

Pursuant to Articles 4.2, 4.7 and 7 of the Law on Transmission of Electric Power, Regulator and System Operator of Bosnia and Herzegovina ("Official Gazette of BiH", No. 7/02, 13/03, 76/09 and 1/11), Article 36 of the Rule of Practice and Procedure of the State Electricity Regulatory Commission ("Official Gazette of BiH", No. 2/05) and Article 16 of the Licensing Rule ("Official Gazette of BiH", No. 38/05), the State Electricity Regulatory Commission, at the session held on 17 January 2013 adopted

**DECISION**  
**ON ISSUANCE OF LICENSE FOR THE ACTIVITY OF ELECTRICITY**  
**DISTRIBUTION**

1. The license shall be issued to the Public Utility "Komunalno Brčko" d.o.o. Brčko District BiH, for the performance of the activity of electricity distribution.
2. The license referred to in Item 1 of this Decision shall be issued for the period from 19 January 2013 to 31 October 2020.
3. Licensing Conditions for the Performance of the Activity of Electricity Distribution shall be an integral part of the license.
4. This decision shall come into force on the day of its issuance and shall be published in the "Official Gazette of BiH" and official gazettes of the Entities.

***Statement of Rationale***

The Public Utility "Komunalno Brčko" d.o.o. Brčko District BiH (hereinafter: the applicant), that is obligated to ensure the distribution of electricity and supply system users and customers with electricity in the area under its jurisdiction pursuant to the *Decision Establishing the Public Utility "Komunalno Brčko" d.o.o. Brčko District BiH* ("Official Gazette of BD BiH", No. 20/07, 21/07, 24/08 and 33/09), is an owner of a temporary license for the performance of the activity of electricity distribution and supply in Brčko District of Bosnia and Herzegovina, entered into the License Register of this Commission under the registration number: 05-28-12-017-2/11 of 19 January 2013 expiring on 18 January 2013.

In accordance with the right to use a possibility of renewing a license and fulfilling the obligation referred to in Article 54 of the Licensing Rule („Official Gazette of BiH“, No. 38/05) to express its intention to continue to perform the activity of electricity distribution, the licensee filed an application for the granting of a new license that was registered under number: 05-28-12-423-1/12 of 3 December 2012. The application filed shall be decided upon pursuant to internal rules and regulations of SERC and Article 7 of the Law on Transmission.

The application is on the prescribed forms with a proof of previously paid application fee and the relevant documents which, enclosed to the application or submitted to SERC later upon a SERC request, enabled SERC to understand, consider and decide upon the application filed of which SERC informed the applicant accordingly by its act number: 05-28-12-413-12/12 of 11 December 2012.

Having reviewed and checked all the formal elements of the application, first of all on 12 December 2012 SERC published a short public notice in daily newspapers and on its web site, summarizing the application and determining the deadline for submission of public comments on the filed license application until 26 December 2012.

SERC concluded that the public had not submitted any comment on the application filed for the granting of the license nor had any person expressed the interest to participate in the procedure in the capacity of the intervener upon the SERC public invitation.

The applicant fulfills indisputably all the criteria, conditions and standards prescribed by law and SERC rules and regulations to perform the activity of electricity distribution because it has constantly proven its technical, legal and financial capabilities during the past two years of the use of the license during which it provided the valid proofs thereof.

Monitoring of all aspects of compliance of the applicant's present activities with the conditions and criteria for performance of the activity of electricity distribution provided SERC with the basis to initiate the renewal of the license, i.e. to prepare the initial version of the Licensing Conditions for the Performance of the Activity of Electricity Distribution which would be valid for several years. As of 29 December 2012, this document was made available to the applicant as well as all other interested members of the public who were also provided with an opportunity to give their comments during a general hearing held on 4 January 2013 at the SERC seat in Tuzla with previous publication of an adequate notice in daily newspapers and publication of the documents on the SERC web site.

As there were no comments during the general hearing which would instigate any changes to the conditions for use of the license, the proposal for granting of the license was prepared and submitted to the applicant by the SERC act number: 05-28-12-413-23/12 of 7 January 2013. Even the last occasion until 14 January 2013 was not used by the applicant to emphasize any disagreement with any point of reference in its act under number: 05-28-12-413-23/12 of 7 January 2013, except the one pertaining to the foreseen term of the license, which made grounds for the conclusion that it considered that the proposal was prepared in accordance with the applicable laws and secondary legislation of Bosnia and Herzegovina dealing with the matters concerned.

Having reviewed the status of application of all components of relevance for the granting of the license and obtained the convincing indicators that the applicant has the ensured resources, organized conditions and established professional standards to continue to perform the same activity, supporting the principle of gradation while determining the term of this license before using the right to grant the license with the maximum term to the same entity, SERC decided as provided in the statement of the Decision.

Pursuant to Article 9.2 of the Law on Transmission of Electric Power, Regulator and System Operator of Bosnia and Herzegovina, proceedings may be initiated against this decision before the Court of Bosnia and Herzegovina by filing a lawsuit within sixty (60) days from the day of publishing this decision.

Number: 05-28-12-413-27/12

Chairman of the Commission

17 January 2012

Tuzla

Milorad Tuševljak