

**RULE BOOK**  
**ON CONSTRUCTION OF DIRECT GAS PIPELINES**

Trebinje, March 2019

Pursuant to provisions of Article 65, paragraph 2 of the Gas law (Official Gazette of the Republic of Srpska, number 22/18) and Article 18 paragraph 1 of the Statute of the Regulatory Commission for Energy of the Republic of Srpska – Clean Text (Official Gazette of the Republic of Srpska, number 6/10), Regulatory Commission for Energy of the Republic of Srpska, in its 107<sup>th</sup> regular session held on 22<sup>nd</sup> March 2019, in Trebinje made

## RULE BOOK

### ON CONSTRUCTION OF THE DIRECT GAS PIPELINES

#### PART ONE – GENERAL PROVISIONS

##### Article 1 (Subject)

The Rulebook on the construction of direct gas pipelines (hereinafter: the Rulebook) prescribes the conditions under which direct gas pipelines can be built and the procedure for issuing prior approval for the construction of a direct gas pipeline.

##### Article 2 (The Purpose of adoption)

The aim of adopting this rulebook is to provide a non-discriminatory, clear, efficient and economical procedure for issuing prior approval for the construction of a direct gas pipeline.

##### Article 3 (Definitions)

Definitions:

The terms used in this Rule book, in a sense of provisions of this Rule book, have the following meaning:

“Direct gas pipeline” is a gas pipeline that connects the producer of natural gas or biogas or a gas system with an isolated customer that is not part of the transport or distribution system;

“Law”, in the sense of this rulebook means the Law on Gas;

“System operator” means a transmission system operator or natural gas distribution system operator;

“Applicant” means a producer, supplier or end customer of natural gas who submits a request to the Regulatory Commission for the issuance of a preliminary approval for the construction of a direct gas pipeline;

Other terms used in this rulebook, which are not specified in this article, have the meaning defined by the Law on Gas, the Law on Energy and by-laws of the Regulatory Commission.

(Abbreviations)

Regulatory Commission – Regulatory Commission for Energy of the Republic of Srpska  
OB – Form

#### Article 4

(The obligation to obtain prior approval for the construction of a direct gas pipeline)

A producer, supplier or end user of natural gas who is denied access to the natural gas transportation or distribution system may start the construction of a direct gas pipeline, if he has obtained prior approval for the construction of a direct gas pipeline from the Regulatory Commission, in accordance with the law and this rulebook.

### PART TWO - PROCEDURE FOR ISSUING PRIOR APPROVAL FOR THE CONSTRUCTION OF A DIRECT GAS PIPELINE

#### Article 5

(Starting the procedure)

- (1) The procedure for issuing a preliminary approval for the construction of a direct gas pipeline is initiated at the request of the applicant.
- (2) The procedure for issuing a preliminary approval for the construction of a direct gas pipeline can be initiated no later than one year from the date of the decision on the refusal of access to the natural gas transportation or distribution system by the system operator.

#### Article 6

(Application Form)

- (1) The application for the issuance of preliminary approval for the construction of a discrete gas pipeline is submitted to the Regulatory Commission, on the application form for the issuance of prior approval for the construction of a direct gas pipeline OB.DG.04.01, which is available on the website of the Regulatory Commission.
- (2) The compiled part of the form referred to in paragraph (1) of this article consists of a list of statements and evidence which, as required documentation, is submitted with the application.

#### Article 7

(Submission of application)

- (1) The applicant is obliged to submit, in written and electronic form, an orderly request for the issuance of a preliminary approval for the construction of a direct gas pipeline to the Regulatory Commission, directly to the protocol of the Regulatory Commission or by mail.

- (2) A proper request from paragraph (1) of this article means a completed request form for the issuance of a prior approval for the construction of a direct gas pipeline with the necessary documentation attached.
- (3) The completed application form for the issuance of prior approval for the construction of a direct gas pipeline should be certified and signed by the applicant, that is, his legal representative or authorized representative.
- (4) The necessary documentation with the application, with which the applicant proves his claims from the application, consists of the statements and evidence determined by this rulebook and the same must be attached in the original or a certified copy that is not older than 90 days.

#### Article 8 (Fees)

The applicant does not pay the Regulatory Commission a fee for processing the application for issuing a preliminary approval for the construction of a direct gas pipeline.

#### Article 9 (Review of regularity of the application and elimination of deficiencies)

- (1) The Regulatory Commission reviews the regularity of the submitted application for issuing a preliminary approval for the construction of a direct gas pipeline.
- (2) If, after the review referred to in paragraph (1) of this article, it is determined that the request for the issuance of a preliminary approval for the construction of a direct gas pipeline contains some defect that prevents further action on the request, the Regulatory Commission, within 10 days from the day of receipt of the request, in writing, informs the applicant about the deficiency and sets him a deadline of no longer than 30 days from the date of receipt of the notification, in which the applicant is obliged to eliminate the deficiencies and warns him of the consequences in case of omission and failure to eliminate the deficiencies.
- (3) If the applicant does not eliminate the deficiencies within the deadline, the Regulatory Commission rejects such an application as irregular.

#### Article 10 (Public notice)

- (1) The Regulatory Commission informs the applicant about the duly submitted request for the issuance of prior approval for the construction of a direct gas pipeline and publishes a public notice on the website of the Regulatory Commission.
- (2) The press release contains basic information about the request, how interested persons can obtain additional information and gain insight into the request, the method and deadline for submitting comments from interested persons, and information related to the possibility of

interested persons participating in the procedure if they have a special or legal interest in participating in the proceedings.

- (3) Information and documentation that, based on the request of the applicant, by the Regulatory Commission, are protected by a confidentiality clause in accordance with the provisions of the Rulebook on Confidential Information cannot be made available to interested parties.

#### Article 11 (Data verification)

- (1) The Regulatory Commission, in order to establish the facts about the fulfillment of the prescribed criteria for issuing a preliminary approval for the construction of a direct gas pipeline, checks all data and, if necessary, inspects the site for the construction of a direct gas pipeline.
- (2) Verification and review can be done at any stage of the procedure, from the moment the request is submitted until the final decision on the request is made.
- (3) The Regulatory Commission may, during the procedure for issuing a preliminary approval for the construction of a direct gas pipeline, request additional information and documentation from the applicant and the system operator, if this is necessary for making a decision on the request.
- (4) The applicant and the system operator are obliged to cooperate with the Regulatory Commission and provide it with the requested data and information within a certain period.
- (5) If the applicant does not facilitate the verification or inspection from paragraph (1) of this article, or submits the requested information and documentation from paragraph (3) of this article, the Regulatory Commission rejects the request for issuing a preliminary approval for the construction of a direct gas pipeline.

#### Article 12 (Public hearings)

The Regulatory Commission decides on the type, number and venue of the public hearing by evaluating the submitted application, received comments and requests from interested parties and other information on possible disputed issues in accordance with the Rulebook on Public Hearings and Solving Disputes and Complaints of the Regulatory Commission.

#### Article 13 (Decision on issuance of the preliminary approval for construction of the direct gas pipeline)

- (1) If the criteria for issuing a preliminary approval for the construction of a direct gas pipeline are met, the Regulatory Commission makes a decision on issuing a preliminary approval for the construction of a direct gas pipeline at a regular session, no later than 60 days from the date of submission of the proper request.
- (2) The decision on issuing a preliminary approval for the construction of a direct gas pipeline is submitted to the applicant.

Article 14  
(Decision on rejection of the application)

The Regulatory Commission will reject an application for the issuance of a prior approval for the construction of a direct gas pipeline if the issuance of such approval would hinder the implementation of provisions on public service obligations, including the protection of end users, or if the applicant did not meet the criteria for the issuance of a prior approval for the construction of a direct gas pipeline.

Article 15  
(Content of the Decision)

The decision on issuing a preliminary approval for the construction of a direct gas pipeline must contain:

- a) data on the person to whom a preliminary approval for the construction of a direct gas pipeline is issued,
- b) data on the direct gas pipeline,
- c) conditions related to the construction and use of a direct gas pipeline,
- d) the explanation containing the established factual situation regarding the fulfillment of the criteria for issuing a preliminary approval for the construction of a direct gas pipeline;

Article 16  
(Publication of the Decision)

Decision on issuance of the preliminary approval for construction of the direct gas pipeline is published in the "Official Gazette of the Republic of Srpska" and on the Regulatory Commission website.

PART THREE – PRELIMINARY APPROVAL FOR CONSTRUCTION OF THE DIRECT GAS PIPELINE

Article 17  
(Necessary documents to be attached to the application for the construction of the preliminary approval for the direct construction)

The following documents must be attached to the request for a preliminary approval for the construction of a direct gas pipeline:

- a) data on the applicant, and for legal entities and entrepreneurs a valid decision on registration in the court or other relevant register, with attachments,
- b) identity number and unique identification number (JIB) of the applicant,
- c) the founding act of the company with the accompanying contracts or statute,

- d) the decision to deny access to the transport or distribution system made by the system operator, with an explanation,
- e) the applicant's statement on the structure of financing sources, which is harmonized with the feasibility study or confirmation from commercial banks that the applicant has sufficient own funds and/or has access to credit funds necessary for the construction of a direct gas pipeline,
- f) the feasibility study of the direct gas pipeline and the conceptual or final project if it has been built,
- g) act of the system operator or manufacturer on technical and other conditions for connecting the planned direct gas pipeline to the system, including the security of natural gas supply,
- h) statements of the system operator and the applicant that the system operator will not have the costs of construction, maintenance, supervision and management of the direct gas pipeline, when the direct gas pipeline is connected to the system,
- i) the term direct gas pipeline construction plan,
- j) the applicant's statement that the direct gas pipeline will only be connected to the energy entity or the end customer who received prior approval for the construction of the direct gas pipeline and that the direct gas pipeline will be used exclusively for the supply of natural gas to the end customer connected to the direct gas pipeline,
- k) the applicant's statement that he will ensure safe and reliable operation and maintenance of the direct gas pipeline,
- l) contract or pre-contract on the supply of natural gas to the final customer, which will be supplied via a direct gas pipeline;

#### Article 18

(Criteria for making Decision on issuance of the preliminary approval for construction of a direct gas pipeline)

The preliminary approval for construction of a direct gas pipeline is issued to the applicant that proves:

- a) the applicant is denied access to the transportation or distribution system for natural gas,
- b) that the construction of a direct gas pipeline will not threaten the safety of natural gas supply  
or the safety of the operation of the transport or distribution system, i.e. that it will not lead to interference with the implementation of provisions on public service obligations, including the protection of end customers,
- c) that, in case the applicant is a producer or supplier of natural gas, he has a license to perform energy activities from the Regulatory Commission
- d) that the direct gas pipeline is planned in a way that ensures the prescribed technical, operational, safety and other conditions,
- e) that, based on the attached documents, it can be assessed that it has the financial ability to build a direct gas pipeline within the planned period,

- f) to have a contract or pre-contract on the supply of natural gas to the final customer who will supply through a direct gas pipeline;

#### Article 19

(Preliminary approval requirements for construction of the direct gas pipeline)

In Decision on issuance of preliminary approval for construction of a direct gas pipeline, the following requirements may be included:

- a) which represent the fulfillment of the criteria, specified in Article 18, in a consistent manner,
- b) which require that the construction of a direct gas pipeline be carried out in accordance with the regulations on spatial planning and construction, taking into account the usual technical solutions used by the system operator,
- c) that the direct gas pipeline cannot be part of the natural gas transportation or distribution system,
- d) that the energy entity or end customer, who received prior approval for the construction of a direct gas pipeline, can be connected to the system,
- e) with regard to the responsibility of the energy entity or the buyer who has been issued a prior approval for the construction of a direct gas pipeline for the safe and reliable operation and maintenance of the direct gas pipeline,
- f) that only an energy facility or an end customer that has received prior approval for the construction of a direct gas pipeline can be connected to the direct gas pipeline and that the direct gas pipeline will be used exclusively for supplying natural gas to the end customer connected to the direct gas pipeline,
- g) which ensure that the cost of construction, as well as maintenance, supervision and management of the direct gas pipeline, is the cost of the energy entity or the end customer at whose request the direct gas pipeline was built and that such cost cannot be included in the tariffs of the natural gas transportation or distribution system,
- h) which introduce the obligation to submit to the Regulatory Commission financial, technical and other data on the construction of a direct gas pipeline and its completion in accordance with the requirements of the Regulatory Commission,
- i) and any other condition that is necessary to fulfill the objectives of the law or regulations of the Regulatory Commission;

### PART FOUR – MONITORING

#### Article 20

(Monitoring requirements)

- (1) The Regulatory Commission supervises the construction and use of the direct gas pipeline in terms of controlling the conditions from the previous approval for the construction of the direct gas pipeline,



- (2) The energy entity or the end customer who has been granted prior approval for the construction of a direct gas pipeline, is obliged to cooperate with the staff of the Regulatory Authority during the supervision of the construction and use of the direct gas pipeline and to submit the information and documentation that the Regulatory Commission requires in this regard.
- (3) Authorized staff of the Regulatory Commission have the right of access to the location, facilities, plants and equipment and documents in order to inspect the construction and use of the direct gas pipeline.
- (4) In the case of a third-party complaint from a port energy entity or an end customer that has been granted prior approval for the construction of a direct gas pipeline, the Regulatory Commission examines the justification of the appeal and checks the fulfillment of the criteria based on which the decision on prior approval for the construction of a direct gas pipeline was made and the conditions that must be met.
- (5) The energy entity or end customer is obliged, without delay, to inform the Regulatory Commission of all circumstances that may lead to deviations from the conditions of the previous approval for the construction of a direct gas pipeline.

Article 21  
(Communication)

- (1) Official communication between the energy entity or the end customer who has been issued a prior approval for the construction of a direct gas pipeline and the Regulatory Commission is done in writing.
- (2) The energy entity or end customer is obliged to submit to the Regulatory Commission the required information and documentation in the original (certified and signed by a person authorized to represent) or in a certified photocopy,
- (3) Documentation and information can be delivered by fax or electronically, provided that the original or a certified copy is delivered in person or by mail to the address of the Regulatory Commission, no later than seven days from the date of delivery by fax or electronically.
- (4) Reports and data for which the Regulatory Commission has prescribed forms are submitted in the prescribed form and manner.

PART FIVE – TRANSITIONAL AND FINAL PROVISIONS

Article 22  
(Legal protection)

- (1) The decision of the Regulatory Commission on issuing a preliminary approval for the construction of a direct gas pipeline is final.
- (2) The party dissatisfied with the decision may initiate an administrative dispute with the competent court.

Article 23  
(Interpretation of the Rule book)

- (1) The interpretation of the provisions of this rulebook is provided by the Regulatory Commission.
- (2) Amendments to this rulebook are made according to the same procedure that is applied for its adoption.

Article 24  
(Effective Date)

This rulebook enters into force on the eighth day from the day of its publication in the Official Gazette of the Republic of Srpska.

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Trebinje, 22<sup>nd</sup> March 2019

President  
Vladislav Vladicic