

Pursuant to Articles 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 Version (Official Gazette of BiH, 63/16), acting upon the application of the Public Utility “Komunalno Brčko” d.o.o. Brčko District of BiH number 05-28-12-216-1/20 of 29 June 2020, the State Electricity Regulatory Commission, at its session held on 7 October 2020 passed a

**DECISION**  
**ON ISSUANCE OF LICENCE FOR ELECTRICITY DISTRIBUTION**  
**ACTIVITY**

1. The Public Utility “Komunalno Brčko” d.o.o. Brčko District of BiH shall be issued the licence for performance of the electricity distribution activity in the territory of the Brčko District of Bosnia and Herzegovina.
2. The licence shall be issued for the period from 1 November 2020 to 31 October 2030 and used pursuant to the Standard licence conditions for performance of the electricity distribution activity in the territory of the Brčko District of Bosnia and Herzegovina.
3. The Licence and the Conditions are an integral part of this Decision.
4. The licensee is obligated to pay a regulatory fee during the term of the licence under the terms and conditions as defined by a separate act.
5. This Decision shall come into force on the day of adoption and the operative part of the Decision shall be published in the Official Gazette of BiH and the official gazettes of the Entities.

***Statement of Rationale***

The Public Utility “Komunalno Brčko” d.o.o. Brčko District of BiH (hereinafter: the applicant), that is obligated to ensure the distribution of electricity and supply system users and customers with electricity in the area under its jurisdiction pursuant to the *Decision Establishing the Public Utility “Komunalno Brčko” d.o.o. Brčko District BiH* (Official Gazette of BD BiH, 20/07, 21/07, 24/08 and 33/09), is a holder of the licence for the performance of the electricity distribution activity as well as the licence for electricity supply in the Brčko District of Bosnia and Herzegovina, entered into the Licence Register of the State Electricity Regulatory Commission (hereinafter: SERC) under the registration number: 05-28-12-413-28/12 of 17 January 2013 expiring on 31 October 2020.

In accordance with the right to use a possibility of renewing a licence and fulfilling the obligation referred to in Article 48 of the Licensing Rule – Consolidated Version Official Gazette of BiH, 63/16) to express its intention to continue to perform the electricity distribution activity before the expiry of the existing licence, the licensee filed an application for the issuance of a new licence that was registered under number 05-28-12-216-1/20 of 29 June 2020. 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 filed on the prescribed forms with a proof of previously paid application fee and the relevant documents which, enclosed to the application or submitted to SERC later upon a SERC request, enabled SERC to understand, consider and decide upon the application

filed of which SERC informed the applicant accordingly by its act number: 05-28-12-216-4/20 of 21 July 2020.

Having reviewed and checked all the formal elements of the application, first of all on 23 July 2020 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 licence application until 30 July 2020.

SERC concluded that the public had not submitted any comment on the application filed for the issuance of the licence 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 the electricity distribution activity because its technical, legal and financial capacities have been constantly confirmed in the previous years of the use of the licence during which it provided valid evidence thereof.

Monitoring of all aspects of compliance of the applicant's present activities with the conditions and criteria for performance of the electricity distribution activity provided SERC with the basis to initiate the renewal of the licence, i.e. to prepare the initial version of the Licence conditions for the performance of the activity of electricity distribution which would be valid for several years. As of 4 September 2020, 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 public hearing held on 9 September 2020 at the SERC seat in Tuzla which was preceded by the publication of an adequate notice in daily newspapers and publication of the document on the SERC web site.

As there were no comments during the general hearing which would instigate any changes to the conditions for use of the licence, the proposal for granting of the licence was prepared and submitted to the applicant by the SERC act number 05-28-12-216-16/20 of 16 September 2020. Even the last occasion until 24 September 2020, following the submission of SERC act number 05-28-12-216-16/20, was not used by the applicant to emphasise any disagreement with any provision of the Proposal of the Decision which made grounds for the conclusion that it considered that the proposal was prepared in accordance with the Law on Transmission of Electric Power, Regulator and System Operator of Bosnia and Herzegovina and secondary legislation of Bosnia and Herzegovina regulating with the matters concerned.

In accordance with the aforementioned and also taking into account the fact that SERC obtained convincing indicators that the applicant had ensured resources, organised conditions and established professional standards to continue to perform the same activity, SERC decided as provided in the operative part of the 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 against this Decision by filing a lawsuit within 60 days of receipt thereof.

Number: 05-28-12-216-18/20

7 October 2020

Tuzla

Chairman of the Commission

Nikola Pejić