

Pursuant to Art. 4.7 and 4.10 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) and Article 17 of the Licensing Rule – Consolidated Version (Official Gazette of BIH, 63/16), at its session held on 10 September 2024 the State Electricity Regulatory Commission passed a

D E C I S I O N **ESTABLISHING THE REGULATORY FEE**

1. This decision establishes the level of the regulatory fee which is paid by holders of licenses issued by the State Electricity Regulatory Commission (SERC), and the manner of payment, that is, the fulfilment of the regulatory fee payment obligation by the licensees.
2. The regulatory fee amounts to 2,816,000.00 BAM on an annual level (two million and eight hundred and sixteen thousand Bosnia and Herzegovina convertible marks).
3. The licensees are subject to the regulatory fee payment obligation referred to in point 2 of this decision in the amounts and for the licensed activities as follows:

- for the electricity transmission activity	1,798,000.00 BAM
- for the activity of an independent system operator	122,000.00 BAM
- for the distribution activity	104,000.00 BAM
- for the trading and supply activity, per license	36,000.00 BAM
- for the international electricity trading activity, per license	36,000.00 BAM
4. The licensees shall pay the regulatory fee on a quarterly basis in advance in accordance with a separate SERC act.
5. The licensees shall pay an amount of the regulatory fee proportionally to the license validity period.
6. This decision shall enter into force on the eighth day after its publication in the Official Gazette of BIH, and it shall also be published in the official gazettes of the Entities and the Brčko District of BIH.

Statement of Rationale

Pursuant to the Law on Transmission of Electric Power, Regulator and System Operator of Bosnia and Herzegovina, the main revenue of SERC consists of the regulatory fee paid by holders of licenses for performance of the activities of electricity transmission, an independent system operator and international electricity trading, and since 2011 also the holders of licences for performance of electricity activities seated in the Brčko District of BIH.

Under the Financial Plan for 2025, the total required funds to cover SERC costs are planned in an amount of 2,981,000.00 BAM.

The excess of revenues over expenditures at the end of the current year and other revenues were estimated to an amount of 150,000.00 BAM and 15,000.00 BAM respectively, so the regulatory fee amounting to 2,816,000.00 BAM was established.

The calculation of licensees' obligations per activities takes into consideration an established assessment that "Independent System Operator in Bosnia and Herzegovina", "Elektroprenos Bosne i Hercegovine", "Komunalno Brčko" and 21 holders of licences for performance of the

international electricity trading activity will be in possession of licences to be issued by SERC in 2025.

A part of the regulatory fee is approximately distributed between the regulated activities of electricity transmission and an independent system operator, based on the ratio of total costs and expenditures of the Independent System Operator in BIH and total costs and gross profit of Elektroprenos BIH, while taking into consideration the current trend of the change in the regulatory fee level.

The regulatory fee paid by “Komunalno Brčko” for the license for the electricity distribution activity and the license for the trading and supply activity in the territory of BIH was established by distributing the existing obligation into separate amounts which are comparable to the similar amounts in the neighbourhood which are paid by regulated entities for the same activities with the comparable number of consumers.

The holders of licences for regulated activities are entitled to include the amount of the regulatory fee to which they are obligated into their tariff.

Considering the importance and purpose of individual type of licences for non-regulated activities, the regulatory fee for the activity of electricity trading and supply in the territory of BIH is equal to the amount which is paid by holders of licences for international electricity trading.

The amount of the regulatory fee for the holders of licences of the activities referred to in point 3 of this decision will be determined proportionally to the license validity period in 2025.

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10 September 2024

Tuzla

Chairwoman of the Commission

Branislava Milekić