

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, 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, 2/05) and Article 16 of the Licensing Rule – consolidated text (Official Gazette of BiH, 63/16), the State Electricity Regulatory Commission, at the session held on 11 October 2017 adopted

DECISION

ON ISSUANCE OF LICENSE FOR PERFORMANCE OF THE ELECTRICITY TRADING AND SUPPLY ACTIVITY ON THE TERRITORY OF BOSNIA AND HERZEGOVINA

1. The license shall be issued to the Public Utility "Komunalno Brčko" d.o.o. Brčko District BiH, for performance of the electricity trading and supply activity on the territory of Bosnia and Herzegovina.
2. The license referred to in Item 1 of this Decision shall be issued for the period from 1 November 2017 to 31 October 2022 and used pursuant to the Licensing Conditions for the electricity trading and supply on the territory of Bosnia and Herzegovina.
3. Licensing Conditions for the electricity trading and supply on the territory of Bosnia and Herzegovina 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 the official gazettes of the Entities and Brčko District of Bosnia and Herzegovina.

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, 20/07, 21/07, 24/08 and 33/09), is a holder of the license for the electricity trading and supply on the territory of Bosnia and Herzegovina, entered into the License Register of this Commission under the registration number: 05-28-12-413-30/12 of 17 January 2013 expiring on 31 October 2017.

In accordance with the right to use a possibility of renewing a license and fulfilling the obligation referred to in Article 48 of the Licensing Rule – consolidated text (Official Gazette of BiH, 63/16) to express its intention to continue to perform the electricity trading and supply activity on the territory of Bosnia and Herzegovina, the licensee filed an application for the granting of a new license that was registered under number: 05-28-12-223-1/17 of 27 June 2017. 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.

The application was submitted on the prescribed forms with a proof of previously paid application fee and relevant documents which, enclosed to the application or provided additionally at the SERC request, enabled SERC to understand, consider and decide upon the submitted application of which SERC informed the applicant accordingly by its act number: 05-28-12-223-3/17 of 26 July 2017.

Having reviewed and checked all the formal elements of the application, first of all on 2 August 2017 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 9 August 2017.

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 fulfills indisputably all the criteria, conditions and standards prescribed by law and SERC rules and regulations to perform the activity of electricity trading and supply on the territory of Bosnia and Herzegovina because it has constantly proven its technical, legal and financial capabilities during the past 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 trading and supply on the territory of Bosnia and Herzegovina provided SERC with the basis to initiate the renewal of the license, i.e. to prepare the initial version of the Licensing Conditions which would be valid for several years. As of 8 September 2017, 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 13 September 2017 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: 05-28-12-223-14/17 of 19 September 2017. As, pursuant to Article 16, Para 2 of the Licensing Rule consolidated text, at the general hearing the applicant's authorised representative waived the right to submit comments, there were sufficient grounds to conclude that the SERC's proposal was considered to be 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: 05-28-12-223-16/17

Chairman of the Commission

11 October 2017

Tuzla

Nikola Pejić