

Pursuant to Articles 1, 4 and 8 of the Law on Transmission, Regulator and Electricity System Operator in Bosnia and Herzegovina ("Official Gazette of BiH", No. 7/02, 13/03, 76/09 and 1/11) and Articles 2 and 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 and 77/09), at the session held on 26 October 2011 the State Electricity Regulatory Commission adopted

DECISION
ON SUPPLY OF ELIGIBLE CUSTOMERS WITH ELECTRICITY
IN THE BRČKO DISTRICT OF BOSNIA AND HERZEGOVINA

Article 1
(General Provision)

This Decision shall define the method of supply of eligible customers in the electricity market in the Brčko District of Bosnia and Herzegovina.

Article 2
(Electricity Supply)

Electricity supply activity in the Brčko District of Bosnia and Herzegovina can be performed by any entity holding the relevant electricity supply license granted by the State Electricity Regulatory Commission (SERC), the Regulatory Commission for Electricity in the Federation of Bosnia and Herzegovina or the Regulatory Commission for Energy in the Republika Srpska.

Article 3
(Market Opening)

- (1) All customers in the Brčko District BiH shall be eligible customers and shall be entitled to freely choose their electricity suppliers.
- (2) As an exception to Paragraph (1) of this Article, household customers shall be entitled to exercise the right to freely choose their electricity supplier as of January 1, 2015.

Article 4
(Supply Contract)

An eligible customer and the supplier freely chosen by him/her shall conclude a contract on electricity supply and freely negotiate volumes and prices.

Article 5
(Default Supplier)

- (1) The default supplier shall be a supplier who has the obligation to supply electricity to all eligible customers who do not choose their own supplier by the deadline as determined in Article 12 of this Decision.
- (2) The default supplier in the Brčko District BiH shall be the Public Utility Company "Komunalno Brčko" d.o.o.

Article 6
(Default Supplier's Electricity Price)

The price at which the default supplier delivers electricity to eligible customers shall include costs of network fees, ancillary services, supply and all other costs pertaining to the supply process.

Article 7
(Cost of Electricity)

- (1) To determine the cost of electricity referred to in Article 6 of this Decision, the following expression shall be used:

$$p_{kk} = K * p_d$$

where:

p_d – an average purchase price of electricity for the category of households in the Brčko District BiH as determined pursuant to the Tariff Pricing Methodology for Services of Electricity Distribution in the Brčko District BiH.

K – electricity price correction coefficient reflecting conditions in the BiH electricity market

- (2) Coefficient K shall be set by a SERC decision.

Article 8
(Cost of Network Fees and Ancillary Services)

- (1) The cost of service for the utilization of the transmission network (transmission fee), cost of operation of the Independent System Operator and cost of ancillary services shall be determined by SERC pursuant to the Tariff Pricing Methodology for Services of Electricity Transmission, Operation of Independent System Operator and Ancillary Services.
- (2) The cost of service for the utilization of the distribution network in the Brčko District BiH (distribution fee) shall be determined by SERC pursuant to the Tariff Pricing Methodology for Services of Electricity Distribution in the Brčko District BiH.

Article 9
(Cost of Supply)

The cost of supply of eligible customers with electricity as charged by the default supplier shall reflect conditions in the electricity market and shall be comparable with costs of companies performing the same activity in the region.

Article 10
(Setting of Default Supplier's Electricity Price)

- (1) The price for supply of eligible customers in the Brčko District BiH with electricity shall be set by the default supplier.
- (2) Prices as provided in Paragraph (1) of this Article shall be set in a transparent manner, made public and available to all interested parties.
- (3) If prices at which the default suppliers deliver electricity to eligible customers are not set in a transparent manner or represent a form of anti-competitive behavior, SERC shall be entitled to dispute the prices set in that manner.

Article 11
(Supplier of Last Resort)

- (1) The eligible customer whose supplier ceases to operate shall be entitled to supply by a supplier of last resort for a 30-day period.
- (2) The supplier of last resort in the Brčko District BiH shall be the Public Utility Company “Komunalno Brčko” d.o.o.
- (3) Prices of services provided by the supplier of last resort shall be set by the Public Utility Company “Komunalno Brčko” d.o.o. taking into account the electricity market development.

Article 12
(Supplier Switching)

- (1) The default supplier shall continue to supply all eligible customers in the Brčko District BiH who do not choose a supplier within a 90-day deadline starting from 1 January 2012.
- (2) In case of supplier switching by the eligible customer, the new supplier shall be obligated to inform both the previous supplier and the distribution system operator of the resulting change.
- (3) The supplier switching procedure shall be laid down in a separate document which shall be approved by SERC upon a proposal of the distribution system operator in the Brčko District of BiH.

Article 13
(Public Service Obligation)

- (1) With the aim of general economic interest, a public service obligation may be introduced, which may refer to security, continuity and quality of supply, prices of supply, protection of the environment, including energy efficiency, generation using renewable energy sources and climate change.
- (2) The public service obligation shall be defined in a clear, transparent and non-discriminatory manner, confidential and ensure access to customers for all energy undertakings on an equal footing.

Article 14
(Electricity Market Monitoring)

With the aim to prevent anti-competitive behaviors, the abuse of market position, that is, market power by market participants, SERC shall monitor the efficiency of electricity market functioning in the Brčko District BiH.

Article 14
(Final Provision)

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 BiH.

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26 October 2011

Tuzla

Chairman of the Commission

Nikola Pejić