

Pursuant to Articles 1, 4 and 8 of the Law on Transmission of Electric Power, Regulator and System Operator in Bosnia and Herzegovina ("Official Gazette of BiH", No. 7/02 and 13/03), at the session held on September 23, 2009 the State Electricity Regulatory Commission of Bosnia and Herzegovina rendered

DECISION

ON AMENDMENTS TO THE DECISION

ON SCOPE, CONDITIONS AND TIME SCHEDULE OF ELECTRICITY MARKET OPENING IN BOSNIA AND HERZEGOVINA

Article 1

Paragraph 1 of Article 4 of the Decision on Scope, Conditions and Time Schedule of Electricity Market Opening in Bosnia and Herzegovina ("Official Gazette of BiH", No. 48/06) shall be amended and it shall read as follows:

"The eligible customer status can be acquired by all customers except household customers that can acquire this status as of January 1, 2015."

Article 2

The words in Paragraph 1 of Article 5: "the Electricity Regulatory Commission of Republic of Srpska" shall be replaced by the words: "the Regulatory Commission for Energy of Republic of Srpska".

Paragraphs 2, 3 and 4 shall be deleted.

Article 3

This Decision shall come into effect on the eighth day from the day of publishing in the "Official Gazette of BiH" and it shall be also published in the official gazettes of the entities and Brčko District of Bosnia and Herzegovina.

No: 04-02-147-12/09
September 23, 2009
Tuzla

Chairman of the Commission
Vladimir Dokić, M.A.

Rationale

Pursuant to its authorities to accomplish the fundamental goal of the Law on Transmission of Electric Power, Regulator and System Operator to facilitate and expedite the creation of the electricity market in Bosnia and Herzegovina and the regional electricity market, on June 8, 2006 the State Electricity Regulatory Commission adopted the Decision on Scope, Conditions and Time Schedule of Electricity Market Opening in BiH (“Official Gazette of BiH”, No. 48/06).

Legislative changes in the period after the adoption of the Decision, ratification of the Treaty Establishing the Energy Community (“Official Gazette of BiH – International Agreements”, No. 9/06), and in particular the adoption of the 3rd EU package on electricity market, require the adjustment of this SERC decision to the current situation and numerous requirements for a faster and more efficient establishment of market relations in the energy sector.

This should be expanded by the fact that time schedules from which the acquiring of the eligible customer status is enabled are applicable to all customer categories, except households, in which context the applicable Decision is harmonized by Article 1.

By Article 2, through the omission of provisions from paragraphs 2, 3 and 4 of Article 5 of the applicable SERC decision, the process of market opening is encouraged and improved. Namely, the applicable provisions may be interpreted as a constraint for entity regulatory authorities to define more precisely conditions and criteria for acquiring and changing of eligible customer status while respecting provisions of the relevant directives of the European Parliament and EU Council as well as official positions of competent energy policy makers.

Some tariff customers expressed reservations about a proposal for such deregulation during the conducted public hearing claiming that it jeopardized their right to free choice of electricity supply. However, the objective of the amendments to the Decision is not to impose a customer entry to the free market as a result of a decision of the state regulator, but to make a step forward in removing obstacles toward the realization of an open and competitive energy market which is considerably influenced by the advantage of existing regulated prices.

The opinion of the Competition Council of Bosnia and Herzegovina on the draft decision was also obtained under number: 01-01-26-493-1-1/09 of June 16, 2009.