

Pursuant to Article 4.3, of the Law on Transmission, Regulator and Electricity System Operator in Bosnia and Herzegovina ("Official Gazette of BiH" number 7/02 and 13/03) and Article 12, paragraph 4, of the Statute of the State Electricity Regulatory Commission (Official Gazette of BiH, 41/03), The State Electricity Regulatory, at its session held on November 10, 2004 made

PROCEDURAL RULES OF THE STATE ELECTRICITY REGULATORY COMMISSION

I GENERAL PROVISIONS

Article 1

The work of the State Electricity Regulatory Commission is regulated by these Procedural Rules in accordance with the Law on Transmission, Regulator and Electricity System Operator in Bosnia and Herzegovina and Statute of the State Electricity Regulatory Commission, as follows:

- calling the SERC's session,
- the way the SERC works,
- making decisions of the SERC,
- procedure of the acts' creation of the SERC,
- transitional and final provisions.

Article 2

The SERC consists of three Members of the Commission, out of which one is the Chairman and its staff.

Article 3

Competencies, scope of work and authorization of the Members of the Commission were prescribed by the Law and Statute.

Article 4

Application

These Procedural Rules apply for basic proceedings and processes carried out by the SERC in accordance with its competences and authorizations prescribed by the Law.

Article 5

The Purpose of the Procedural Rules

The purpose of these procedural rules is to provide quick and efficient proceedings and make fair decisions on all issues within the competencies and scope of the activities of the SERC.

Article 6

Definitions

Definitions of terms used in the Procedural Rules, include those in the Law, as well as the following:

1. 'Law' shall mean Law on Transmission, Regulator and Electricity System Operator in Bosnia and Herzegovina;

2. **'Statute'** shall mean Statute of the State Electricity Regulatory Commission;
3. **'Rules of Procedure'** shall mean Rules of Procedure of the State Electricity Regulatory Commission;
4. **'SERC'** shall mean the State Electricity Regulatory Commission;
5. **'Member of the Commission'** shall mean a person appointed by the decision of Parliament of BiH;
6. **'Commission'** shall refer to the three members of the Commission collectively;
7. **'Person'** shall mean legal or physical person of any ownership form and organization form;
8. **'Interested person'** shall mean physical or legal person, which has right or legal interest to participate in any stage of proceedings before the SERC;
9. **'A party at the procedure'** shall mean an interested person, based on whose request the procedure is initiated or against which the procedure is led, and to whom the SERC has determined that standing.
10. **'Intervener'** shall mean person who has a direct interest to participate in the proceeding, whose interest is different than the general public interest, and to whom the SERC has determined the right of intervener in the SERC's procedure.
11. **'Regulated company'** shall mean the company for transmission of electricity, transmission system operator and other legal entities which activity is, according to the Law, regulated by SERC.
12. **'Regular session'** shall mean formal meeting of the SERC which is open to the public which may observe the SERC's activities, but without right to comment, unless exclusively authorized by the Chairman of the Commission or his designee.
13. **'Closed part of Regular session'** shall mean meeting of the Commission, closed to the public and any of SERC's staff, except for persons who are deemed necessary in order to discuss confidential information.
14. **'Emergency session'** shall mean formal meeting of SERC opened for public that is called and held in the extreme emergency situation, caused by force majeure or other event that endangers the lives, safety or welfare of the public.
15. **'Internal meeting'** shall mean meeting of the SERC, which is not open to the public, unless the Commission authorizes individuals to participate at such meetings and talk to the SERC in accordance to provisions of these Rules of Procedure.
16. **'Public Hearing'** shall mean any hearing in front of SERC open for public attendance, which may be general, formal or technical;
17. **'General Hearing'** shall mean a hearing with the right of interested persons or members of the public to submit comments;
18. **'Formal Hearing'** shall mean a hearing held during the proceeding or any other proceeding held before the SERC;
19. **'Technical Hearing'** shall mean a hearing held with the view to process procedural, substantial or technical issues from the scope of competencies of the SERC.
20. **'Reporter'** shall mean person responsible for gathering and presenting reports to the SERC or other body.

21. **'Presiding officer'** shall mean a member of the Commission or staff member of the SERC, who is authorized on behalf of the SERC to lead the procedure on hearings.
22. **'Witness'** shall mean an individual appearing in his personal or professional capacity to provide testimony to the SERC in proceedings. Legal entities can designate an individual, who shall be familiar with the facts and shall be in disposal of evidence, to provide testimony on behalf of and binding upon the legal entity and who shall, if requested by the SERC, provide evidence.
23. **'Rules and regulations'** shall, in general, mean general acts of the SERC.
24. **'Decision'** shall mean the term for general decision-making of the Commission, unless special provisions of these Rules are not determined as a special act of the Commission.
25. **'Final decision'** shall mean decision, by which a final decision is made in a proceeding before the SERC and against which only the court protection could be required.
26. **'Confidential Information'** means any document, data or information which, if publicly disclosed, may do some harm to the interest or integrity of the SERC or any physical or legal person, and which is by special Rule of SERC determined to be confidential.
27. **'Non-transparent'** shall mean action, which is not accessible to the public and all interested parties.
28. **'Discriminatory'** shall mean the taking of different actions towards similarly situated persons.
29. **'Regular working day'** is day other than Saturday, Sunday or public holiday.

II CALLING THE SESSIONS OF THE SERC

Article 7

The Commission makes decision at the sessions and internal meetings.

Meetings and sessions of the SERC shall be held as a rule in the seat of the SERC.

Article 8

Chairman of the SERC calls and chairs the meetings of the SERC.

In case of absence or if the Chairman of the Commission is temporarily prevented from attending, the meetings and sessions is called and/or chaired by the Member of the Commission, who is appointed by the Chairman of the Commission.

Provisions of these Procedural rules, which are related to the Chairman of the Commission, apply also for the Member of the Commission from the previous paragraph.

Article 9

Each member of the Commission can initiate the proposal for calling a SERC's session or a meeting.

Article 10

According to the written proposal of the member of the Commission, Chairman of the Commission shall schedule the SERC's meeting within 15 days, counting from the day when the proposal was submitted.

III THE WAY THE SERC WORKS

A. KINDS OF SESSIONS AND MEETINGS

Article 11

All SERC sessions are public other than internal meetings and closed part of regular sessions.

Article 12

Regular session

The SERC shall inform the public about the date, time and place of the regular session, as well as about the agenda that will be discussed or decisions made at that session, at least (five) 5 working days before the session is held. Notification is put on the notice board of the SERC.

The Commission can make a decision to take some topics off the agenda without previous notification, but if possible the notification of the removal of agenda items will be submitted to those persons who are concerned by those topics. If discussion on items of the agenda is rescheduled, an announcement of the date and time of the rescheduled discussion item shall be made not later than before starting discussion on that topic on agenda.

Sessions of the SERC shall be held when necessary, and at least once every thirty (30) days.

For the purpose of planning a session, the SERC shall make an annual schedule of the regular session, which may be altered if necessary.

Article 13

Closed Part of Regular Session

Initiated regular session, on the initiative of one member of the Commission, shall be continued as a closed part of that session in order to protect confidential information or business secret.

The Commission will not make any final decisions during the closed session.

The Commission will specify the purpose for holding the closed part of regular session before it withdraws from the session. The moment regular session is continued the Chairman or his designee will confirm that closed part of regular session was limited on the discussion about confidential information and that final decision is not made.

Policy of SERC is that, as much as possible, avoid holding the closed part of regular sessions and strive to hold its proceeding on regular sessions opened for public.

Article 14

Emergency session

Exceptionally, in the event of emergency the SERC can call an emergency regular session.

An emergency session can be called by phone.

An emergency session is open to the public. Notification about the emergency session will be posted on the notice board and web page of the SERC as soon as possible to be available for the public

Article 15

Internal meeting

The SERC organizes its ongoing activities through the internal meetings. The purpose of the internal meetings is to enable the SERC to organize its work and to plan the tasks, which are expected. The Commission can make a decision on an internal, administrative matter in an internal meeting.

The internal meeting is called when necessary, and at least once in fifteen (15) days.

In addition to the internal meetings described in paragraph 2, the Chairman of the Commission will call for internal meetings in his own discretion or by an initiative of any Member of the Commission.

Internal meetings are not open to the public. The Commission can, based on their own decisions, may approve interested persons and their representatives to attend the internal meetings and to introduce themselves to the SERC.

The Commission does not make decisions on the questions of the SERC's competencies, as prescribed by Article 14 of the Law, at internal meetings. Decisions' proposals to be discussed at next regular session of the SERC, may be prepared at the internal meetings, but without attendance of interested persons and their representatives.

B. CONDUCTING THE SERC SESSIONS AND MEETINGS

Article 16

Preparation of the material for the sessions and meeting

The Chairman of the Commission shall cooperate with the members of the Commission and Chief of Staff and other SERC staff if necessary, in the preparation of the sessions and meetings.

The Chief of Staff as a rule attends the sessions and meetings of the SERC, and other employees when needed.

Other persons can be invited to the meeting or session, depending on the agenda.

Article 17

Notice of regular sessions, with the respective agenda proposals, materials, and draft minutes of the previous meeting, shall be submitted to members of the Commission at least 5 (five) working days before the meeting is held.

In case of convening an emergency session, the agenda proposal and materials, shall be submitted to the Commission by e-mail or by fax at least an hour before the meeting, and signed material at latest at the meeting.

In case of calling an internal meeting, notification about internal meeting with the agenda proposal, material and minutes of the previous meeting shall be submitted, as a rule, to the Commission at least 2 (two) working days before the meeting.

Exceptionally, in case of convening an urgent internal meeting, preparation material shall be submitted to the Commission at least one hour prior to the beginning of the meeting.

Article 18

The Role of the Rapporteur at the meeting and session

The Chairman of the Commission or his designee may decide that, apart from the members of the Commission and staff of the SERC, other persons may take part in the sessions or meetings such as special reporters, consultants or experts in order to provide needed explanation or answer the questions of the SERC.

After introduction of the reporter, consultant or expert, members of the Commission or other person authorized by the Chairman, may ask a question to the speaker through the Chairman of the Commission or his designee. The Chairman of the Commission or his designee may refuse to approve the questions, which are not important or useful for the SERC's discussion.

In the event of a different opinion of any member of the Commission, the Commission shall confer to make a decision about the fact whether the question is important or useful for consideration.

Article 19

Opinion of the consultants and experts

The SERC may, from time to time, engage consultants or experts in order to get the expert assistance while solving the questions it encounters. The SERC may ask for an expert opinion, which would be helpful to determine the relevant facts.

Article 20

Course of the sessions and meetings

A session or a meeting of SERC starts with determining of the agenda, which must contain the adoption of minutes of the previous meeting and report on the decisions and conclusions reached in the previous session.

A member of the Commission may suggest changes and amendments to the agenda, minutes and reports on implementation of decisions and conclusions from the last meeting or session.

Article 21

Consideration of specific issues is carried out according to the order defined by the agenda.

During the session or meeting, the SERC may make changes to the agenda order.

Article 22

A member of the Commission or another participant in the session, who gets the floor, may only discuss Agenda issues, unless the Chairman of the Commission determines that subject discussed is relevant.

Article 23

After consideration of all issues from the agenda, the Chairman of the Commission shall close the session or meeting.

When for the reason of the extensive volume of the agenda, all issues may not be considered, the session or meeting may be closed on the proposal of one member of the Commission.

The decision on closing shall be made by the Commission, and the date of its continuation shall be determined at the same time as adoption of proposal for termination.

Article 24

If the member of Commission is not able to participate in a session or internal meeting because of justified reasons, including, but not limited to, serious illness, death of a family member, or being out of the country for critical reasons he may attend by a conference call. The member of Commission who votes by phone or any other proper technical device shall be considered as present at the session or internal meeting if he is able to hear, take part in the discussion, and vote.

Article 25

Minutes of sessions and meetings

Session and meeting actions shall be noted in the minutes.

The Chief of Staff or his designee is responsible for taking minutes of the proceedings of session and internal meeting of the SERC.

The Commission makes special decision on manner of taking minutes of meeting recording on the closed part of regular session.

The required minutes shall include the place and time that the session or meeting begins and ends, the proposed and adopted agenda, the members of the Commission present or absent, the names of all invited, present and absent, course of the session with notes on participants in a discussion and the topic of the discussion, the results of all votes, all decisions on procedural and administrative matters, formulation of decisions, conclusions, reason for interruptions of the session or meeting, reason the session or meeting was postponed, the signature of the Chairman of the Commission and person who is designated to take the minutes and other relevant information.

Article 26

The minutes of each session and meeting shall be reviewed and approved by the Commission at its next session or meeting.

Each member of the Commission has a right to comment on the minutes before the beginning of the session or meeting.

If those comments are adopted the minutes shall be changed according to the adopted comments.

The minutes, which do not contain comments or which are changed according to the adopted suggestions, shall be considered adopted and may be signed and stamped.

The minutes shall be signed by the Chairman of the Commission and the person who was designated to take the minutes.

The minutes shall be stamped by the stamp of the SERC.

Article 27

The SERC may decide that all or some sessions or meetings shall be recorded on tape.

Article 28

Minutes of regular and emergency sessions shall be open to the public.

Minutes or excerpts of the minutes of sessions or meetings, where the confidential information or business secret has been discussed, as well as recordings or stenographs,

which are declared as confidential information by the Chairman of the Commission and shall not be available for public inspection and consideration.

Following Commission verification, the minutes shall be filed at the SERC's archives.

IV PUBLIC HEARINGS

Article 29

The SERC may conduct several different types of hearings when conducting the proceedings described in these Rules, including a general hearing, a formal hearing and technical hearing. The SERC shall have sole discretion to determine the type of hearing to be held in any proceeding. A Presiding Officer shall be designated for all public hearings, who shall assure that appropriate notes are taken during the public hearing for reporting to the Commission.

A general hearing shall be held for public, for the purpose of listening to comments from interested persons and public on proposed rules or instructions, or on any other document proposed by the SERC, as well as their consideration and eventual adoption. The SERC shall prescribe the manner of public comment submission, as well as place, time and model of holding the general hearing.

A technical hearing shall be held for the purpose of allowing the SERC to address procedural or substantive issues. Technical hearings may be held for the purpose of resolving technical issues in a tariff or licensing proceeding, or any other proceeding held before the SERC that involve an exchange of information between the SERC and participant in the proceeding. Technical hearing can be also the expert hearing about some matter SERC has encountered. A Presiding Officer of the technical hearings shall be a member of SERC staff.

A formal hearing is a hearing that shall be held with a view to determine substantive facts based on which it shall be possible to adjudicate a disputed issue. A formal hearing shall include testimonial procedure with all means necessary for establishing the facts: documents, testimony of parties in proceedings, and statement testimonials with rights of parties to cross-examine witnesses, the submission of and documentary evidence subject to the SERC's direction, related to concrete case under the SERC's jurisdiction. A formal hearing may be held for the purpose of resolving a dispute between the licensee or the licensees and the customer, in regard the licenses, tariffs, the right to access the transmission network, the right to use ancillary services, interruptions or the operational reliability of the system or other type of disputes which are subject to investigation or activities held before the SERC. A Presiding Officer of the formal hearings shall be a member of SERC staff.

Present persons that represent public cannot provide comments on technical formal hearing from paragraphs 3 and 4 of this Article.

V DECISION MAKING OF THE SERC

Article 30

Preliminary voting

The Commission may take preliminary votes, on any matter before a final voting if it is asked by any member of the Commission. A preliminary voting has no effect on final voting and can be used by the SERC to further its deliberations and formulate resolution to complex issues.

Article 31

Decision making

When the Chairman of the Commission determines that the discussion regarding some issue has concluded, he calls the members of the Commission to vote.

Final decision making about issues from SERC authority prescribed by the Law is always performed on regular session.

Article 32

After discussion and before making of decision within the SERC's competencies, which are defined by Law, the Chairman of the Commission or his designee is responsible to formulate the content of the proposed decision or conclusion. During the formulation of the content of the proposed decision or conclusion the Chairman of the SERC shall consult other members of the Commission. The Chairman of the Commission is responsible to assure that the text of proposed decision or conclusion enables members of the Commission to vote for or against the proposed decision or conclusion.

Article 33

Voting on all decisions of the SERC shall be public, by hand rising and an articulation of the vote, upon the request by Chairman of the Commission who shall ask first for the "positive" votes then for "negative" and at the end for the "abstaining" votes.

All decisions shall be made by the unanimous vote by all three members of the Commission.

Based on the results of votes, the Chairman of the Commission declares that the decision that has been subject of vote is accepted or rejected or not reached.

If members of the Commission shall not be able to reach a decision, they shall try to divide it into separate parts in order to decide on the separate parts of the decision when possible.

If members of the Commission shall not be able to reach a decision, they may agree to postpone the issue for the period of maximum fourteen (14) days in order to provide enough time for its harmonizing.

In case members of the Commission cannot agree to postpone the issue, the Chairman of the Commission shall refer the issue for arbitration in accordance with the Law, and shall inform other members of the Commission on that matter.

In case members of Commission shall not be able to reach a decision before expiration of the fourteen (14) period from the day of its postponing, the Chairman of the Commission shall refer the issue for arbitration in accordance with the Law, and shall inform other members of the Commission on that matter.

All decisions of the SERC should be considered as in force from the date specified in the decision.

Article 34

Publication of Commission Decisions

All SERC Decisions shall be kept in a compendium of SERC's decisions. All the SERC decisions, related to implementation of authorities specified in the Article 4.2 of the Law, shall be published in the "Official Gazette of BiH" and Official Gazettes of the Entities.

To the extent feasible, the SERC shall endeavor to enable public electronic access to and a searchable database for the compendium of SERC decisions.

Article 35

Appeal of Commission Decisions

A SERC Decisions shall be final. A dissatisfied party may appeal a SERC Decision to the Court of Bosnia and Herzegovina and in accordance with the Article 9.2 of the Law.

The decisions of the SERC will be in force until the end of appeal proceeding.

VI PROCEDURE FOR DRAFTING ACTS OF THE SERC

Article 36

Types of acts

The SERC shall issue the following acts: Books of Rules, Instructions, Decisions, Rulings, Conclusions and other Acts.

The Chairman of the Commission shall sign all acts that are issued by the SERC.

Article 37

Public authorities and competencies given to the SERC by the law and issues concerning the internal organization and work of the SERC are developed by the Books of Rules.

The method of application of certain laws and general acts of the SERC within the competencies and authorities given by the laws and general acts are developed by instructions.

Specific issues in the field of the electricity sector are developed by Decisions in accordance with the law and SERC will determine through decisions general acts for its operation, which shall define the legal identity of the SERC within the framework of legal transactions.

Rights, obligations, responsibilities of interested persons in the electricity sector, issuance and revocation of licenses and approvals for them as well as on other issues in the field of electricity shall be decided upon their request or *ex officio* through rulings issued by the Commission within the SERC's competencies prescribed by the law and other regulations in this field.

By the Conclusion the position on certain issues is taken, and procedural and other current matters will be resolved.

Article 38

Preparation process for and issuing of acts

Preparation of general and single acts from Article 36 of this Rule in the form of working paper, draft and proposal shall be performed by the competent department of the SERC, with coordination by the authorized member of the Commission.

Article 39

Creation and issuance of rules and regulations

The SERC may start the process of creation of rules and regulations in the form of working paper on the basis of law, by its own initiative or as a response to address the request of an interested legal person.

At the beginning of the rulemaking process, the SERC shall publish a short public notice that shall contain a summary of the proposed working paper, the manner of commenting,

proposing and suggesting (hereinafter comments) in written form by interested parties, as well as the timeline for the comments. The working paper may include questions to the public.

The objective of informing the public is to encourage interested persons to submit their written comments, which will be seriously considered by the SERC and its staff.

Article 40

A summary of the draft of rules and regulations shall be published in one or more of the media, accessible for the territory of the whole BiH with information with availability of draft of the rules and regulations and invitation to the public to submit their written comments not later than the date specified in the summary.

The invitation from previous clause may include questions to the public.

The SERC shall have a public hearing before the issuance, amendment or the withdrawal of the rule from the rulemaking procedure or the rescission of rules or regulations. The SERC shall issue public notice on the place and time of the general hearing and it shall invite persons who have not submitted written comments to submit oral comments in the general hearing according to time limits which were set by the public hearing presiding officer.

At least one member of the Commission should be present in each general hearing of a proceeding to develop rules or regulations.

SERC preserves the right to hold the technical hearing in addition to general hearing in the proceeding for rules and regulations adoption.

Article 41

After the close of the public comment period and the public hearing related to the proposed rule or regulation, the competent department of SERC will propose a draft rules and regulations, including any accepted public comments, to be taken under consideration and adoption in a future SERC's regular sessions.

The Reporter on the draft, or proposal, may be member of the Commission, or a representative from the relevant department of the SERC.

If the Commission considers that comments received by public requires substantive revision of rule or regulation, SERC shall redo the public hearing process.

Article 42

Under emergency circumstances that require the SERC to act quickly, a rules and regulations may be issued on a temporary basis under an expedited procedure, without a public hearing. When the emergency is over, temporary rules and regulations shall be issued through the regular procedure prescribed in Articles 38-41 of these Rules.

VII SERC PROCEEDINGS

Article 43

Licensing

A person who requires a license to engage in certain activities in the power sector, as specified in the Law, shall submit an application to the SERC in a form approved for that purpose by the SERC. The SERC shall consider license applications only if they are deemed

complete and are accompanied by payment of the license application fee, as well as a statement of acceptance of the license fee determined by the SERC.

Article 44

After a license application is considered complete, the SERC shall publish a brief public notice summarizing the license application, how interested persons may obtain information about the license proceeding, and notice that interested persons may submit written comments on the license application before the close of the public comment period. In addition, the public notice shall state that Intervenor applications may be submitted; the criteria for intervenor status, and that only the applicant and Intervenors may participate in hearings during the public session.

The SERC may grant intervenor status to a person who demonstrates a direct interest in the license proceeding, which is distinct from the general public interest in the license.

In the event from the previous paragraph, an intervenor shall be entitled to participate in the proceeding, submit testimony and request information of the applicant through the SERC.

Written or verbal statements on hearings for licenses should be true and correct to the best of the witness' knowledge.

Article 45

In regard to request for license issuing, SERC should held the consultations about conditions for each license before its issuing and call interested persons to provide its comments on the license draft through the process of hearing. The public shall be informed about the public hearing not later than five (5) working days before the day of the public hearing and interested persons will be invited to give comments on the license application.

Written and oral testimony at a licensing hearing must be submitted under statement that the information is true and correct to the best of the witness' knowledge.

Article 46

At least one member of the Commission shall be present at every licensing hearing.

Questioning of persons testifying at any formal licensing hearings shall be limited to questions from the member of the Commission, the presiding officer, and members of the SERC's staff, unless otherwise directed by the presiding officer. At the discretion of the presiding officer, a witness may be directed to answer questions verbally or in writing. Written and oral testimony at a licensing hearing must be submitted under oath that the information is true and correct to the best of the witness' knowledge.

Article 47

The SERC shall make its final decision or action on a license application as expeditiously as possible. The SERC may approve the application, with or without conditions, in for a limited timeframe, or may deny the application. Any SERC decision or action must be based on facts sufficient to enable the public to understand the basis for the SERC's determination.

Article 48

Unless otherwise indicated as a condition of the license, a license is effective on the effective date of the decision adopted by the Commission.

Article 49

The SERC may initiate enforcement proceedings to address an alleged violation of a license upon the SERC's own motion or in response to a petition of any interested person.

Article 50

The SERC shall pass rules for deciding on license applications, which consist of procedure for submission of an application and the criteria for issuing a license.

The SERC shall design a list of all license applications pending before the SERC, indicating the period of time any particular license application has been pending. This list shall be sufficient to enable the SERC to discern the processing efficiency of SERC licensing work and to inform the interested persons.

The SERC shall adopt a schedule of license fees and approve application forms.

Article 51

Decisions in disputes

The SERC shall accept any written request to resolve a dispute arising directly or indirectly out of non-transparent and discriminatory behavior of parties active in the electricity sector and which the SERC is authorized by the Law to resolve.

The SERC may address issues raised in the request or complaint in a preparatory discussion on the internal meeting with the complainant and the respondent.

If the matter is resolved on a way prescribed in the previous paragraph, the resolution need not be reported on the General SERC Docket or any other public notice if the SERC decides that publishing is not needed.

The SERC may, in its sole discretion, hold a formal hearing with regard to the request, allowing both complainant and respondent parties to file documents pertaining to the request and proposes the presentation of other evidences.

If a general or technical hearing is to be held, the SERC shall publish a brief public notice summarizing the request or, how interested persons may obtain information about the request proceeding, and advise that interested persons may submit written comments on the request before the close of the public comment period.

In the event from the previous paragraph, no Intervenor parties shall be allowed in the public hearing.

The SERC shall attempt to facilitate a resolution of the request to the satisfaction of both parties.

SERC will design additional rules for hearings and resolving of disputes.

Article 52

Tariffs

In general, tariff proceedings may be commenced by a tariff filing required of a regulated company by the SERC or on the initiative of the SERC.

Article 53

The SERC shall publish a brief public notice summarizing the tariff proceeding, how interested persons may obtain information about the tariff proceeding, and advising that interested persons may submit written comments on the tariff proceeding before the close of the public comment period. The public notice shall provide notice that intervenor applications may be submitted, and the criteria for intervenor status, and that only the applicant and Intervenor may participate in the hearing in the tariff proceeding.

The SERC may grant intervenor status to a person who demonstrates a direct and/or indirect interest in the tariff proceeding, which is distinct from the general public interest. An intervenor shall be entitled to participate as a party in the proceeding, submit testimony and request information through the presiding officer.

The SERC may hold a general or technical hearing on the tariff proceeding at the special request by regulated company, an intervenor or on its own motion. The decision to hold a public hearing on the tariff proceeding is within the sole discretion of the SERC.

SERC is required to hold public hearing only where it determines there is, contradictory information pertaining to tariff proceeding, and that it is likely that a public hearing will assist the SERC in reviewing the evidence and correctly determining the facts.

Article 54

At least one member of the Commission shall be present at every public tariff hearing. The presiding officer shall determine whether an intervenor must respond to another Intervenor's request for information, and shall make the determination based upon whether the requested information is both relevant and helpful to the SERC's deliberations.

Questioning of persons testifying at any tariff hearing is limited to questions from the Member of the Commission, the presiding officer, and SERC's staff, unless otherwise directed by the present member of SERC or presiding officer. At the discretion of the presiding officer, a witness may be directed to answer written questions verbally or in writing. Written and oral testimony at tariff hearings must be submitted under oath that the information is true and correct to the best of the witness' knowledge.

Article 55

The SERC shall make its final Decision on a tariff proceeding as expeditiously as possible.

The SERC may approve the tariff with or without conditions, may establish an interim tariff effective for a prescribed period of time, or may determine that a tariff should not be established for that time period. Any SERC decision shall be accompanied by findings of facts sufficient to enable the public to understand the basis for the SERC's determination.

The tariff shall become effective upon the date established by the SERC's decision.

Investigations, Inquiries and Enforcement Actions

Article 56

The SERC, on its own motion, or in response to a petition, may initiate a formal or informal inquiry proceeding at any time or any place in order to fulfill its responsibilities under applicable Law.

In the event that a person fails to comply with a SERC decision or action, the SERC may undertake any enforcement action within its jurisdiction defined in the Law, including, but not limited to, an enforcement investigation and action or any other activity as defined in the Law.

Article 57

Evidence and Testimony

The SERC may require any physical person or authorized representative of legal person to appear before the SERC and provide testimony, or to provide documents pertaining to any SERC proceeding. The SERC may require such testimony from any governmental authority, any public company or institution, or any physical or legal person.

The SERC may require implementation of any enforcement action authorized by law in order to provide documentation or presence of persons and testimony.

Article 58

The presiding officer shall determine whether an applicant or intervenor must respond to a party's request for information, and shall make the determination based upon whether the requested information is both relevant or helpful to the SERC's deliberations.

VIII ADMINISTRATION OF THE SERC

Article 59

Each member of the Commission may be responsible for one or more specific areas, so that the SERC can easier make its decision. These areas include the following, but not exclusively: prices and tariffs, licenses' issue, internal rules and regulations. The Chairman of the Commission, having consulted other members of the Commission, determines the area for each member of the Commission.

Every three months, members of the Commission will summarize the progress made in his are and inform the SERC.

Article 60

The Chairman of the Commission governs the work of SERC, while the Chief of Staff governs executive and administrative works of the SERC. The Chief of Staff of the SERC reports about his or her work to the Commission.

Article 61

The SERC makes three-months and annual plans of work and follows their realization through the written reports about the planned creation of rules and regulations, and process of licensing issues and strategy-making during specific periods. The plans of work are created in order to inform the public and other bodies about the expected volume of the work.

Article 62

Delegations

The Commission may delegate its authority to a member of SERC staff to serve as a presiding officer in any SERC proceeding in order to facilitate the functioning of the SERC.

The presiding officer shall have the authority to administer statements, rule on admissibility of evidence, regulations of activities, examine witnesses, require collection of documents, rule on motions or petitions, and otherwise regulate the course of the entire proceeding with the goal of providing a recommended SERC decision. At the conclusion of the proceeding, the presiding officer shall prepare a written report of proposed findings of facts, conclusions of law, and discretionary policy recommendations for the Commission's consideration, and may provide a verbal report concerning the proceeding to the SERC in internal meetings or sessions. The presiding officer's report shall be provided to each party to the proceeding, and each party shall have an opportunity to file comments to the Commission's report before the SERC's final decision.

IX SERC DOCUMENTS

Article 63

Documents

All the SERC's public proceedings, including all SERC decisions and documents on actions of the SERC shall be entered on the SERC's General Docket. In addition, each proceeding shall be assigned a docket number, and each proceeding file that may result in a SERC Decision or action shall contain a Proceeding Docket Sheet that contains notations that briefly summarize the nature of each document filed in the proceeding and the date of filing.

The SERC shall provide members of the public with timely information about the activities of the SERC or about SERC records in response to public inquiries. The SERC staff shall be obliged to provide procedural information only.

Article 64

Public Access

The SERC shall make all records within its competencies provided in the Law available to the public for inspection and copying except confidential information.

The SERC shall keep confidential only those records that are confidential pursuant to these and other rules on confidential information.

The SERC shall provide facilities for the inspection of public records at reasonable times and locations determined by the SERC.

The SERC charges for copies of its acts or other documents, but the charge must reflect actual costs borne by the SERC. If electronic data is requested, the SERC may charge the reasonable cost of expert services to obtain the data and make it available in hard copy for public inspection. Payment shall be made to the SERC.

The SERC may adopt a schedule of fees and charges for copying of public records or electronic data retrieval and mailing.

Correspondence and Governmental Contacts

Article 65

Official correspondence with Government and governmental bodies shall be signed by the Chairman of the Commission, or other member of the Commission.

Members of the Commission and staff may contact other governmental entities, courts, and authorities providing legal assistance directly in order to acquire facts and information pertinent to SERC proceedings.

Article 66

Seal and Stamp

A SERC seal shall be placed on all letters, official correspondence and on acts of the SERC, as well as certified copies of the SERC dockets. Only employees authorized by the Chairman of the Commission may handle the seal.

Article 67

Closure of Files

At the conclusion of the proceeding, the Chief of Staff shall decide on file to be examined and prepare the file for the archive. The SERC shall establish the deadlines for preservation of the file in the archives.

TRANSITIONAL AND CLOSING PROVISIONS

Article 68

The SERC shall provide interpretation of these Rules.

Article 69

If any issue was not defined by these Rules, the SERC shall determine about the manner for its resolving.

Article 70

Effective Date

These Rules become effective eight days after it's publishing in the Official Gazette of Federation BIH.

No: 109/04
10. November 2004.
Tuzla

Chairman of the Commision

Mirsad Salkić