

Pursuant to Article 4.2, 4.7 and 7 of the Law on Transmission, Regulator and System Operator of Bosnia and Herzegovina (“Official Gazette of BiH”, no. 7/02 and 13/03), Article 33 of the Rule of Practice and Procedure of the State Electricity Regulatory Commission (“Official Gazette of BiH”, no. 2/05) and Articles 16 and 38 of the Licensing Rule (“Official Gazette of BiH”, no. 38/05), the State Electricity Regulatory Commission, at the session held on December 1, 2010 rendered

DECISION
ON ISSUANCE OF TEMPORARY LICENSE FOR THE ACTIVITY OF
INTERNATIONAL TRADE IN ELECTRICITY

1. The temporary license shall be issued to the Company HSE BH d.o.o. Sarajevo for performance of the activity of international trade in electricity.
2. The temporary license from Item 1 of this decision shall be issued for the period from December 1, 2010 to November 30, 2012.
3. Licensing Conditions for the Use of Temporary License for Performance of the Activity of International Trade in Electricity shall be part of the license.
4. This decision shall come into force on the day of issuance and shall be published in the “Official Gazette of BiH” and official gazettes of the Entities.

Statement of Rationale

HSE BH d.o.o. Sarajevo (hereinafter: applicant) filed with the State Electricity Regulatory Commission (hereinafter: SERC) the application for the issuance of license for international trade received under number: 05-28-12-229/10 of August 20, 2010.

Pursuant to Article 7 of the Law on Transmission, Regulator and System Operator of Bosnia and Herzegovina („Official Gazette of BiH“, no. 7/02 and 13/03), the SERC license is required for the activity of international trade in electricity and the applicant is obligated to fulfill the conditions and criteria for the issuance of the license which are determined by SERC rules and regulations.

The application of GEN-I Ltd. Sarajevo was filed in the prescribed application forms with a proof of previously paid application fee with the relevant documents which helped SERC understand, consider and render a decision upon the filed application. In this context, pursuant to Article 8, paragraph 2 of the Licensing Rule, SERC informed the applicant accordingly by its act no. 05-28-12-229-3/10 September 21, 2010.

Having reviewed and checked all the formal elements of the application, first of all in accordance with its obligation from Article 10 of the Licensing Rule, on September 23, 2010 SERC published a short public notice in daily newspapers and on its web site, summarizing the application and determining the deadline for submission of public comments on the filed license application until October 7, 2010.

SERC concluded that the public had not submitted any comment on the application filed for issuance of the temporary license nor had any person expressed the interest to participate in the procedure in the capacity of the intervener upon the SERC public invitation.

SERC verified correctness of the data, documents and information enclosed to the application, and established that they provide sufficient evidence on technical, legal and financial abilities of the applicant to fulfill of the criteria, conditions and standards prescribed by law and SERC rules and regulations for the issuance of the license for performance of

international trade. Therefore, SERC prepared the initial version of *the Licensing Conditions for Usage of the Temporary License for Performance of the Activity of International Trade*. As of October 26, 2010 this document had been available to the applicant as well to any other interested member of the public, and they were also given an opportunity to give their comments at the general hearing held on November 2, 2010 at the SERC seat in Tuzla, preceded by issuance of the relevant notice in daily newspapers and the publication of the document on the SERC web site.

As there were no comments during the general hearing which would instigate any changes of the conditions for the usage of the license, the proposal for granting of the license was prepared and submitted to the applicant by the SERC act number: 05-28-12-229-16/10 of November 4, 2010. Within the given deadline until November 11, 2010 the applicant pointed out the comment for moving the terms of the temporary license to December 1, 2010.

In accordance with the all aforementioned facts and also taking into account the evidence that the applicant had been previously granted the second tier license for performance of the activities of electricity supply in the territory of BIH by the Regulatory Commission for Electricity in the Federation of Bosnia and Herzegovina registration number: 06-03-1113-08/13/10 of November 30, 2010 SERC decided as stated in the disposition of the decision.

Pursuant to Article 9.2 of the Law on Transmission, 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: 05-28-12-229-19/10

December 1, 2010

Tuzla

Chairman of the Commission

Mirsad Salkić