



PRIVREMENA
L I C E N S A
ZA OBAVLJANJE DJELATNOSTI
DISTRIBUCIJE I SNABDIJEVANJA ELEKTRIČNOM ENERGIJOM U BRČKO
DISTRIKTU BOSNE I HERCEGOVINE

ПРИВРЕМЕНА
Л И Ц Е Н Ц А
ЗА ОБАВЉАЊЕ ДЈЕЛАТНОСТИ
ДИСТРИБУЦИЈЕ И СНАБДИЈЕВАЊА ЕЛЕКТРИЧНОМ ЕНЕРГИЈОМ У
БРЧКО ДИСТРИКТУ БОСНЕ И ХЕРЦЕГОВИНЕ

Registarski broj licence Регистарски број лиценце	05-28-12-017-2/11
Datum izdavanja licence Датум издавања лиценце	19.1.2011.
Naziv vlasnika licence Назив власника лиценце	Javno preduzeće za komunalne djelatnosti "Komunalno Brčko" d.o.o. Brčko Distrikt BiH Јавно предузеће за комуналне дјелатности "Комунално Брчко" д.о.о. Брчко Дистрикт БиХ
Adresa vlasnika licence Адреса власника лиценце	Brčko Distrikt BiH, Studentska br. 13 Брчко Дистрикт БиХ, Студентска бр. 13
Matični broj vlasnika licence Матични број власника лиценце	4600244130005
Period važenja licence Период важења лиценце	19.1.2011. - 18.1.2013.

Predsjedavajući Komisije/Predsjedatelj Komisije/Предсједавајући Комисије

Mirsad Salkić/Мирсад Салкић

Članovi Komisije/Чланови Комисије

mr Vladimir Dokić/мр. Владимир Докић

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Revised version

LICENSING CONDITIONS FOR TEMPORARY LICENSE FOR PERFORMANCE OF THE ACTIVITY OF ELECTRICITY DISTRIBUTION AND SUPPLY

Registration number of the license: 05-28-12-017-2/11

Name of the licensee: Public Utility Company „Komunalno Brčko“ d.o.o. Brčko District BiH

1. General Provisions

- 1.1. This license is issued in accordance with the Rules on issuance of temporary licenses for performance of activities of electricity distribution and supply in Brčko District of Bosnia and Herzegovina number 05-28-12-009/11 of January 12, 2011 and the Licensing Rule (“Official Gazette of BiH”, number 38/05), and based on the application number 05-28-12-017/11 of January 17, 2011 filed by JP “Komunalno Brčko” Brčko District.
- 1.2. The license shall be issued for the period from January 19, 2011 to January 18, 2013.
- 1.3. This license shall be temporary.

2. Performance of Licensed Activity

- 2.1. The licensee shall be authorized to perform the activities of electricity distribution and supply of customers in compliance with the provisions of the Law on Transmission of Electric Power, Regulator and System Operator in Bosnia and Herzegovina (“Official Gazette of BiH”, no. 7/02, 13/03, 76/09 and 1/11), the Law on Electricity (“Official Gazette of Brčko District BiH”, no. 36/04, 28/07 and 61/10) as well as the provisions defined by the license.
- 2.2. The right to perform the licensed activity from Item 2.1 shall be granted exclusively to the licensee.
- 2.3. Obligations defined by the license shall not affect other obligations of the licensee which are defined by the law.
- 2.4. The licensed activity from Item 2.1 shall mean electricity distribution and supply of non-eligible customers in the area of Brčko District of Bosnia and Herzegovina.
- 2.5. The licensee cannot cease the licensed activity without the previous approval issued by SERC.
- 2.6. The licensee shall take over electricity at the voltage levels of 35 kV and 10 kV in TS 110/35/10 kV Brčko 1 and TS 110/35/10 kV Brčko 2.

3. Obligations and Rights of the Licensee

- 3.1. The licensee shall be obligated to maintain compliance with the criteria stipulated by Articles 21 and 22 of the Licensing Rule. Upon a SERC request, the licensee shall be obligated to provide evidence on the permanent fulfillment of the specific criteria.

- 3.2. The licensee shall be obligated to regularly, or upon a SERC request, submit financial and other reports in the form and the scope as specified by this license or by the SERC request.
- 3.3. The licensee shall be obligated to prepare financial reports for the licensed activity in a transparent manner in accordance with the accounting standards applicable in Bosnia and Herzegovina and provisions prescribed by SERC.
- 3.4. The licensee shall be obligated to perform the licensed activity as the public service in accordance with law.
- 3.5. The licensee shall be obligated to provide a plan of accounting unbundling of the licensed activity from other activities.
- 3.6. The licensee shall be obligated to introduce the system of quality insurance and inform SERC of changes made to it.
- 3.7. The licensee shall be obligated to keep records of interruptions of electricity supply as well as records of commercial quality with an aim to determine indices of continuity and commercial quality of supply in the manner as approved by SERC.
- 3.8. The licensee shall be obligated to provide a plan of activities for development of rules and regulation required for performance of the licensed activity and their submission to SERC for approval. The plan should, *inter alia*, include general conditions for delivery of electricity, distribution grid code, a methodology for determining of the fee for connection to the distribution network, rules on connection to the distribution network as well as other rules and standard agreements as deemed necessary by the licensee.
- 3.9. The licensee shall be obligated to follow the Market Rules and Grid Code.
- 3.10. The licensee shall not be allowed to conduct any anti-competitive activities, abuse market power or manipulate the electricity market.
- 3.11. The licensee shall be obligated to provide its services in a fair and non-discriminatory manner.
- 3.12. The licensee shall have the right to attend meetings of technical committees which give comments during the preparation and changes of the Market Rules. The licensee shall have the right to be appointed to the technical committee.
- 3.13. The licensee shall be obligated to comply with the decisions of the Independent System Operator (ISO BiH) when the Grid Code or Market Rules are changed under exigent circumstances requiring urgent steps to be undertaken, in accordance with the law and the ISO BiH license.
- 3.14. The licensee shall be obligated to comply with measures prescribed by SERC, the Ministry of Foreign Trade and Economic Relations (the Ministry) or the competent body of Brčko District BiH in case of natural disasters or any other situation affecting general safety and security.
- 3.15. The licensee shall be obligated to comply with applicable tariffs, the Licensing Rule („Official Gazette of BiH“, no. 38/05) and the Rules on the method for determining temporary tariffs for non-eligible customers in Brčko District of Bosnia and Herzegovina number: 04-28-5-010/11 of January 12, 2011.

- 3.16. Upon a request of the SERC, ISO BiH, Company for Transmission of Electric Power in Bosnia and Herzegovina, and the Ministry, as well as the competent bodies of Brčko District BiH, the licensee shall be obligated to submit requested data, documents and information required for law enforcement. The bodies which receive the data shall keep confidentiality of all requested data and information which are considered as commercial secret or confidential, unless provided otherwise by law.
- 3.17. The licensee shall be obligated to publish on its web page all relevant information and data pertaining to the licensed activity which are required by users or are of public interest.
- 3.18. Pursuant to SERC decisions, the licensee shall be obligated to perform the role of default supplier.
- 3.19. Pursuant to SERC decisions, the licensee shall be obligated to perform the role of supplier of last resort.
4. Monitoring of Performance of the Licensed Activities
 - 4.1. SERC shall monitor performance of the licensed activities.
 - 4.2. SERC shall monitor all aspects of compliance of the licensee's activities with the licensing conditions, as well as with all provisions of the relevant laws and regulations of SERC.
 - 4.3. SERC may initiate emergency proceedings in order to respond to any reasonable doubt pertaining to violation of obligations from the license, at ~~SERC~~ initiative or in response to a request of any person.
 - 4.4. SERC shall perform announced and unannounced inspections of the facilities and documents related to the licensed activities. SERC shall be entitled to access to any licensee-owned or operated facilities, premises of the licensee, its equipment, documents, business records and archive in order to inspect the licensed activities. The licensee shall provide any form of assistance requested by SERC during the inspection.
 - 4.5. The licensee shall inform SERC of any violation of the licensing conditions no later than seven (7) days after the licensee discovers that the violation has occurred.
5. Submission of Data and Reports
 - 5.1. The licensee shall submit reports to SERC in the manner as defined by the license, and reports upon a special SERC request, in the manner and format prescribed by SERC.
 - 5.2. No later than ninety (90) days after the completion of the fiscal year, the licensee shall submit its annual report on performance during that fiscal year. Audited annual financial report shall be submitted no later than 180 days upon the completion of the fiscal year.
 - 5.3. The licensee shall prepare and submit to SERC its monthly reports on taken over, delivered and billed electricity, collected receivables, quality of supply indices, the realization of the maintenance and investment plans.
 - 5.4. The licensee shall inform SERC of all contingencies in the network following their occurrence.

6. Renewal, Modification, Suspension or Revocation of the License
 - 6.1. The licensee shall be obligated to file an application for renewal of the license no later than 180 days before expiration of the license.
 - 6.2. During the term of the license, it shall be possible to re-open the license upon a request of the licensee or at the SERC initiative, in order to harmonize the licensing conditions due to the significant changes in law or factual circumstances, in accordance with Article 29 of the Licensing Rule.
 - 6.3. Suspension or revocation of the license shall be performed in accordance with Article 30 of the Licensing Rule.
7. Regulatory Fee
 - 7.1. The licensee shall be obligated to pay regulatory fee during the term of the license in accordance with the SERC decisions.
8. Sanctions
 - 8.1. Penalty provisions stipulated by law shall be applied if the licensee does not comply with the licensing conditions or law.
 - 8.2. SERC may submit an administrative notice to the licensee on any violation, and may summon the licensee to an administrative settlement due to the violation of the license by the licensee before the penalty provisions are applied.
 - 8.3. Prior to the application of the measure from Item 8.2, when the circumstances permit, SERC shall warn the licensee in writing, and shall determine deadlines for removal of shortcomings.
 - 8.4. When determining sanctions, SERC may also apply the provisions of Article 30 of the Licensing Rule, i.e. suspend or revoke the license.
9. Dispute Resolution
 - 9.1. Disputes filed by third parties related to the application of the Licensing Conditions shall be resolved in accordance with the Rule of Practice and Procedure of SERC (“Official Gazette of BiH”, no. 2/05) and the Rule of Public Hearings (“Official Gazette of BiH”, no. 38/05) or any other appropriate manner which is in accordance with SERC rules.
 - 9.2. During the term of the temporary license, disputes between the licensee and customers shall be resolved in line with the applicable practice in the licensee’s area of responsibility.
10. Provisions on Notification
 - 10.1. The address of the licensee used for submission of notifications shall be:
JP „Komunalno Brčko“ Brčko District BiH
Studentska 13, Brčko
 - 10.2. The licensee may change its address used for submission of notifications, but SERC has to be informed of it in advance. It shall not be necessary to change the license in case the address for submission of notifications is changed.
11. Transitional and Final Provisions
 - 11.1. In case the licensee intends to perform the licensed activity after the expiration of this license, it shall be obligated to file the application for issuance of the license

no later than 180 days prior to expiration of the temporary license or the deadline prescribed by SERC in a separate decision. The deadline prescribed by SERC in a separate decision shall depend on the possibility of creating all formal conditions for the performance of the activity. The license, when issued, shall replace the temporary license.