithmetic average of the rates quoted in Singapore by DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited (or such other banks as the Authority may specify in writing from time to time) as being the respective prime lending rates of such banks for each day of the period for which interest accrues, and in respect of any day during such period which is not a day for which such a rate is quoted the last preceding rate quoted shall apply.
