

Licence No. EMA/GT/001



Gas Licence for Gas Transporter Licensee

granted under
the Gas Act (Cap. 116A) to

PowerGas Limited

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

TABLE OF CONTENTS

PART I: SCOPE OF THE LICENCE	2
PART II: GENERAL CONDITIONS OF THE LICENCE.....	3
Condition 1: Interpretation and Definitions	3
Condition 2: Authorised Activities.....	5
Condition 3: Separate Accounts for Authorised Business	6
Condition 4: Prohibition of Cross-Subsidy.....	7
Condition 5: Dealings with Subsidiaries	7
Condition 6: Composition of the Board of Directors	8
Condition 7: Prohibition on Acquisition of Shares	8
Condition 8: Codes of Practice.....	9
Condition 9: Regulatory Contracts	10
Condition 10: Prices for Services	10
Condition 11: Risk Management and Insurance	12
Condition 12: Preparation for Emergencies and Security Arrangements	12
Condition 13: Confidential Information	12
Condition 14: Research and Development	13
Condition 15: International Obligations	14
Condition 16: Investigation of Offences	14
Condition 17: Information, Access and Audit Rights of the Authority.....	15
Condition 18: Payment of Fees.....	15
PART III: SPECIAL CONDITIONS APPLICABLE TO THE CONVEYANCE OF GAS	15
Condition 19: Notification of Change in Shareholdings.....	15
Condition 20: Economic Regulation of Gas Transmission Services	15
Condition 21: Economic Regulation of Gas Distribution Services	17
Condition 22: Safety and Security of the Gas Pipeline Network	19
Condition 23: Connection Terms	19
Condition 24: Independent Technical and Safety Audits	20
Condition 25: Provision of Expert Advice	20
Condition 26: Special Administration Order	20
PART IV: SPECIAL CONDITIONS APPLICABLE TO THE CONVEYANCE OF NATURAL GAS	21
Condition 27: Planning, Development, Maintenance and Operation of the Gas Pipeline Network	21
Condition 28: Provision of Real-Time Information and Data of Gas Transmission Network	21
Condition 29: Compliance with Gas Network Code	22
Condition 30: Gas Transmission Network – New Investment.....	22
Condition 31: Gas Mains Network – New Investment.....	23
Condition 32: Construction of Gas Transmission Pipelines	23

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

PART V: SPECIAL CONDITIONS APPLICABLE TO THE CONVEYANCE OF TOWN GAS AND CONVERSION OF THE LICENSEE'S TOWN GAS SYSTEM	25
Condition 33: System Security Standards	25
Condition 34: Conversion of the Town Gas System	25
PART VI: SPECIAL CONDITIONS APPLICABLE TO THE OPERATING AND MANAGEMENT OF ONSHORE RECEIVING FACILITY.....	26
Condition 35: Construction or Modification of Facilities	26
Condition 36: Safety and Security of Onshore Receiving Facility	26
Condition 37: Onshore Receiving Facility Access Procedure.....	26
Condition 38: Onshore Receiving Facility Technical and Safety Audits	27
Condition 39: Major Gas Incidents.....	28
Condition 40: Gas Safety Plan.....	28
Condition 41: Provision of Real-Time Information and Data of Onshore Receiving Facility	29
SCHEDULE 1:	30
Schedule of the Onshore Receiving Facilities Managed or Operated by the Licensee.....	30

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

PART I: SCOPE OF THE LICENCE

1. The Energy Market Authority of Singapore (the “Authority”), in exercise of the powers conferred under Section 7(3) of the Gas Act (Cap. 116A) (the “Act”), hereby grants to PowerGas Limited, a company incorporated in the Republic of Singapore with Registration Number 199504471E (the “Licensee”), a gas licence (the “Licence”) authorising the Licensee to
 - (a) convey gas
 - (i) through a gas pipeline or gas pipeline network to any premises; or
 - (ii) to a gas pipeline or gas pipeline network owned by, or under the management or control of, another gas transporter; and
 - (b) manage or operate any onshore receiving facilities described in Schedule 1,
in Singapore subject to the conditions of this Licence (the “Conditions”).
2. The Conditions are subject to modification in accordance with Sections 14, 15 and 16 of the Act.
3. Subject to paragraphs 6 and 7 below, this Licence shall commence on 28 Jan 2008 and shall terminate upon the expiry of not less than twenty-five (25) years’ written notice given to the Licensee by the Authority.
4. Subject to paragraphs 6 and 7 below, the Special Conditions set out in Part V of this Licence shall continue to have effect and the Licensee shall continue to be bound by them until such time as the Authority, in consultation with the Licensee, deems that the conversion of the town gas network to convey natural gas has been completed. The Authority shall notify the Licensee in writing when Part V shall no longer have effect.
5. The notification under paragraph 4 shall not affect Parts II, III and IV and VI of this Licence which shall continue in full force and effect, subject to paragraphs 6 and 7 below.
6. The Authority may at any time during the term of this Licence revoke or suspend this Licence in accordance with Section 18 of the Act.
7. 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

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

PART II: GENERAL CONDITIONS OF THE LICENCE

Condition 1: Interpretation and Definitions

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:

“Act”	means the Gas Act (Cap. 116A);
“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;
“authorised business”	means the (a) Licensee’s natural gas transportation business and town gas transportation business and (b) Licensee’s management and operation of any onshore receiving facilities described in Schedule 1;
“charging statement”	is as defined in the Gas Network Code;
“Companies Act”	means the Companies Act (Cap. 50);
“gas distribution services”	means the provision of services to convey gas on the Licensee’s gas mains network;
“Gas Supply Code”	means the code of practice that sets out the obligations of gas licensees to comply with the standards and procedures for the safe operation of the gas supply system;
“gas transmission services”	means the provision of services to convey gas on the Licensee’s gas transmission network;

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

“gas transportation services”	means the services comprised in the Licensee’s authorised business;
“Licensee’s gas main”	means a gas main owned by or under the management or control of the Licensee;
“Licensee’s gas mains network”	means a gas mains network owned by or under the management or control of the Licensee;
“Licensee’s gas pipeline”	means a gas pipeline owned by or under the management or control of the Licensee;
“Licensee’s gas pipeline network”	means a gas pipeline network owned by or under the management or control of the Licensee;
“Licensee’s gas transmission pipeline” (and “Licensee’s gas transmission network”)	means a gas transmission pipeline owned by or under the management or control of the Licensee; and the “Licensee’s gas transmission network” shall be construed accordingly;
“natural gas transportation business”	means the Licensee’s business of conveying natural gas and its related activities in connection to the conveyance of natural gas;
“regulatory contract”	means an agreement or arrangement as designated by the Authority pursuant to Condition 9;
“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;
“subsidiary”	shall be construed in accordance with

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

Section 5 of the Companies Act;

“regulated transportation charges”

is as defined in the Gas Network Code;

“town gas system”

means the Licensee’s gas pipeline network used for the conveyance of town gas; and

“town gas transportation business”

means the Licensee’s business of conveying town gas and its related activities in connection to the conveyance of town gas.

4. For the purposes of the restriction on the transfer of this Licence, the provisions of Section 10 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 without the approval in writing of the Authority 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. A reference to:
 - (a) “Condition” and “Conditions” refer to a condition and conditions of this Licence, respectively; and
 - (b) “Schedule” and “Schedules” refer to a schedule and schedules to this Licence respectively.
7. Headings are for convenience only and shall not affect the interpretation of the Conditions of this Licence.
8. 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.
9. The provisions of Section 95 of the Act shall apply for the purposes of the service of any document by the Authority on the Licensee 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) the Licensee is already competent in; and
 - (b) provide synergies with the activities comprised in the authorised business.

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

3. In making an application to the Authority for approval to engage in such an activity pursuant to paragraph 2 of this Condition, Licensee shall provide an assessment of the extent to which engagement in such activity complies with the criteria mentioned in paragraph 2 of this Condition. The Licensee shall not change the nature of such allowed activity without the Authority's approval in writing.
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 a gas 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 the Licensee on the date that this Licence comes into effect; 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 to 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 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 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;

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

- (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 five (5) 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 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. Any cross-subsidy approved by the Authority shall be made known to the industry with such details as the Authority may deem necessary.

Condition 5: 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.

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

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;
 - (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: 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 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 Act; or
 - (b) 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 Electricity Act (Cap. 89A).
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 7: Prohibition on 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 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 Act; or
 - (b) 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 Electricity Act (Cap. 89A).
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.

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

Condition 8: Codes of Practice

The Licensee shall be subject to and shall comply with:

- (a) the Gas Supply Code; and
 - (b) any other relevant codes of practice and other standards of performance as the Authority notifies the Licensee in writing.
2. If any new code of practice and standard of performance exceeds any of the Licensee's contractual agreements pre-dating the Licence, the Licensee shall be given a reasonable period of time, to be determined by the Authority, to comply with such code of practice or standard of performance.
3. The Licensee may participate in the development of any code of practice or standard of performance if such code of practice or standard of performance will directly or indirectly affect the authorised business of the Licensee.
4. The Licensee shall as soon as reasonably practicable and in any event no later than ninety (90) days after the date of grant of this Licence submit to the Authority proposed standards of performance relating to its authorised business.
5. The Licensee shall within ninety (90) days after the start of its financial year or within thirty (30) days of such other date as stipulated by the Authority, submit to the Authority a report indicating the performance of the Licensee during the previous financial year compared with the agreed performance standards established pursuant to this Condition. The Licensee shall, if required by the Authority, publish these details in a manner to be determined by the Authority.
6. Notwithstanding paragraph 1 of this Condition, the Authority may by written notification, exempt the Licensee from compliance with any code of practice or standard of performance, in whole or in part, and subject to such terms and conditions as the Authority may determine.
7. 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 shall:
 - (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; or
 - (b) review the proposed modification to a standard of performance and determine whether the proposed modification should be made.
8. (1) The Licensee shall not:
 - (a) with regard to its authorised business or Singapore's gas 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

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

- (b) mislead or confuse any person about its authorised business.
- (2) If the Authority is satisfied that the Licensee is contravening or has contravened any provision of sub-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 representations, 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 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 sub-paragraph (2) above.

Condition 9: Regulatory Contracts

1. The Licensee shall be required to enter into such regulatory contracts as has been designated by the Authority, in consultation with the Licensee, for the purposes of this Condition.
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 in 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.

Condition 10: Prices for Services

1. The Licensee shall develop a cost recovery methodology (the "methodology") setting out the basis upon which the fees and charges shall be made for:
 - (a) the provision of gas transportation services; and
 - (b) usage of the Licensee's onshore receiving facility.
2. 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

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

- (b) the corresponding fees and charges applicable to the Licensee's customers in such detail as the Authority may require.
- 3. The information referred to in paragraphs 1 and 2 of this Condition shall be submitted by the Licensee to the Authority for approval no less than sixty (60) days prior to the date on which the proposed fees and charges set forth in the schedule are proposed to be first levied.
- 4. The methodology and any proposed revisions thereto shall be developed taking into consideration the following guidelines:
 - (a) Separate fees and charges shall be levied for separate gas transportation services such as:
 - (i) connection services;
 - (ii) transportation services; and
 - (iii) metering services,and
 - (b) the fees and charges for the provision of gas transportation services do not discriminate between any persons or classes of persons similarly situated.
- 5. The Licensee shall publish a charging statement, in a form approved by the Authority, setting out the basis upon which the fees and charges will be levied for:
 - (a) regulated transportation charges;
 - (b) connections charges;
 - (c) failure to notify charges; and
 - (d) nomination divergence charges.
- 6. The Licensee shall include in its statement in respect of connection charges:
 - (a) the Licensee's other terms for the connection and an explanation of those terms; and
 - (b) an indication of the cost likely to arise in respect of work done and materials used in connecting any premises to the Licensee's gas mains network in such a manner as will:
 - (i) reasonably enable a person to estimate the Licensee's connection charges in those circumstances; and
 - (ii) enable a person requesting a connection in those circumstances to determine what works or other actions he would need to undertake for the Licensee to provide the connection.
- 7. Notwithstanding paragraphs 1 to 6 of this Condition, the Licensee shall be entitled to recover from the owner or occupier of premises the cost of providing and installing the gas service isolation valve, providing and laying the gas service pipe and making the connection to such premises in accordance with Section 22(2) of the Act.

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

Condition 11: 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 12: Preparation for Emergencies and Security Arrangements

1. The Licensee shall take such action as the Authority may reasonably require, taking into consideration but not limited to the provisions of the Gas Network Code, 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 but not limited to the provisions of the Gas Network Code.
3. The Licensee shall have in place contingency plans to ensure that the Licensee will be able to continue or restore as soon as practicable, the gas transportation services in the event of a public emergency affecting the Licensee's gas pipeline network.

Condition 13: 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;

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

- 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 as 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 the Authority, this Licence, any applicable code of practice or the Gas Network Code, 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 14: 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 gas 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

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

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.

Condition 15: 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 16: Investigation of Offences

1. The Licensee shall monitor its activities with respect to compliance with this Licence or with the relevant legislation 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 gas licensee has breached its gas licence or relevant legislation or any other person has breached the relevant legislation, the Licensee shall report any suspected non-compliance to the Authority.
3. Where the Licensee reports suspected non-compliance by itself, another gas licensee or any other person pursuant to paragraph 2 above, or requests the Authority to institute a prosecution against any person for contravening a provision of relevant legislation in relation to the gas licensee's 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.

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

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 17: 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 any 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 the 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, 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 18: 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 of 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.

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

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, Overseas-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.

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

PART III: SPECIAL CONDITIONS APPLICABLE TO THE CONVEYANCE OF GAS

Condition 19: Notification of Change in Shareholdings

1. The Licensee shall inform the Authority of changes in its shareholding structure as required pursuant to Section 63B of the Act.

Condition 20: Economic Regulation of Gas Transmission Services

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

$$M_{t,n} = [A_{t,n} + S_{t,n}] / FQ_{t,n} + [E_{t,n} + OS_{t,n} - K_{t,n}] / Q_{t,n}$$

where:

- n refers to the relevant gas transmission network to be determined by the Authority
- $M_{t,n}$ means the maximum average gas transmission revenue per mmBtu in the relevant year t for gas transmission network n
- $A_{t,n}$ means an allowed return to be determined in accordance with paragraph 4(a) of this Condition, for gas transmission network n in the relevant year t
- $Q_{t,n}$ means mmBtu of gas received by consumers in gas transmission network n in the relevant year t, calculated using agreed estimation procedures
- $FQ_{t,n}$ means mmBtu of gas forecast approved for the regulatory period to be received by consumers in gas transmission network n in the relevant year t
- $S_{t,n}$ means adjustments for operating expenditures, depreciation, taxes, etc. 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, for gas transmission network n in the relevant year t
- $OS_{t,n}$ means the correction factor to adjust for factors such as open season process and the connection of new consumers in gas transmission network n in the relevant year t
- $E_{t,n}$ means exogenous costs to the Licensee for gas transmission network n in relevant year t including costs in complying with Conditions 14, 15 and 18 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, which are recovered in proportion between gas transmission revenue and gas distribution revenue using allocation procedures approved by the Authority

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

$K_{t,n}$ means the revenue adjustments from prior years in the gas transmission network n to be applied to the allowed revenue in the relevant year t:

Where

(a) if actual $R_{t-1,n} > (1 + X_n) * FR_{t-1,n}$, then

$$K_{t,n} = [R_{t-1,n} - (1 + X_n) * FR_{t-1,n}]$$

(b) if actual $R_{t-1,n} < (1 - X_n) * FR_{t-1,n}$, then

$$K_{t,n} = [R_{t-1,n} - (1 - X_n) * FR_{t-1,n}]$$

(c) if actual $R_{t-1,n}$ does not fall under the range specified under (a) and (b) above, then $K_{t,n} = 0$

$FR_{t,n}$ means the total revenue forecasted to be derived from provision of gas transmission services in gas transmission network n in the relevant year t

$R_{t,n}$ means the total revenue derived from provision of gas transmission services in gas transmission network n in the relevant year t

X_n is 0.02 for gas transmission network n, unless otherwise determined by the Authority

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

“average gas transmission revenue per mmBtu” means the total revenue per mmBtu derived from the provision of gas 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.

“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 Gas Transmission 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 Gas Transmission Economic Regulation

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

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 the 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 purposes 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 21: Economic Regulation of Gas Distribution Services

1. The Licensee shall, in respect of each relevant year, use reasonable endeavours to ensure that the average gas distribution revenue per mmBtu from gas distribution services does not exceed the maximum average distribution revenue per mmBtu calculated in accordance with the following formula (the "Gas Distribution Economic Regulation Formula"):

$$M_{t,d} = [A_{t,d} + S_{t,d}] / FQ_{t,d} + [E_{t,d} + OS_{t,d} - K_{t,d}] / Q_{t,d}$$

where:

- d refers to the relevant gas mains network to be determined by the Authority
- $M_{t,d}$ means the maximum average gas distribution revenue per mmBtu in the relevant year t for gas mains network d
- $A_{t,d}$ means an allowed return to be determined in accordance with paragraph 4(a) of this Condition, for gas mains network d in the relevant year t
- $Q_{t,d}$ means mmBtu of gas received by consumers in gas mains network d in the relevant year t, calculated using agreed estimation procedures
- $FQ_{t,d}$ means mmBtu of gas forecast approved for the regulatory period to be received by consumers in gas mains network d in the relevant year t
- $S_{t,d}$ means adjustments for operating expenditures, depreciation, taxes, etc. 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, for gas mains network d in the relevant year t
- $OS_{t,d}$ means the correction factor to adjust for factors such as connection of new consumers in gas mains network d in the relevant year t

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

- $E_{t,d}$ means exogenous costs to the Licensee for gas mains network d in relevant year t including costs in complying with Conditions 14, 15 and 18 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, which are recovered in proportion between gas distribution revenue and gas distribution revenue using allocation procedures approved by the Authority
- $K_{t,d}$ means the revenue adjustments from prior years in the gas mains network d to be applied to the allowed revenue in the relevant year t :

Where

- (1) if actual $Q_{t-1,d} > (1 + X_d) * FQ_{t-1,d}$, then
$$K_{t,d} = [M_{t-1,d} * (Q_{t-1,d} - (1 + X_d) * FQ_{t-1,d})]$$
- (2) if actual $Q_{t-1,d} < (1 - X_d) * FQ_{t-1,d}$, then
$$K_{t,d} = [M_{t-1,d} * (Q_{t-1,d} - (1 - X_d) * FQ_{t-1,d})]$$
- (3) if actual $Q_{t-1,d}$ does not fall under the range specified under (1) and (2) above, then $K_{t,d} = 0$

X_d is 0.02 for gas mains network d , unless otherwise determined by the Authority

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

“average gas distribution revenue per mmBtu” means the total revenue per mmBtu derived from the provision of gas distribution services, but excluding revenue from those one-off charges levied by the Licensee to contribute to the recovery of the cost of providing a new connection or modifying an existing connection.

“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 Gas Distribution 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.

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

4. The Authority shall, when required by paragraph 3 of this Condition, determine the parameters to be used in the Gas Distribution 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 the 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 purposes 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 22: Safety and Security of the Gas Pipeline Network

1. The Licensee shall conduct the activities authorised by this Licence in such manner as to ensure that all reasonable measures to protect and safeguard the security, integrity and safety of the Licensee's gas pipeline network are taken and, in particular, that appropriate measures are taken to prevent damage to the Licensee's gas pipelines.
2. The Licensee shall not convey, or continue to convey, gas to any premises unless it is reasonably satisfied that such conveyance can be provided safely and that appropriate arrangements exist to ensure that it is so conveyed.
3. The Authority may by written notification require the Licensee to take such steps as necessary and reasonably practicable to avert danger to life or property of the general public or to participate in joint exercises with relevant authorities for simulated threats to life or property that may arise, from the Licensee's gas pipelines or in the vicinity of the Licensee's gas pipelines.

Condition 23: Connection Terms

1. On an application made by the owner or occupier of any premises, the Licensee shall, within a reasonable time to be determined by the Authority, offer to enter into an agreement for connection to and/or for use of the Licensee's gas mains network on fair and reasonable terms.

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

Condition 24: Independent Technical and Safety Audits

1. The Licensee shall appoint, at its own cost, at such intervals and on such terms as the Authority may direct, any independent technical auditor to measure the technical performance of the Licensee and for any other purposes as specified by the Authority.
2. The Licensee shall appoint, at its own cost, at such intervals and on such terms as the Authority may direct, any independent safety auditor to assess the safety risks and vulnerabilities of the administration, operations, maintenance and testing of the Licensee's gas pipelines to the general public and consumers, and for any other purposes as specified by the Authority.

Condition 25: Provision of Expert Advice

1. The Licensee shall provide expert advice when required by the Authority in the drafting and subsequent reviews of codes of practice for use by Professional Engineers or gas service workers on the design, construction, inspection, testing, operation and maintenance of high pressure, medium pressure or low pressure gas installations, gas fittings and gas appliances in protecting the public and consumers from dangers arising from the use of gas.
2. The Licensee shall provide expert advice to the Authority in the periodic reviews of training syllabi and materials for the training or re-training of gas service workers and assist the Authority in responding to queries pertaining to practices or technical guidelines imposed by the licensees from the training institutions that the Authority may appoint for the training or re-training of gas service workers.

Condition 26: Special Administration Order

1. In accordance with any special administration order made by the Minister under Section 34 of the Act, the Authority may directly or indirectly manage the affairs, business and property of the Licensee in accordance with Section 33 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.

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

PART IV: SPECIAL CONDITIONS APPLICABLE TO THE CONVEYANCE OF NATURAL GAS

Condition 27: Planning, Development, Maintenance and Operation of the Gas Pipeline Network

1. The Licensee shall be responsible for the planning, development, maintenance and operation of the Licensee's gas pipeline network for conveying natural gas, and shall carry out all refurbishments and replacements of and new investments in the Licensee's gas pipeline network in accordance with the relevant legislation, the Conditions of this Licence, relevant codes of practice and relevant standards of performance.
2. In the event of a disruption in gas supply or where the level of reliability falls below the level which the gas transmission pipeline is designed, the Licensee shall:
 - (a) ensure that the gas supply be restored as soon as practicable; and
 - (b) conduct an investigation at its own expense to establish the cause of the gas incident and shall furnish to the Authority, as soon as practicable, a written report on the incident and any other information as may be requested by the Authority.
3. The Licensee shall establish the requirements and preventive measures in line with good industry practice to minimise damages to its pipeline associated with any earthworks within the vicinity of any underground gas pipe in the gas pipeline network which belongs to, or is under the management or control of the gas transporter.
4. The Licensee shall develop and review periodically, appropriate plans, processes and procedures for preventing possible gas transmission pipeline failures or gas outages. The Licensee shall comply with the aforesaid plans, processes and procedures.
5. Following any gas transmission pipeline failure or gas outage, the Licensee shall review and revise such plans, processes and procedures referred to in paragraph 4, as may be appropriate or as may be directed by the Authority at its sole discretion.

Condition 28: Provision of Real-Time Information and Data of Gas Transmission Network

1. The Licensee shall provide at its own cost, real-time information to the Authority in the manner and according to the arrangements as specified by the Authority for the purpose of real-time monitoring of the gas transmission network operated by the Licensee. The information required shall include valve status, gas pressure, gas flow, gas quality, hourly schedule of gas injections and off-takes and such other information as specified by the Authority from time to time.

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

2. The Licensee shall provide to the Authority, promptly upon its becoming aware, any information critical to maintaining the integrity of the gas supply system including but not limited to information relating to:
 - (a) the inability of the gas shippers to meet its gas nominations; and/or
 - (b) planned or unplanned interruptions to supplies from the gas pipeline network and/or an onshore receiving facility that may cause a disruption to gas supplies.
3. The Licensee shall provide, at its own cost, the plans, drawings and other details of and the respective parameters for the Licensee's gas transmission network and the Licensee's gas pipelines and associated equipment as required by the Authority from time to time for the modelling of the gas transmission network and facilities.

Condition 29: Compliance with Gas Network Code

1. The Licensee shall comply with and perform its obligations in accordance with the Gas Network Code.
2. The Licensee shall be required, upon a request or a notification by the Authority:
 - (a) to participate in the development and subsequent modifications of the Gas Network Code; and
 - (b) to participate in market trials or any other activity as required or commissioned by the Authority for:
 - (i) the purpose of implementing the Gas Network Code at a date to be specified by the Authority;
 - (ii) the purpose of complying with the provisions of the Gas Network Code applicable to the Licensee upon implementation of such provisions;
 - (iii) the purpose of complying with any proposed modifications which may materially change the operation of the Gas Network Code upon their implementation; and/or
 - (iv) any other purpose related to the development and subsequent modification of the Gas Network Code to be specified by the Authority.

Condition 30: Gas Transmission Network – New Investment

1. The Licensee shall be required to invest in, and develop, the Licensee's gas transmission network in an efficient and economic manner and in accordance with the open season process arrangement set out in the Gas Network Code or as directed by the Authority.

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

2. The Licensee shall not, in the conduct of the open season process, show any undue preference or exercise any undue discrimination against any gas shipper or potential gas shipper.

Condition 31: Gas Mains Network – New Investment

1. The Licensee shall develop the Licensee's gas mains network in accordance with the Gas Network Code, and shall as soon as reasonably requested by the Authority, prepare a gas mains network development plan, in consultation with gas shippers, in such form as may be specified from time to time by the Authority and in compliance with the Gas Network Code.
2. The Licensee shall:
 - (a) furnish the Authority with a copy of the gas mains network development plan prepared in accordance with the Gas Network Code and the gas mains network planning criteria, and of each revision of the gas mains network development plan compared to the previous year's gas mains network development plan; and
 - (b) publish the long term gas mains network development plan or any revision thereof, in such form and manner as the Authority may direct as the case may be.

Condition 32: Construction of Gas Transmission Pipelines

1. Without prejudice to applicable laws and regulations the Licensee shall before commencing any construction works on the gas transmission pipelines give the Authority, other affected gas licensees and other affected persons notice of the intended construction, including as appropriate the following details:
 - (a) the location, route and depth of the proposed gas transmission pipeline;
 - (b) the normal operational and maximum allowable operating pressure of the proposed gas transmission pipeline;
 - (c) the initial and maximum installed capacity (without compression facilities) of the gas transmission pipeline;
 - (d) the location of proposed connections with existing gas pipelines and of offtake points and any associated facilities;
 - (e) the names of gas shippers and the percentage of total capacity they have contracted for in the specific pipeline;
 - (f) the standards and specifications to be used in the design of the proposed pipeline project and the reference specifications for the materials proposed to be used in respect of the proposed pipeline project;
 - (g) the location of similar schemes upon which the proposed project design and standards are wholly or partially based;

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

- (h) the indicative transportation charges to be paid for offtake from the proposed gas transmission pipeline and the subsequent impact on transportation charges paid by other gas shippers;
- (i) the capital contributions paid, if any, by the contracting gas shipper for the proposed gas transmission pipeline; and
- (j) a Quantitative Risk Analysis Report on the gas transmission pipeline conducted by an independent consultant, which has been submitted to the relevant authorities for approval.

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

PART V: SPECIAL CONDITIONS APPLICABLE TO THE CONVEYANCE OF TOWN GAS AND CONVERSION OF THE LICENSEE'S TOWN GAS SYSTEM

Condition 33: System Security Standards

1. The Licensee shall operate the Licensee's town gas system in a reasonable and prudent manner to ensure the safe and efficient operation of the Licensee's town gas system, in accordance with:
 - (a) the standard followed immediately prior to the date of grant of this Licence; or
 - (b) such other standards as may be approved by the Authority.

Condition 34: Conversion of the Town Gas System

1. The Licensee shall, at the request of the town gas retailer, work with the town gas retailer to prepare and submit to the Authority for approval, with such details as required by the Authority, a conversion plan setting out their proposals for the conversion of the town gas system to convey natural gas, including a plan for educating the consumers of town gas on all safety matters relating to the conversion.
2. The Licensee shall, safely and efficiently, while ensuring continuity of conveyance of town gas supplies to consumers, convert the following:
 - (a) the Licensee's town gas system; and
 - (b) any storage facilities associated with that system,for conveyance of natural gas by such date as the Authority notifies the Licensee in writing after consultation with the Licensee.
3. For the purposes of Part V of this Licence:

"town gas retailer" means a gas retailer who is authorised to produce and retail town gas

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

PART VI: SPECIAL CONDITIONS APPLICABLE TO THE OPERATING AND MANAGEMENT OF ONSHORE RECEIVING FACILITY

Condition 35: Construction or Modification of Facilities

1. Without prejudice to applicable laws, before commencing any construction works that may impact materially on its onshore receiving facility (but excluding maintenance), the Licensee shall give the Authority, any other gas licensees and persons who may be directly affected by such construction, notice of the intended construction, including as appropriate the following details:
 - (a) the nature of the proposed construction works, and their impact on existing onshore receiving facilities;
 - (b) the impact on the facilities of other gas licensees;
 - (c) the location of proposed connections with existing gas pipelines and any associated facilities;
 - (d) the standards and specifications to be used in the design and construction of the proposed works;
 - (e) the location of similar schemes upon which the proposed project design and standards are wholly or partially based; and
 - (f) a Quantitative Risk Analysis Report on the gas transmission pipeline conducted by an independent consultant, which has been submitted to the relevant authorities for approval.

Condition 36: Safety and Security of Onshore Receiving Facility

1. The Licensee shall maintain, repair and operate its onshore receiving facility in a reasonable and prudent manner to ensure the safe and efficient operation of its onshore receiving facility and in accordance with:
 - (a) any regulation made by the Authority pursuant to Section 96 of the Act; and
 - (b) generally accepted practices of the international gas industry.

Condition 37: Onshore Receiving Facility Access Procedure

1. The Licensee shall develop a document setting out the procedures to be taken by the Licensee and the gas shippers for the provision of additional capacity to the Licensee's onshore receiving facility (the "ORF Access Procedure"). The ORF Access Procedure and any proposed revisions thereto shall be submitted to the Authority for approval prior to any implementation thereof.
2. The Licensee shall not unduly discriminate between any person or any class of persons in its implementation of the ORF Access Procedure.

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

3. The ORF Access Procedure shall be submitted by the Licensee to the Authority for approval by a date specified by the Authority or by such other date as proposed by the Licensee and approved by the Authority.
4. The Licensee may propose modifications to the ORF Access Procedure that is in force at the relevant time by notifying the Authority in writing of the proposed modification and the reasons therefor. The Authority shall review the proposed modification to the ORF Access Procedure and determine whether the proposed modification should be made.

Condition 38: Onshore Receiving Facility Technical and Safety Audits

1. The Licensee shall, at its own cost, conduct or have conducted by such independent third party as the Authority may after consultation with the Licensee specify, technical audits (the "Onshore Receiving Facility Technical Audit") and safety audits (the "Onshore Receiving Facility Safety Audit") of the key processes and procedures within its onshore receiving facility and of its integration and operation with other onshore receiving facilities in Singapore, in order to ensure compliance with the Conditions.
2. The Onshore Receiving Facility Technical Audit shall be undertaken:
 - (a) at such intervals and on such terms as the Authority may direct and such intervals shall not be less than one year;
 - (b) upon significant changes in the configuration of the gas supply system, or gas supply arrangements;
 - (c) at the direction of the Authority, following the occurrence of any major incident; and/or
 - (d) in accordance with any regulation made by the Authority pursuant to Section 96 of the Act.
3. The Licensee shall develop a process and methodology for the Onshore Receiving Facility Technical Audit and shall submit the process and methodology to the Authority for approval.
4. The Authority may approve the proposed process and methodology for the Onshore Receiving Facility Technical Audit, or may direct reasonable changes with which the Licensee must comply at its own cost.
5. The Onshore Receiving Facility Safety Audit shall be undertaken:
 - (a) at such intervals and on such terms as the Authority may direct and such intervals shall be less than one year; and
 - (b) to assess the safety risks and vulnerabilities of the administration, operations, maintenance and testing of the Licensee's onshore receiving facility to the general public or for any other purposes as specified by the Authority.
6. Upon completion of each Onshore Receiving Facility Technical Audit or Onshore Receiving Facility Safety Audit, the Licensee shall provide to the

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

Authority a copy of the audit report and details of any actions to rectify any identified shortcomings.

Condition 39: Major Gas Incidents

1. The Licensee shall prepare, in consultation with the Authority, a major gas incident response plan setting out:
 - (a) how the Licensee will monitor and repair its onshore receiving facility in the event of a major incident affecting its onshore receiving facility;
 - (b) information and communication protocols with the Authority, and such other persons as specified by the Authority; and
 - (c) such other information as specified by the Authority.
2. The Licensee shall in consultation with the Authority, and such other persons as specified by the Authority, prepare a timetable for regular drills for the purposes of testing the major gas incident response plan.
3. The Licensee shall:
 - (a) respond to a major gas incident affecting its onshore receiving facility in an expeditious and prudent manner, to ensure the restoration of the gas supply as soon as practicable; and
 - (b) advise the Authority in a timely manner of any major gas incident and the actions being undertaken to restore safety and supply.

Condition 40: Gas Safety Plan

1. The Licensee shall prepare a gas safety plan in accordance with this Condition.
2. The gas safety plan shall be prepared by the Licensee:
 - (a) by a date specified by the Authority or by such other date as proposed by the Licensee and approved by the Authority, whose approval shall not be unreasonably delayed or withheld; and
 - (b) in consultation with the Authority.
3. The gas safety plan shall set out:
 - (a) procedures for the safety of all persons at the Licensee's onshore receiving facility;
 - (b) advice on the potential dangers arising from the operation of the Licensee's onshore receiving facility and safety measures to minimise such dangers; and
 - (c) such other information as specified by the Authority.
4. The Licensee shall, at its own cost, carry out (or cause to have carried out by an independent third party) investigations into all significant incidents related to its onshore receiving facility, either upon its own accord or upon request by

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

the Authority and submit a written report to the Authority in such detail and within such period as the Authority may reasonably require.

5. The Authority may by written notification require the Licensee to take such steps as may be reasonably practicable to avert danger to life or property of the general public or to participate in joint emergency exercises with the relevant authorities for simulated threats to life or property that may arise from the Licensee's onshore receiving facility.

Condition 41: Provision of Real-Time Information and Data of Onshore Receiving Facility

1. The Licensee shall, at its own cost, provide real-time information to the Authority in a manner and according to the arrangements reasonably required by the Authority for the purpose of real-time monitoring of the Licensee's onshore receiving facility. The information required shall include valve status, gas pressure, gas flow, gas quality, gas injections, off-takes and other information as may be reasonably required by the Authority from time to time.
2. The Licensee must provide to the Authority, promptly upon its becoming aware, any information critical to maintaining the integrity of the gas supply system, including but not limited to information relating to:
 - (a) the inability of the gas shippers to meet its gas nominations; and/or
 - (b) planned or unplanned interruptions to supplies from the gas pipeline network and/or an onshore receiving facility that may cause a disruption to gas supplies.
3. The Licensee shall, at its own cost, provide the plans, drawings and other details of and the respective parameters for the onshore receiving facility and associated equipment as may be required by the Authority from time to time for the modeling of the Licensee's onshore receiving facility.

GAS LICENCE FOR GAS TRANSPORTER LICENSEE

SCHEDULE 1:

Schedule of the Onshore Receiving Facilities Managed or Operated by the Licensee

1	Sakra NG Station at 70 Sakra Rd The Sakra NG Station receives natural gas from Indonesia, delivered through a submarine pipeline.
2	Attap Valley NG Station at 21 Attap Valley Rd The Attap Valley NG Station receives natural gas from Peninsula Malaysia, delivered through a submarine pipeline.