

Pursuant to Article 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, 7/02, 13/03, 76/09 and 1/11), Article 36 of the Rule of Practice and Procedure of the SERC (Official Gazette of BiH, 2/05) and Article 16 of the Licensing Rule (Official Gazette of BiH, 87/12), the State Electricity Regulatory Commission, at the session held on 18 November 2015 rendered

DECISION

ON ISSUANCE OF LICENSE FOR THE ACTIVITY OF INTERNATIONAL TRADE IN ELECTRICITY

1. A license shall be issued to the Company HEP-Trade d.o.o. Mostar for performance of the activity of international trade in electricity.
2. The license referred to in Item 1 of this Decision shall be issued for the period from 1 December 2015 to 30 November 2020.
3. The license for performance of the activity of international trade in electricity containing the Licensing Conditions for the use of the license shall be an integral part of the Decision.
4. This Decision shall come into force on the day of adoption and shall be published in the Official Gazette of BiH and official gazettes of the Entities.

Statement of Rationale

HEP-Trade d.o.o. Mostar (hereinafter: the applicant) is a holder of the temporary license for the international electricity trading activity, recorded in the License Register of this Commission under registration number: 05-28-12-309-20/13 of 27 November 2013, expiring on 30 November 2015.

The licensee filed an application for the granting of a new license that was registered under number: 05-28-12-264-1/15 of 28 August 2015. The application filed shall be decided upon pursuant to internal rules and regulations of SERC and Article 7 of the Law on Transmission of Electric Power, Regulator and System Operator of Bosnia and Herzegovina (Official Gazette of BiH, 7/02, 13/03, 76/09 and 1/11).

The application was submitted in a timely manner, on the prescribed forms with a proof of previously paid application fee and relevant documents which, enclosed to the application, enabled SERC to understand, consider and decide upon the submitted application of which SERC informed the applicant accordingly by its act number: 05-28-12-264-3/15 of 23 September 2015.

Having reviewed and checked all the formal elements of the application, first of all on 24 September 2015 SERC published a short public notice in daily newspapers and on its web site, summarising the application and determining the deadline for submission of public comments on the submitted license application until 8 October 2015.

SERC concluded that the public had not submitted any comment on the application filed for the issuance of 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 fulfils indisputably all the criteria, conditions and standards prescribed by law and SERC rules and regulations to perform international trade in electricity because it constantly

proved its technical, legal and financial capabilities during the past years of use of the license and provided evidence of having ensured resources, organised conditions and established professional standards to continue to perform the same activity.

Monitoring of all aspects of compliance of the applicant's present activities with the conditions and criteria for performance of the activity of international trade in electricity provided SERC with the basis to initiate the issuance of the license, i.e. to prepare the Licensing Conditions for performance of the activity of international trade in electricity which would be valid for five years.

As of 29 October 2015, 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 3 November 2015 at the SERC seat in Tuzla preceded by publication of an adequate notice in daily newspapers and publication of the documents on the SERC web site.

Since at the general hearing there were no comments which would instigate any changes to the conditions for the use of the license, a proposal for granting the license was prepared, which was submitted to the applicant by the SERC act number: 05-28-12-264-15/15 of 6 November 2015. The applicant did not present any comment within the given deadline before 13 November 2015 either which was sufficient to reasonably conclude that it considered that the SERC's proposal was prepared in accordance with the Law on Transmission of Electric Power, Regulator and System Operator of BiH and secondary legislation dealing with the matters concerned.

In accordance with the aforementioned and also taking into account the evidence that the applicant had been previously granted the second tier supply license by the Regulatory Commission for Energy in the Federation of Bosnia and Herzegovina with a five-year term, registration number: 06-03-418/6/15 of 23 July 2015, SERC decided as provided in the statement of this 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 before the Court of Bosnia and Herzegovina by filing a lawsuit within sixty (60) days from the day of publishing this decision.

Number: 05-28-12-264-16/15

18 November 2015

Tuzla

Chairman of the Commission

Milorad Tuševljak