

Pursuant to the Act on Transmission, Regulator and System Operator for Electricity System in Bosnia and Herzegovina ("Official Gazette of BiH", no. 7/02 and 13/03) and Article 36 of SERC Rules on Practice and Procedure ("Official Gazette of BiH" no. 2/05), at the session held on May 24, 2005 the State Electricity Regulatory Commission issued

RULES OF HEARING PROCEDURES

I GENERAL PROVISIONS

Article 1

The Application of the Rule

This Rule establishes the procedure for the conduct of public hearings by the State Electricity Regulatory Commission (hereinafter called: SERC) in accordance with the Act on Transmission, Regulator and System Operator for Electricity System in Bosnia and Herzegovina (hereinafter called: the Law) and the SERC Rules of Practice and Procedure.

Article 2

The purpose of Rule Adoption

The purpose of rule adoption is to provide transparent, prompt, efficient and economically efficient procedure of public hearings.

Article 3

Definitions

The terms used in the Rule, including those in the Law and the SERC Procedural Rules, shall have the following meaning:

'Pleading' shall be a document filed with SERC including any application, , response, proposal, comment and any similar notice or information, whereby individuals or legal persons address the SERC.

'Application' shall be the submittal that commences a proceeding, before the SERC, including but not limited to license application, approval or modification of tariffs, request for resolving disputes or request to SERC for its interpretation of its rules and regulations.

'Applicant' shall be the person who has filed an application for initiating of a proceeding before the SERC including but not limited to license application, approval or modification of tariffs.

'Party in the proceeding' shall be the person, based on whose request the proceeding is initiated or against whom the proceeding is led, and to whom the SERC has that right.

'Intervener' shall mean the interested person who has direct interest in the proceeding which is different from the general public interest and who has been granted the intervener status in the proceeding before the SERC.

'Parties in the proceeding' are the parties in the proceeding and the interveners. For the purpose of these Rules of Hearing Procedures, parties in the proceeding do not include interested persons or other members of the public.

This translation is unofficial; it is for information purposes only.

'**A defective pleading**' shall mean any pleading containing a formal flaw that prevents actions upon the pleading, or that is not comprehensible and is not in accordance with the requirements of these Rules or other SERC's rules.

'**Procedural pleading**' shall mean a document filed with the SERC on some procedural issue in the proceedings.

'**Opponent party**' shall mean a person that is the subject of an application or the SERC investigation, i.e. whose activity is the subject of SERC's action.

II TYPES OF PUBLIC HEARINGS

Article 4

Types of Hearings

In accordance with the Rule of Practice and Procedure, the SERC may conduct several different types of public hearings in the course of the proceedings, including a general hearing, a technical hearing, and a formal hearing.

The SERC shall reserve the discretion right to determine the type of hearing to be held in any proceeding.

Article 5

General Hearing

A general hearing shall be a hearing held for the public, for the purpose of obtaining the comments from interested persons and members of the public on rules and regulations or instructions, or on any other document proposed by the SERC.

Article 6

Technical Hearing

A technical hearing may be held for the purpose of resolving technical issues in a tariff, licensing or other proceeding held before the SERC and requires further consideration by discussion with specific experts, parties in the proceeding, interveners, interested persons and/or members of the public.

The technical hearing shall also be organized with the view to resolve any important or procedural issue in the proceeding.

Article 7

Formal Hearing

A formal hearing is a hearing that shall be held with a view to determine substantive facts based on which the SECR shall be able to resolve a dispute.

A formal hearing shall include testimonial proceeding with all means necessary for establishing the facts such as identification documents, testimony of participants in the proceeding, and statements of parties and witnesses, documents, investigations, findings and expert opinions etc. related to a concrete case under the SERC jurisdiction.

The SERC shall use formal hearings in the tariff proceeding, but it may also use them during license proceedings in order to resolve a disputable issue.

III GENERAL HEARINGS

Article 8

Commencement

The general hearing proceeding shall commence by the SERC's decision adopted at a regular session.

The SERC shall prescribe the manner of public comment submission, as well as the place, time and format of holding the general hearing.

Article 9

Presiding Officer

The SERC shall designate a Presiding Officer to administer the general hearing proceeding in accordance with the SERC's Rules of Practice and Procedure. The Presiding Officer may be a Commissioner, or SERC staff member.

The Presiding Officer shall be authorized to exercise the authority granted by the SERC with respect to the hearing and to establish the procedures for the hearing consistent with the Law and SERC rules and to preside at the hearing. The Presiding Officer shall assure that appropriate notes are taken during the public hearing.

Article 10

Public Notice

The SERC shall publish a short public notice on the general hearing that shall contain a summary of the issue(s) for consideration, the manner of submitting written comments, proposals and suggestions (hereinafter: comments) by interested parties, as well as the deadline for submission of the comments.

The public notice shall be published in one or more written media available on the whole territory of Bosnia and Herzegovina and on SERC's website no later than five (5) days before the day of the general hearing. The notice shall provide information on the availability of any draft document, instruction, or any other matter for consideration at the general hearing.

Article 11

Purpose of the Public Notice

The purpose of public notice on general hearing on rulemaking, instructions, or other written documents of the SERC, is to encourage interested persons to submit their written comments, that shall be carefully considered by the SERC.

The public notice shall advise the public that the Presiding Officer may limit the time for verbal comments at the public hearing in order to ensure that as many members of the public can be heard as possible.

The SERC shall publish respective documents that are the subject of the public hearing on its website and shall provide by mail copies of documents to interested persons, upon a request, charging any applicable cost for copies and mailing established in the SERC's Schedule of fees and charges for copying of public records or electronic data retrieval and mailing (herein called Schedule of Fees and Charges).

Article 12

Hearing Procedure

The Presiding Officer shall open the hearing and explain the hearing process to the present members of the public.

The Presiding Officer may make a brief presentation concerning the matter in issue at the hearing in order to assist the public in offering their comments.

The Presiding Officer may request that persons wishing to speak at the hearing fill in the relevant application that contains the name, address and contact information and signature. The Presiding Officer may determine the order of presentation of the participants in the hearing.

If the SERC plans to hold a technical as well as general hearing during the course of a proceeding, such as a rulemaking proceeding, the Presiding Officer may instruct persons wishing to submit comments on the technical hearing topic to present their comments at the technical hearing.

The Presiding Officer shall keep records of the attendance of all present persons.

Article 13

The Presiding Officer may continue the general hearing at a later date and time, which shall be verbally announced at the conclusion of the initial session of a general hearing, if additional time is required to complete the hearing.

No additional public hearing notice shall be required if the general hearing is reconvened shortly after the conclusion of the initial session. Otherwise, the Presiding Officer shall publish an additional public notice of the continued hearing date and time.

Article 14

Documents

Participants in the hearing may also submit their comments in written form. The Presiding Officer shall place the documents in the general hearing docket. The documents shall be available for review by interested persons.

Article 15

Hearing Report

In the case of a general hearing on rulemaking, the Presiding Officer, shall prepare a written report summarizing the comments from the hearing, possible recommendations, as well as any revised draft rules or regulations for consideration by the Commission.

The Presiding Officer may also provide verbal reports to the Commission.

Article 16

In the case of a general hearing on issuance of licenses or approval or modification of tariffs, the Presiding Officer shall prepare a written report, summarizing the comments from the hearing, possible recommendations and a proposal of draft decision, if requested by the Commission.

The Presiding Officer may also provide verbal reports to the Commission.

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Any written Presiding Officer's hearing report shall be provided to the participants in the proceeding and each participant shall have an opportunity to file comments on the report for consideration by the Commission prior to the final decision.

Article 17

Also in the case of a general hearing on any other matter, the Presiding Officer, shall prepare the detailed hearing report.

IV TECHNICAL HEARINGS

Article 18

Commencement

The SERC may convene a technical hearing in order to resolve technical issues in a tariff or licensing proceeding, or other proceedings that require an exchange of information between the SERC and participants in the proceeding with the SERC, in order to develop expert testimony about some matter that the SERC has encountered and needs to obtain additional expert information, or in order to resolve a substantive or procedural issue in proceedings currently pending before the SERC.

When the SERC decides to hold the technical hearing in order to resolve a technical issue in a rulemaking, tariff, licensing or other matter, or in order to develop expert testimony on a particular matter the SERC has encountered, the SERC shall define the purpose and scope of the hearing, shall specify any expert or sector participants it intends to invite to the hearing, and shall prescribe the manner and scope of public participation in the technical hearing process. The SERC shall also specify the time, place and format of holding the technical hearing.

Article 19

When the SERC convenes the technical hearing in the scope of a license, tariff or other proceeding in order to resolve a substantive or procedural issue in the proceeding, the SERC shall define the purpose and scope of the hearing and shall prescribe the manner and scope of public participation in the technical hearing.

Article 20

The SERC may limit participation to the parties in the proceeding and interveners, but it shall allow public attendance at the technical hearing.

Article 21

Presiding Officer

The SERC shall designate a Presiding Officer for the technical hearing.

The Presiding Officer shall be authorized to exercise the authority granted by the SERC with respect to the hearing and to establish the procedures for the hearing consistent with Law and SERC rules and to preside at the hearing.

Article 22

Public Notice on Hearing with Participation of Experts

The SERC shall publish a brief public notice on an expert technical hearing that shall contain a summary of the issues for consideration, and describe the technical hearing process.

The expert technical hearing notice should explain:

1. the purpose of the technical hearing;
2. profile of experts who shall participate in the technical hearing;
3. how expert persons may apply for participation in the hearing, and the deadline for submission of such an application;
4. how expert persons may submit their verbal comments, or if the SERC decides so, their written comments, and the deadline for their submission;
5. that members of the public may attend the hearing, but without the right to present verbal comments or to submit written comments; and
6. a summary of the hearing agenda.

Article 23

The public notice shall be published in one or more written media available on the whole territory of Bosnia and Herzegovina and on the SERC's website no later than five (5) days before the day of the technical hearing. The notice shall provide data on how the public may obtain information concerning the hearing agenda, experts who will testify at the hearing, and any documents for consideration at the technical hearing.

The SERC shall publish respective documents that are the subject of the technical hearing on its website and, upon a request, shall provide by mail copies of documents to interested persons, charging any applicable cost for copies and mailing established in the SERC Schedule of Fees and Charges.

Article 24

Notice on Hearing on Substantive or Procedural Issue in Pending Proceeding

The SERC shall not be obligated to publish a public notice in the written media when it convenes a technical hearing to resolve a substantive or procedural issue in a pending proceeding. Instead, the SERC shall send the notice of the substantive or procedural issues in the pending proceeding to the participants and interveners in the proceeding by mail or by telefax.

HEARING PROCEEDING

A. EXPERT TESTIMONY HEARING

Article 25

In a technical hearing for the purposes of addressing a technical issue in a licensing or tariff proceeding, or to develop expert testimony on a particular matter, the SERC may limit participation at a technical hearing to qualified experts and invited persons.

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The SERC may require persons who wish to participate in the hearing to submit an explanation of their background and expertise, as well as the nature of their interest in the topic of the technical hearing.

The SERC, in its sole discretion, shall determine who may participate in the hearing, and may also limit the duration of their presentation. The SERC shall attempt to avoid duplication, but shall also attempt to assure that representative testimony of different viewpoints is received.

Article 26

The Presiding Officer may convene a preliminary hearing before the technical hearing in order to organize the technical hearing in a better manner. The Presiding Officer shall request persons interested in providing technical evidence at the hearing to provide a description of the anticipated content and duration of testimony in order to assist with scheduling of the hearing.

The Presiding Officer may request that the parties file a summary of such testimony with the SERC prior to the hearing if such pre-filing would assist SERC staff in the technical hearing process.

Article 27

The Presiding Officer shall establish an agenda for the technical hearing. The Presiding Officer may limit the time for presentation to any person.

The Presiding Officer may ensure a brief presentation on the matter in issue at the commencement of the technical hearing in order to establish the framework for the issues for discussion at the technical hearing.

The Presiding Officer shall keep records of the attendance of all present persons.

The Presiding Officer, with the permission of the Commission, may invite neutral persons to participate in the hearing, and may pay the experts for this service. Any expert appearing at the request of a person who is not member of the SERC staff shall not be compensated by the SERC for the participation in the hearing.

Article 28

The Presiding Officer may continue the technical hearing at a later date and time, which shall be verbally announced at the conclusion of the initial session of the technical hearing, if additional time is required to complete the hearing.

No additional public hearing notice shall be required if the technical hearing is reconvened shortly after the conclusion of the initial session. Otherwise, the Presiding Officer shall publish an additional public notice of the continued hearing date and time.

B. SUBSTANTIVE OR PROCEDURAL ISSUE IN PENDING PROCEEDING

Article 29

In a technical hearing convened to resolve a substantive or procedural issue in a pending proceeding, SERC shall limit participation to the parties in the proceeding.

The Presiding Officer may convene the technical hearing, providing the parties in the proceeding with an agenda in advance of the meeting. The Presiding Officer may require the parties in the proceeding to submit written statements on any relevant issues of fact or law in advance of the hearing.

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At the hearing, the Presiding Officer may engage in dialogue with the parties in the proceeding in order to resolve the substantive or procedural issue in question.

Article 30
Documents

The provisions of Article 14 of these Rules shall govern the filing as well as the availability of the documents from the technical hearing.

Article 31
Confidential Information

In any technical hearing, a participant in the hearing or any other person may request confidential treatment of information.

The provisions of Article 59 of these Rules shall be applied with regard to such request or any order issued by SERC, requesting confidential treatment of information.

Hearing Report

C. EXPERT TESTIMONY HEARING

Article 32

For the design of report or decision, at the technical hearing that is conducted with the participation of experts the provisions of Article 15-17 of this Rule shall be applicable.

A. HEARING ON SUBSTANTIVE OR PROCEDURAL ISSUE IN PENDING PROCEEDING

Article 33

In a technical hearing convened in order to resolve a substantive or procedural issue in a proceeding, the Presiding Officer shall issue a written decision at the conclusion of the technical hearing on the matter in issue where a dispute has occurred.

The decision shall contain a brief explanation of grounds for its issuance. Where the Presiding Officer is not required to reach a final decision, no written decision shall be issued.

If the technical hearing on a substantive or procedural issue is held within the formal hearing proceeding, the record of the technical hearing and the Presiding Officer's decision shall become part of the formal hearing proceeding.

V COMMUNICATION BETWEEN THE SERC AND PARTIES IN THE PROCEEDING

A. SUBMISSION OF PLEADINGS TO THE SERC

Article 34
Preliminary Consultations

Any natural or legal person may ask for comments and assistance from the SERC staff before submitting applications, pleadings or any other document to the SERC. However, staff advice shall not be binding for subsequent decision-making by the SERC.

Article 35

Submission of Pleadings

Unless otherwise defined in these Rules any pleading submitted to SERC must be in written form and understandable, and must contain all necessary elements for its processing.

Applications for commencement of the proceedings for issuance of licenses and determining of tariffs shall be submitted in the form prescribed by the SERC. As a rule, the application shall be submitted or sent by post, or may be faxed or sent electronically.

All other pleadings shall be submitted in a sufficient number of copies to the SERC and other parties in the proceeding. The party filing a pleading shall be responsible for delivery of the pleading to the opponent party and all other participants in the proceeding. The delivery of the pleading to the other participants shall be done by mail or courier unless the Presiding Officer opts for electronic delivery or delivery by facsimile after consultations with the participants in the proceeding.

The burden shall be on the party submitting the pleading to prove, if necessary, that proper delivery has been done.

The intervener shall submit his/her pleadings to the parties in the proceeding in accordance with the Rule of Practice and Procedure of the SERC.

Article 36

Form of Pleadings

As a rule, all pleadings submitted to the SERC pursuant to these Rules must be in typewritten form on A4 paper in 12-point font. Supporting information that cannot be produced in prescribed font must be legible and capable of reproduction in a hard copy.

All pleadings shall be submitted in original and sufficient number of copies as well as electronically.

Article 37

Content of the Pleading

All pleadings on the applicant's letterhead, if applicable, should contain:

- a) subject of the pleading , and
- b) legal grounds of the pleading (specific law, rule or the decision of the SERC on the which the pleading is based).

The pleading must be signed by the applicant or authorized person, representative or a proxy.

Article 38

Content of Request for Resolution of Dispute

The request for resolution of a dispute should contain the following:

- name and seat of the legal person, i.e. name and family name and address of applicant,
- name and seat, i.e. name and family name and address of the other party in the proceeding,
- the legal grounds of the request, i.e. indication of violation of legal obligations or standards or regulatory requirements,

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- explanation of the manner in, and the extent to which the violation effects the financial situation of applicant,
- explanation of manner in, and the extent to which the violation effects practical working or other interests not related to financial interests of the applicant, if there are any, including, when possible, the impact on environment, safety etc.,
- all other relevant facts on which the applicant has based his/her request,
- all evidences available to him/her, based on which the relevant facts are established,
- statements given as true and correct to the best of the applicant's knowledge, i.e. the statements of the person authorized by the applicant,
- the statement if the dispute is the subject of any other proceeding before any other body, and if this is the case, an explanation as to why the timely resolution of the dispute cannot be reached in the other proceeding,
- specific request for resolution of the dispute i.e. committed violation.

B. PROCESSING OF PLEADINGS

Article 39

Review of Pleadings

The SERCs staff shall review applications and other pleadings to determine whether any application or pleading is in compliance with the filing requirements and to notify the applicant of the flaw or substantial compliance of the application or pleading as described in Article 40 of this Rule.

Article 40

Date of Submission

Any pleading, procedural pleading or any other pleading which is not in compliance with the requirements of these Rules shall be deemed defective.

Within thirty (30) days after receiving a defective pleading from the previous paragraph, the SERC shall notify the person who has submitted the pleading of the flaw or flaws in of the submitted pleading or that the pleading is nevertheless in substantial compliance with the requirements of this Article. If within this time period, the SERC fails to do so, the pleading shall be deemed complete as of the date of its receipt by the SERC.

If the pleading contains an unsubstantial or technical omission or deviation that obstructs consideration of the pleading, or if the pleading is not understandable or complete, this cannot be a sole cause for its rejection. If the SERC receives such pleading, it shall determine the deadline of five (5) working days to the applicant to correct the observed flaws. If applicant corrects the flaws within the given deadline, the pleading shall be considered as correct from the beginning, otherwise, the SERC shall consider that such pleading had not been submitted at all and it shall notify the applicant of it in particular in the notification for correction of the pleading.

The submission date of the pleading that is in compliance with these Rules shall be the date the application is received by the SERC.

Article 41

As a rule, the SERC shall deliver pleadings to other parties in the proceeding by post.

Article 42

Responses to Pleadings

Responses to pleadings prepared in the prescribed form must be submitted to the SERC, no later than fifteen (15) days after the receipt of the pleading.

Unless otherwise provided by these Rules or by the SERC, there shall be no submission of a response of one party to a response of another party.

Article 43

Prohibition of Communication

While a proceeding is pending, no participant in proceeding or person who is not an employee of the SERC shall communicate directly or indirectly with any member of the Commission, Presiding Officer, or the staff with regard to any issue of law or facts related to the proceeding, or provide any opinion or seek to obtain any opinion from any member of Commission, Presiding Officer, or the SERC's staff with regard to the proceeding, except through pleadings that all participants in proceeding have at their disposal in accordance with these Rules.

In case of access to the communication which violates the prohibition from the previous paragraph, the SERC's employee or Commissioner shall abstain from continuation of any form of communication. The SERC's employee shall, without delay, inform the Chief of Staff and the Commissioner shall inform the Chairman, so that the nature and the context of that communication or any other action can be promptly discussed in accordance with the SERC's Code of Ethics.

This Article does not prohibit internal communication among Commissioners or the SERC's staff, or communication by any person with the relevant SERC's staff only for the purpose of notification on the course of the proceeding.

VI FORMAL HEARINGS

Article 44

Commencement of Formal Hearing Proceeding

A formal hearing proceeding shall commence in one of the following manners:

1. by the filing of a tariff application determined to be complete and compliant with SERC filing requirements;
2. by a Commission's decision to initiate a tariff proceeding;
3. by a Commission's decision to hold a formal hearing on the license application;
4. by a Commission's decision to hold a formal hearing on any issue related to licenses, tariffs or other issues under the SERC's jurisdiction.

Exceptionally, a formal hearing proceeding shall commence by filing of an interim application by the Transmission Company or the Independent System Operator in order to meet the 60-day deadline for the SERC's action established in accordance with Article 46 of the Law Establishing the Company for Transmission of Electric Power in Bosnia and Herzegovina and Article 42 of the Law Establishing an Independent System Operator for the Transmission System of Bosnia and Herzegovina ("Official Gazette of BiH", no. 35/04).

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In a case from the previous paragraph, the SERC shall modify the formal hearing proceeding set forth in Section VI of these Rules if the modifications are conducive to a prompt conduct of the proceeding.

Article 45 ***Public Notice***

Within the period of five (5) days after the application is determined to be complete, or the SERC has decided to hold a formal hearing proceeding, the SERC shall inform the public about the application, or investigation by publishing a brief notice in one of the media, available on the whole the territory of Bosnia and Herzegovina and on the SERC website. The notice shall:

- a) state the name of the applicant, responsible party or another party in the proceeding,
- b) summarize the proceeding by describing the application, another pleading or investigation,
- c) schedule dates of formal hearings, if there are any,
- d) determine the deadlines for providing the responses and actions, and the criteria for the intervener status in accordance with the Rules on Practice and Procedures of the SERC, stating that only the applicant, the responsible party (if applicable) and interveners may participate in the formal hearing, and
- e) state how other interested persons can submit comments on the application or another pleading.

Within five (5) days of scheduling the formal hearing, but no later than five (5) days before the formal hearing, the SERC shall notify the public of the date scheduled for the formal hearing, in the manner as described in the previous paragraph .

Article 46 ***Third Party Participation***

Any other person seeking to participate as an intervener in the formal hearing proceeding must file an application to intervene within the deadline defined by the SERC in its notice issued in accordance with Article 45 of these Rules.

The application must identify the person seeking intervention, describe the manner in which that person is directly interested in the proceeding before the SERC, and prove that the person meets the criteria for intervention as provided in the published notice.

The criteria for determining the rights and status of the Intervener shall be determined by the SERC for each concrete case separately, depending upon the circumstances of that case.

Article 47

If an application for granting of the intervener status is filed after the expiry of the deadline determined by the SERC, such application must provide a justified reason for such failure. In determining whether the application, which is filed after the determined deadline but no later than the commencement of the preliminary hearing, should be approved, the SERC may consider whether the intervener has demonstrated good reason for failing to file the application within the prescribed deadline, whether the late intervention would disrupt or delay the proceeding, and whether other parties would be burdened or prejudiced by the late intervention.

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Unless ordered otherwise by the SERC, an approval of the late intervention shall not delay or defer the schedule of actions in the proceeding and the SERC may impose limitations on the participation of a late intervener to avoid delay and prejudice to the participants in the proceeding.

Article 48

The SERC shall decide on the application for intervener status no later than fifteen (15) days after the date of receipt by the SERC. The SERC shall inform the participants in the proceeding about its decision on the application for intervener status no later than two (2) days after the date of issuance of the decision.

Article 49

The intervener shall be entitled to participate in the hearing, to present evidence, to make objections and arguments, and to conduct cross-examination, to assure true and full disclosure of all the facts. The Presiding Officer may limit the participation of interveners if necessary for the efficient conduct of the hearing.

The intervener shall be required to respect the deadlines for submission of documents and requested information, as well as to be present in all SERC's proceedings in which he/she has acquired the intervener status.

Article 50

Hearing Schedule

After the SERC determines that a formal hearing is needed it shall schedule a formal hearing for the submission of testimony and evidence.

The SERC shall designate the Presiding Officer who shall have all the powers and duties provided in the Rule of Practice and Procedure of the SERC and these Rules.

The SERC shall determine the deadline within which the formal hearing must be held and the SERC's final decision issued, which shall not be later than six (6) months after filing of the application or commencement of the investigation. If the SERC deems that this deadline is insufficient, it may extend it for three (3) additional months maximum.

The Presiding Officer shall have all the authorities and responsibilities set forth in this Rule and shall conduct the formal hearing in a fair and impartial manner.

The Presiding Officer shall submit regular status reports of the progress of the proceeding and key issues to the members of the Commission at least once a month. In these reports the Presiding Officer shall not comment on the current merits of any party in the proceeding on any issue.

Article 51

Preliminary Hearing

Within five (5) days after the SERC's decision to schedule the formal hearing, the Presiding Officer shall schedule a preliminary hearing with the participants in the proceeding and direct the participants in the proceeding to submit fifteen (15) days prior to the preliminary hearing a proposed schedule for submitting and responding to information requests, proposed limits on information requests (including the number of information requests by each participant), an identification of the precise issues to be addressed in the hearing, conducting of testimonies, and any other matter specified by the Presiding Officer.

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The Presiding Officer shall encourage the participants in the proceeding to reach agreement on these matters.

The Presiding Officer may modify the accepted schedule for performance of some activities and its parts in order to harmonize them with SERC's needs and capacities.

During the course of the proceeding, the Presiding Officer may also hold other preliminary hearings if necessary, for the purpose of resolving procedural disputes, decide on certain actions and activities, propose witnesses and collect evidence to be used at the formal hearing, or for any other reason.

Taking into account the preliminary hearing pleadings, the Presiding Officer shall decide on the schedule and other procedural issues that shall control the course of the proceeding. The schedule shall take into account the deadline pursuant to Article 50 of these Rules for issuance of the final decision, giving sufficient time to the Presiding Officer to prepare a final report, to participants in the proceeding to have an opportunity to submit comments on the final report, and to the SERC to engage in appropriate deliberations before decision-making.

Article 52 ***Information Requests***

Parties and SERC staff may obtain documentation and information from other parties that have relevant information on the subject of the pending proceeding, including the existence, description, nature, custody, condition, and location of any document, or other substantive matters, as well as the data on the identity and location of persons having any knowledge of any matter which needs to be considered and which may contribute to a finding relevant for the subject of the proceeding.

Parties in proceeding can obtain information by submitting a written information request to other party to provide copies of relevant documents, or by the written request that includes questions on which other party should provide the response in written form.

Information requests shall not be unduly burdensome or repetitious, and shall focus only on the information relevant for the subject of the proceeding. Parties in the proceeding shall not be allowed to ask requests for the sole purpose of imposing a burden on any other party.

Article 53

Responses to each information request shall identify the person responsible for preparing the response and the witness responsible for testifying about the response.

Other party must make timely amendment to any prior response if he/she obtains information based on which he/she knows that the previously submitted response was incorrect.

Article 54

Parties in the proceeding submitting information requests or providing responses to other party's requests shall be obligated to provide enough copies to the SERC and to other parties in proceeding.

The intervener shall be enabled to request information through the SERC or Presiding Officer.

Article 55

With regard to the right of parties to withhold requested information, process regulations in the proceedings before courts in Bosnia and Herzegovina shall be applied in an appropriate manner.

Article 56

Objections to Information Requests

Parties objecting to information requests must state the basis for their objection in their response and explain their reasons for objecting to the information request.

Permitted objections include: the request is too vague to ascertain the information sought, the request is overly broad and seeks too much information, the request does not seek relevant information; the request seeks information already in the requesting party's possession; it would be too irrational to respond (requiring disproportional costs or waste of time); the request seeks confidential information requiring a SERC's order of protection before a response can be made.

Article 57

The party submitting the written information request that is objected to by other party may file a procedural pleading with the Presiding Officer to require the non-responding party to respond. Responses to such procedural pleadings must be filed within eight (8) days.

If the other party in the proceeding who is summoned, does not provide the requested information, taking into account the specifics of the case, the Presiding Officer shall evaluate the impact of this act on the proceeding itself and may give recommendations with regards to the consequences caused by the missing information.

Article 58

A Presiding Officer may make a decision regarding granting, denying or limiting information requests or restricting public disclosure of requested matter in order to protect a party or other person from undue annoyance, burden, harassment or oppression, including requiring the party from whom the information is requested to cease the harassment or pay the reasonable expenses of the applicant, prevent undue delay in the proceeding, preserve guaranteed rights of a party, person, or governmental agency, or provide a means by which confidential matters may be made available on a limited basis.

If the Presiding Officer does not approve the request for confidential treatment of the information, the parties shall be entitled to ask the SERC within the deadline of five (5) days to issue the final decision upon the request.

The SERC shall issue the final decision from the previous paragraph no later than fifteen (15) days after the date of issuance of the Presiding Officer's disputed decision.

Article 59

Confidential Information

If the need arises, at the request of a party, the Presiding Officer may decide to protect confidential business information, including limiting access to the information to all parties in the proceeding or only to designated parties.

Parties requesting confidentiality treatment must submit a procedural pleading explaining the nature of the confidential information and the harm that will result if the information is made public.

Parties objecting to the confidentiality treatment must submit a response to the pleading within [8] days. To reach this decision, the Presiding Officer may require the information to be submitted to the SERC in a sealed envelope in order to review it privately.

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If the Presiding Officer grants a request for confidential treatment of information, all persons entitled to have access to the confidential information have a duty not to disclose the confidential information to any persons not entitled to access the confidential information or to the public. The Presiding Officer may take any necessary step to keep the information confidential, including closing the hearing to the public during any discussion about the confidential information. The documents or information shall be handled in conformity with the SERC's Rules of Confidential Information.

Article 60

Conducting of Formal Hearing

ALL FORMAL HEARINGS SHALL BE OPEN TO THE PUBLIC.

For the purpose of efficiency of the hearing, the Presiding Officer shall enable the parties to have adequate preparations, determine the discussion schedule, impose reasonable time limits on examination and cross-examination, and rules on the admissibility of evidence and objections, and make other decisions necessary for the fair and efficient conduct of the hearing.

The Presiding Officer shall take care of the order in the hearing and of the integrity and dignity of the SERC. The Presiding Officer may exclude persons who disturb the order during the hearing or insult the integrity and the dignity of the SERC or other participants in the proceeding.

The SERC shall record all hearings in a form convenient for transcription.

Article 61

At the commencement of the formal hearing, the Presiding Officer shall state the subject of the hearing and determine if all parties in the proceeding and interveners are present.

If the Presiding Officer determines that all summoned persons are not present, the Presiding Officer shall, in accordance with the circumstances, determine whether to hold the hearing without their presence or to postpone it.

Article 62

The Presiding Officer may allow each party to make an opening or closing argument summarizing the merits of their positions, and may limit the duration of their presentations.

An applicant shall be entitled to submit evidence and call witnesses first, followed by the opponent party.

The Presiding Officer shall establish the order for presentation of evidence and witnesses by interveners.

In a SERC initiated investigation or license or tariff proceeding, the SERC staff shall be entitled to offer evidence first and call witnesses. In any other proceeding, if the SERC staff, and representatives of other state authorities and organizations are summoned to the hearing to testify, they may be called to give testimony in the order established by the Presiding Officer.

Article 63

The Presiding Officer may continue the formal hearing at a later date and time, which shall be verbally announced at the closure of the initial hearing session, if additional time is required to complete the hearing.

No additional public hearing notice shall be required if the formal hearing is reconvened promptly after the conclusion of the initial session. Otherwise, the Presiding Officer shall publish an additional public notice of the continued hearing date and time.

Article 64

After the conclusion of all testimonies and after the parties present their closing remarks, summarizing the merits of their positions, the Presiding Officer shall announce that the hearing is closed.

Article 65

Evidence

At a formal hearing, evidence shall be presented in order to establish the facts.

Evidence shall consist of identification documents, witness statements, pleadings submitted by the parties during the proceeding, experts and any other evidence in accordance with the Rule of Practice and Procedure of the SERC.

The party that presents evidence shall be obligated to provide a sufficient number of copies for the SERC and other parties in the proceeding.

Article 66

Witness statements consist of factual testimonies which must be true and correct to the best of the witnesses' knowledge, and the Presiding Officer shall require each witness to make such an affirmation concerning his/her testimony.

The affirmation shall be given verbally, after completion of the testimony, by pronouncing the following words: "I swear that I have told the truth here on any issue I have been asked about, and that I have not withheld any information that I know about this matter."

Article 67

The witnesses shall be heard individually without the presence of those witnesses who shall be heard later. The heard witness shall be removed in accordance with a decision of the Presiding Officer.

The Presiding Officer may hear again the witness who has already been heard, and may bring face to face those witnesses whose statements are in contradiction.

Article 68

The Presiding Officer may exempt the witness of the obligation to witness on some facts, only if he/she presents credible reasons in his/her request for refusal to witness.

If the summoned witness is not present at the hearing without a justified reason or refuses to witness, the Presiding Officer shall assess the impact of this act on resolution of the matter.

Article 69

Any party in the proceeding may object to the testimony or other evidence offered by another party, if evidence is not relevant, credible, authentic, or previously provided to the parties as

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required by the Presiding Officer's order before the hearing, or any other reason due to which the evidence is considered inadmissible.

The Presiding Officer shall decide on the objection immediately or, if more time is needed to determine the merit of the objection, shall recess the proceeding until the decision on the objection is made.

Article 70

The Presiding Officer shall determine when it is necessary to have an expert opinion that the Presiding Officer does not have, in order to ascertain or assess some facts that are relevant for clarification of the matter.

Article 71

The Presiding Officer shall explain which facts he/she has taken as evidence in the report from Article 74 of this Rule based on his/her conviction, a conscientious and careful assessment of each evidence individually and all evidence as a whole, as well as on the results of the whole proceeding.

Article 72

The costs incurred by presentation of evidence before the SERC, as a rule, shall be covered by the person who requested the presentation.

The party who initiated the dispute, and who has lost the case in the proceeding, shall be obligated to reimburse justified costs to the other party, incurred due to his/her participation in the hearing.

Article 73

Objections to Orders of the Presiding Officer

Parties cannot complain against orders of the Presiding Officer during the proceeding, including but not limiting to decisions on acceptance or rejection of evidence, decision limiting participation of the intervener or any other procedural decision of Presiding Officer.

Objections to orders and procedural decisions from the previous paragraph may be included in the comments on the final report of the Presiding Officer.

Article 74

Hearing Report

After the completion of formal hearing, the Presiding Officer, shall prepare a final written report that shall contain established facts, evidence confirming the facts, legal regulations as well as a proposed decision, and shall submit the report to the SERC and the parties in proceeding.

Each party may submit comments to the report for consideration by the SERC prior to its final decision, within the deadline set by the Presiding Officer.

Article 75

SERC's Investigation

The SERC may initiate an investigation into any matter within its jurisdiction.

The SERC may conduct the investigation through formal hearings pursuant to these Rules.

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During the course of the formal hearing in the investigation, SERC may summon any witness who has factual information relevant for the subject of the hearing.

The SERC may also hire expert witnesses to present testimony during the course of the formal hearing in order to assist the SERC to reach an expert decision.

Article 76

Final Decision of the SERC

The Commission shall make its decision at a regular session.

The Commission shall consider the Presiding Officer's final report as well as comments submitted to the report basing its decision solely on the testimony and evidence from the official report, and reasonable inferences therefrom.

The written decision shall contain an explanation of the grounds for actions on all substantive issues, with references to supporting testimony and evidence.

Article 77

Public Access to Hearing Decisions

When the formal hearing is concluded, the SERC shall notify the parties in proceeding of its final decision, providing the date of the decision, as well as the pertinent docket number. The SERC shall make the formal hearing records available to the public, and shall post the notice to that effect on its website.

VII SHORTENED PROCEEDING

Article 78

The SERC may, directly resolve an application without the formal hearing through a shortened proceeding, if it determines that there is no legitimate issue in dispute that is important to the decision on a proceeding or part of a proceeding:

1. if the party has stated in his/her application the facts or submitted the evidence that may be used as the grounds to establish the state of affairs ,
2. if the state of affairs may be established based on official data that the SERC has at its disposal, and if there is no need to hear the party in order to protect his/her rights i.e. legal interests.

The SERC shall first inform the party of its intention to conduct a shortened proceeding and provide the party a reasonable opportunity to forward comments or introduce new facts on the subject of the proceeding.

The shortened proceeding shall represent an exception with regard to the hearing proceedings determined by these Rules, and it must be equally transparent as any other proceedings. The SERC shall publish a public notice and provide its reasons for using this form of the proceeding in order to enable the public to provide their objections to this intention of the SERC.

The SERC shall have the discretion right in the shorten proceeding to undertake emergency measures in the public interest when they cannot be postponed, in the cases prescribed in the Rule of Practice and Procedure of the SERC.

Article 79

The party shall be enabled to submit his/her comments on the draft decision whereby the SERC decides in the shortened proceeding.

VIII RESOLUTION OF DISPUTES ON AN INFORMAL BASIS

Article 80

SERC may solve the requests for solution of a dispute at an internal meeting with applicants for resolving of a dispute on an informal basis, without the need for pleadings in accordance with the Rules of Practice and Procedure of the SERC.

IX SETTLEMENT

Article 81

The SERC shall in a manner which does not violate its impartiality, encourage parties to work together to reach settlement at any stage of the proceeding, fully or at least in some disputable matters.

Parties in a proceeding may submit a settlement agreement to the SERC on any issue and at any stage of the proceeding, but not after the expiry of the deadline for submission of comments on the final report of the Presiding Officer of the formal hearing, if the formal hearing is in process.

The settlement must be clear and specific, and may not harm the public interest, public moral or legal interest of third parties, otherwise, it shall not be accepted by the SERC.

X ADDITIONAL INFORMATION REQUESTS

Article 82

Whether or not a proceeding is pending, the parties in the proceeding and interveners must cooperate with any information request from the SERC to enable the SERC to execute its responsibilities under the Law and SERC rules.

XI COOPERATION WITH OTHER REGULATORY COMMISSIONS

Article 83

The SERC shall notify the other regulatory commissions of any license or tariff applications, and SERC's investigations and shall share information i.e. enable them to have access to documents electronically, in a manner that shall be mutually agreed upon.

XII TRANSITIONAL AND CLOSING PROVISIONS

Article 84

Interpretation

The SERC shall provide interpretation of these Rules in accordance with Law and Article 2 of these Rules.

To all issues in the proceedings before the SERC that are not envisaged by these Rules or specific rules and regulations of the SERC, the regulations of the relevant state laws shall be applied, if feasible due to the nature of the matter, and if it is in accordance with the competence and authority of the SERC.

Article 85

Effective Date

These Rules shall become effective eight days after their publication in the "Official Gazette of Bosnia and Herzegovina".

Number: 03-02-139/05
May 24, 2005
Tuzla

Chairman of the SERC

Mirsad Salkić