

Licence No. EMA/TE/002



Electricity Licence for Transmission Licensee

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

SP PowerAssets Limited

ELECTRICITY LICENCE FOR TRANSMISSION 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 PowerAssets Limited ("the Licensee"), a company incorporated in the Republic of Singapore with Registration Number 200302108D, an electricity licence (the "licence") authorising the Licensee to transmit electricity, 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 that shall commence on 3 November 2003 and shall terminate upon the expiry of 25 (twenty-five) years' written notice given to the Licensee by the Authority.
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.

16 July 2021

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 provision 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 provision of transmission services, and includes the interconnector business and the planning, development, construction, operation and maintenance of the transmission system or any refurbishment or augmentation thereof as may be required to enable the provision of transmission services;
 - “director” means any person who is a “director” within the meaning of Section 4(1) of the Companies Act (Cap.50);
 - “interconnector” means those electric lines and electrical plant forming part of the transmission system owned or operated by the Licensee that are used to convey electricity to or from Singapore;
 - “interconnector business” means that portion of the authorised business pertaining to the operation of any interconnector;
 - “meter equipment service provider” or “MESP” means a person responsible under the terms of its electricity licence, for installing, maintaining and/or verifying the accuracy of a meter installation;

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“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 service provider is required to perform metering services;

“PowerGrid Limited” means the company incorporated in the Republic of Singapore with Registration Number, 199504469Z and holder of Electricity Licence (Licence No. EMA/TE/001), which said licence was revoked on 3 November 2003;

“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;

“Power System Operator” means the Authority acting in its capacity as the person responsible for ensuring the security of supply of electricity to consumers and arranging for secure operation of the transmission system in accordance with the market rules and applicable codes of practice as described in Section 3(3)(e) 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;

“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;

“retailer consolidated billing” means a billing arrangement under which a retail electricity licensee bills a consumer for the delivered price of electricity and any related retail services provided directly by the retail electricity licensee, and bills for and assumes the consumer’s obligation to pay the applicable market support services licensee and the transmission licensee for market support services charges and transmission charges owed by the consumer;

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

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“SP PowerGrid Limited” means the company incorporated in the Republic of Singapore with Registration Number, 200306959Z;

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

“Transmission Code” means the code of practice issued by the Authority that describes the minimum standards of performance which a transmission licensee and those electricity licensees subject to such code of practice are required to observe with respect to the provision or use of transmission services;

“transmission services” means services relating to access to and use of the transmission system; 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.

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 conduct the authorised business.
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

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- (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 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 any of the businesses, undertakings or activities that were already performed by PowerGrid Limited on the date of PowerGrid Limited's corporatisation on 1 October 1995; or
 - (b) subject to Condition 6, 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:

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- (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 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.

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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: Dealing(s) with SP PowerGrid Limited

1. The Licensee shall appoint only SP PowerGrid Limited for the purposes of meeting its requirements for management services of its authorised business and allowed activities, and for the operation and maintenance of the Licensee's assets.
2. The Licensee shall on the date that this licence comes into effect, enter into a management services agreement (the "Agreement") with SP PowerGrid Limited on such terms and conditions as approved by the Authority. The Agreement shall set out the working and operational requirements between the parties. The Licensee will not exercise any available rights to terminate the Agreement.
3. 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 6: Dealings with Subsidiaries

1. The Licensee shall not, without the 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:
 - (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;

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- (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 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 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 enterprises 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 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 subsections (c), (d), (g) or (h) of Section 6(1) of the Gas Act (Cap. 116A).

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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: Notification of Change in Shareholding

1. The Licensee shall inform the Authority of changes in its shareholding structure as required pursuant to section 30B of the Act.

Condition 10: Purchase of Electricity

1. The Licensee shall not procure or purchase electricity except 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 11: 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 any 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.

Condition 12: Compliance with Market Rules

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

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2. The Licensee shall apply to the Market Company for registration as a market participant, and shall notify the Authority:
 - (a) of the filing of such application;
 - (b) upon being registered or denied registration as a market participant;
 - (c) upon having its registration as a market participant suspended or terminated; and
 - (d) no later than 2 (two) months before any application is filed by the Licensee to withdraw its registration as a market participant.

3. The Licensee shall apply to the Market Company for the registration of the facilities and assets comprised within its transmission system and shall notify the Authority:
 - (a) of the filing of such application;
 - (b) upon registration of any such facility or asset or upon having the registration of any such facility or asset denied; or
 - (c) upon the cancellation or revocation of the registration of any such facility or asset under the market rules or upon the filing of an application for the transfer of the registration of any such facility or asset under the market rules.

Nothing in this paragraph shall require the Licensee to register with the Market Company any such facility or asset that is exempted from the obligation to register under the market rules.

Condition 13: Codes of Practice

1. The Licensee shall be subject to and shall comply with:
 - (a) the Transmission Code;
 - (b) the Metering Code; and
 - (c) any other relevant codes of practice and standards of performance issued or approved 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.

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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
 - (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.
6. The Licensee acknowledges that any codes of practice and other standards of performance issued or approved by the Authority under Section 16 of the Act shall continue to remain valid and applicable notwithstanding the reorganisation, restructuring, merger or amalgamation of the Licensee or the sale, transfer or other disposal of the whole or any substantial part of the undertaking, business or assets of the Licensee.

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Condition 14: Regulatory Contracts

1. The Licensee shall enter into the following regulatory contracts:
 - (a) an operating agreement with the Power System Operator to allow the Power System Operator to direct the operations of the Licensee's transmission system at voltage levels of 66kV and above;
 - (b) a connection agreement with any person whose installation or apparatus is or is intended to be connected directly or indirectly to the Licensee's transmission system on such terms and conditions as may be approved by the Authority;
 - (c) a use of system agreement with any consumer or any retail electricity licensee who does or intends to provide retailer consolidated billing services, as that term is defined in the applicable code of practice, to a contestable consumer; and
 - (d) subject to Condition 18, an agreement with a market support services licensee by which the market support services licensee arranges for the provision of the transmission services to applicable consumers and electricity licensees, and calculates, bills or collects for monies owed to the Licensee for transmission services.
2. The Licensee shall be required to participate in the preparation of any regulatory contract to which the Licensee will be a party.
3. 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.
4. Paragraph 3 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.
5. Any dispute arising under a regulatory contract to which the Licensee is a party shall be resolved in accordance with the dispute resolution provisions of the market rules or the regulatory contract, as the case may be.

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Condition 15: Provision of Transmission Services

1. The Licensee shall conduct the authorised business and provide transmission services in accordance with the Transmission Code, the market rules, any regulatory contracts to which it is a party and any applicable code of practice or standard of performance as may be approved or issued by the Authority under Section 16 of the Act and having regard to the most recent transmission system development plan prepared under paragraph 2 of this Condition.
2. The Licensee shall as reasonably required by the Power System Operator and the Authority, submit to the Power System Operator and the Authority its transmission system development plan complying with the Transmission Code including:
 - (a) an implementation schedule;
 - (b) forecasted power flows and loading on each part of the Licensee's transmission system; and
 - (c) fault levels for each transmission node for each of the ten following financial years.

Until such time as such a plan is submitted to the Power System Operator and the Authority, the Licensee shall take all necessary steps to implement and comply with the sections applicable to the transmission of electricity contained in the latest ten year development plan as drawn up by PowerGrid Limited and approved by the Authority prior to the coming into operation of this licence.

3. The Licensee shall provide non-discriminatory access to persons similarly situated for services comprised within the authorised business.
4. The Authority may, following consultation with the Licensee and, where appropriate, any other relevant party likely to be affected, issue directions relieving the Licensee of its obligations under paragraph 1 of this Condition in respect of such parts of the Licensee's transmission system and to such extent as may be specified in the directions.

Condition 16: Connection, Disconnection and Reconnection Services

1. The Licensee shall connect any person who wishes to connect to its transmission system, subject to and in accordance with the Act, this licence, the market rules and the Transmission Code.
2. The Licensee shall perform services as may be required to allow connection, disconnection and reconnection to or from its transmission system in accordance with the Transmission Code.

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3. The Licensee may deny connection to any person who wishes to connect to its transmission system if such person does not enter into a connection agreement.

Condition 17: Provision of Meters

1. The Licensee shall install, maintain and/or verify the accuracy of meter installations for which it is responsible under and in accordance with the Metering Code.
2. The Licensee shall, in respect of each meter installation referred to in paragraph 1 of this Condition, comply with all requirements associated with being the meter equipment service provider for such meter installation as set forth in the Metering Code.

Condition 18: Settlement for Transmission Services

1. Subject to paragraph 2 below, the Licensee shall be responsible for the calculation of, billing for and collection of monies owed to it for transmission services.
2. Except for a retailer consolidated billing, the Licensee shall, for an interim period determined by the Authority, contract with a market support services licensee to calculate, bill for and collect monies owed to the Licensee for transmission services. Such contract shall meet the following requirements:
 - (a) the market support services licensee shall be required to act as an agent of the Licensee;
 - (b) the market support services licensee shall be required to calculate, bill for and collect payment of charges for transmission services on behalf of and in accordance with directions received from the Licensee; and
 - (c) the market support services licensee shall be required to inform the Licensee of non-payment for transmission services in a timely manner.
3. After the interim period determined by the Authority, the Licensee may calculate, bill for and collect monies owed to it for transmission services by:
 - (a) doing so directly;
 - (b) contracting with a market support services licensee to do so;
 - (c) contracting with another third party that is qualified to do so; or
 - (d) a combination of the above.

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4. For the purposes of this Condition:

“interim period” means such period commencing on the date when this licence comes into operation until such date as notified by the Authority in writing to the Licensee no later than 60 (sixty) days prior to the end of the period.

Condition 19: Training of Cable Detection Workers

1. The Licensee shall procure that there are organised and conducted courses for persons wishing to become licensed cable detection workers (hereinafter referred to as course participants).
2. The Licensee shall procure that sufficient courses are conducted to meet the demands of the market for such personnel competently to detect and prevent damage to the cables of the Licensee before earthworks are carried out.
3. The Licensee shall submit to the Authority for approval the contents of the training course for such course participants. The Licensee shall review the relevance of the training course contents from time to time, inform the Authority of any changes made to the course contents and seek approval from the Authority for the revised training course.
4. The course fee per course participant to be charged by the Licensee shall be fair and reasonable.
5. A certificate shall be issued to every course participant who successfully passed the prescribed examination conducted by the Licensee. The certificate shall state that the course participant has successfully completed a course in cable detection work approved by the Authority.
6. The Licensee shall from time to time organise and conduct refresher courses for holders of cable detection work licences.

Condition 20: Electricity Cable Damage Prevention

1. The Licensee shall collate statistics on all cable damage cases including identifying the types of contractors and workers contributing to these damage cases and the principals the contractors work for. These statistics shall be submitted to the Authority for information.
2. The Licensee shall devise and take such practical measures to minimise damage to cables. The Licensee shall keep the Authority regularly informed of all such practical measures taken or to be taken.

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3. The Licensee shall educate contractors or excavator operators as to practical measures to be adopted to prevent damage to cables. This undertaking to be applicable to both work done by or for the Licensee, as well as work being undertaken by or for other entities.

Condition 21: 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 transmission 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 (the “schedule”); and
 - (b) a statement of the effects of the application of the methodology and schedule on users of the Licensee’s services.
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) connection, disconnection and reconnection services;
 - (ii) other transmission services; and
 - (iii) services pertaining to the Licensee’s responsibilities as a meter equipment service provider; and
 - (c) the fees and charges for the provision of transmission services do not discriminate between any persons or classes of persons similarly situated.
4. The Licensee shall publish statements, in a form approved by the Authority, setting out the basis upon which the fees and charges for transmission services

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will be levied with 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 transmission services.

5. The Licensee shall obtain the written approval of the Authority before it enters into any agreement for the supply of transmission 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 22: Economic Regulation

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

$$M_t = \frac{A_t + S_t}{FQ_t} + \frac{E_t - K_t}{Q_t}$$

where:

- M_t means the maximum average revenue per kWh in relevant year t
- A_t means an allowed return 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 to be determined by the Authority after consultation with the Licensee in accordance with paragraph 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 26, 27 and 31 which are not separately recoverable and other changes in costs to the Licensee due to regulatory directives or changes in tax, licence conditions, codes or industry framework
- K_t means the revenue adjustments from prior years to be applied to the allowed revenue in relevant year t due to sales volume adjustments:

- (i) if actual $Q_{t-1} > (1+X)*FQ_{t-1}$

$$K_t = [M_{t-1} * (Q_{t-1} - (1+X)*FQ_{t-1})]$$

- (ii) if actual $Q_{t-1} < (1-X)*FQ_{t-1}$

$$K_t = [M_{t-1} * (Q_{t-1} - (1-X)*FQ_{t-1})]$$

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- (iii) if actual Q_{t-1} does not fall under the range specified under subparagraphs (i) and (ii) above

$$K_t = 0$$

where:

FQ_t means the kWh of electricity sales forecast approved prior to the start of the regulatory period in respect of relevant year t

X is 0.02 unless otherwise determined by the Authority

Q_t means the kWh of electricity received by consumers in relevant year t, calculated using agreed estimation procedures

2. For the purposes of paragraph 1 of this Condition:

“average revenue per kWh” means the total revenue derived from the provision of transmission services, but excluding revenue from those one-off charges charged by the Licensee to contribute to the recovery of the cost of providing a new connection or modifying an existing connection, divided by the kWh of electricity received by consumers in relevant year t, calculated using agreed estimation procedures

“relevant year” means a financial year commencing on or after a date to be determined by the Authority

“relevant year t” means that relevant year for the purposes of which any calculation falls to be made; “relevant year t-1” means the relevant year preceding relevant year t and similar expressions shall be construed accordingly

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 after 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;

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- (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.

Condition 23: 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 24: 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 relating 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 taking into consideration the provisions of the market rules relating to emergency preparedness and restoration of the power system.
3. The Licensee shall develop and implement such arrangements as may be necessary to ensure that, in the event of an emergency, its transmission facilities and assets are restored to operational readiness as soon as practicable so that their operation may be directed by the Power System Operator.
4. The Licensee shall take all necessary reasonable steps to ensure the security of (including but not limited to the prevention of, trespass of or unauthorised access to) all its electricity transmission and distribution facilities. The Licensee shall ensure that access by any third party to these facilities is only limited to activities relating to the Licensee's authorised business and allowed activity pursuant to Condition 2 of this licence. The Licensee shall ensure that

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all third party access to its facilities must be escorted and supervised by the Licensee's staff at all times, and the security of its facilities is not compromised by any party's access, use, occupation or exploitation as allowed under the Licensee's authorised business or allowed activity.

Condition 25: 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 or use 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 or 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 government, statutory or regulatory body or any court or 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 the information acquired by it in connection with the authorised business is, except as otherwise permitted by

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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 25A: Power System Control Centre

1. The Licensee shall not exercise any rights of termination in respect of the Licensee's Lease Agreement with the Authority with regards to the Power System Control Centre's premises at 36 Ayer Rajah Crescent, #02-01 & #03-01, Singapore 139945 and 7 Pasir Panjang Road, #01-01 & #01-02, Singapore 118485, except with prior notification to the Authority and subject to the written consent of the Authority being obtained.

Condition 26: 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, and 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 27: 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 organisation 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 27A: Provision of Dedicated Data Communication Services

1. The Licensee shall provide data communication from the control centres of the Power System Operator to the transmission substations and power station switchhouses as specified by the Power System Operator for the purposes of real-time power system monitoring and control.
2. The Licensee shall comply with all applicable requirements and performance standards as set forth in the Transmission Code.

Condition 28: 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.

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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 any 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.
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 non-compliance or contravention; 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 cooperation 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 29: 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. 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, at its own cost, furnish to the Authority such information as the Authority requires pursuant to Section 4 of the Act and in such form as the Authority requires.
3. 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,

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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 30: 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, 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 31: 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 The Development Bank of Singapore Limited, 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.
