

Pursuant to Article 4.2 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), and Article 36 of the Rule of Practice and Procedure of the SERC („Official Gazette of BiH“, No. 2/05) and Article 57, Para (7) of the Licensing Rule („Official Gazette of BiH“, No. 87/12), the State Electricity Regulatory Commission, at the session held on 20.11 2014 adopted

DECISION ON SUSPENSION OF LICENSE

- 1) The license for performance of the international electricity trading activity granted pursuant to the Decision of the State Electricity Regulatory Commission number 05-28-12-254-18/10 of 27 January 2011 to the Company “Korlea”, d.o.o. Mostar shall be suspended.
- 2) The License referred to in Item 1. of this Decision shall be suspended for an indefinite period of time.
- 3) This decision shall come into force on the day of issuance and shall be published in the “Official Gazette of BiH” and official gazettes of the Entities.

Statement of Rationale

Pursuant to the Decision of the State Electricity Regulatory Commission (SERC) number 05-28-12-254-18/10 of 27 January 2011, the license for performance of the international electricity trading activity was granted to the Company “Korlea”, d.o.o. for the period from 1 April 2011 to 31 March 2016.

In accordance with the Licensing conditions, the licensee is obligated to permanently maintain its economic and financial capability during the whole term of the license. However, a proposal to initiate bankruptcy procedures submitted by the licensee seriously challenges the licensee’s stability and solvency which is also demonstrated through non-payment of regulatory fee as prescribed by the SERC Decision (“Official Gazette of BiH”, 73/13).

Apart from the failure to pay a regulatory fee being in its own right the reason for suspension of a license pursuant to SERC rules and regulations, the same goes for a sound and reliable indication of the licensee’s lack of economic and financial capability to meet its obligations as defined by the Licensing conditions for performance of the international electricity trading activity contrary to the provisions 3.1 and 71. of the Conditions.

Taking into account that licensees’ economic and financial incapability may have a negative impact on other entities in the electricity sector, the functioning of the electricity market and quality of supply, pursuant to Article 57, Para (7), it was 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: 05-28-12-360-2/14

20. November 2014

Tuzla

Chairman of the Commission

Nikola Pejić