

Pursuant to Article 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 2 November 2017 adopted

DECISION
ON ISSUANCE OF LICENSE FOR INTERNATIONAL ELECTRICITY TRADING
ACTIVITY

1. The license shall be issued to Public Utility "Elektroprivreda Hrvatske zajednice Herceg Bosne" d.d. Mostar for performance of the international electricity trading activity.
2. The license referred to in Item 1 of this Decision shall be issued for the period from 1 January 2018 to 31 December 2022 and used pursuant to the Standard licensing conditions for performance of the international electricity trading activity (Official Gazette of BiH, 14/16).
3. This Decision shall come into force on the day of adoption and the statement of the Decision shall be published in the Official Gazette of BiH and official gazettes of the Entities.

Statement of Rationale

Public Utility "Elektroprivreda Hrvatske zajednice Herceg Bosne" d.d. Mostar (hereinafter: the applicant) is a holder of the license for performance of the activity of international trade in electricity recorded in the Licensing Register of this Commission under the registration number: 05-28-12-236-22/12 of 27 December 2012, which expires on 31 December 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 international electricity trading activity no later than 120 days before the expiry of the term of the existing license, the licensee filed an application for the granting of a new license that was registered under number: 05-28-12-255-1/17 of 24 July 2017. The application filed will 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 (Official Gazette of BiH, 7/02, 13/03, 76/09 and 1/11).

The application was submitted in a timely manner, on the prescribed forms with a proof of previously paid application fee and relevant documents which, enclosed to the application, enabled SERC to understand, consider and decide upon the submitted application of which SERC informed the applicant accordingly by its act number: 05-28-12-255-3/17 of 23 August 2017.

Having reviewed and checked all the formal elements of the application, first of all on 31 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 7 September 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 fulfils indisputably all the criteria, conditions and standards prescribed by law and SERC rules and regulations to perform international trade in electricity because it constantly proved its technical, legal and financial capabilities during the past years of use of the license and provided evidence of having ensured resources, organised conditions and established professional standards to continue to perform the same activity.

Monitoring of all aspects of compliance of the applicant's present activities with the conditions and criteria for performance of the activity of international electricity trading provided SERC with the basis to initiate the renewal of the license, i.e. to prepare a draft of the Decision on issuance of licence for the international electricity trading activity which would be valid for another five years and used pursuant to the Standard licensing conditions for performance of the international electricity trading activity.

As of 6 October 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 11 October 2017 at the SERC seat in Tuzla preceded by publication of an adequate notice in daily newspapers and publication of the documents on the SERC web site.

As, pursuant to Article 16, Para 2 of the Licensing Rule - consolidated text, at the general hearing the applicant's authorised representative gave a statement waiving the Company's right to submit comments, there were sufficient grounds to conclude that the SERC's proposal was considered to be prepared in accordance with the Law on Transmission of Electric Power, Regulator and System Operator in BiH and secondary legislation dealing with the matters concerned.

In accordance with the aforementioned and also taking into account the evidence that the applicant had been previously granted the second tier license for performance of the electricity supply activity in the territory of Bosnia and Herzegovina by the Regulatory Commission for Energy in the Federation of BiH, which is valid until 31 December 2018, SERC 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.

No: 05-28-12-255-15/17

2 November 2017

Tuzla

Chairman of the Commission

Nikola Pejić