

REGULATORY COMMISSION FOR ENERGY OF THE REPUBLIC OF SRPSKA

RULE BOOK ON LICENSING

Trebinje, July 2021

Pursuant to the provisions of Article 13, paragraph 3 of the Law on Energy (Official Gazette of the Republic of Srpska, number 49/09), Article 24 of the Law on Electricity (Official Gazette of the Republic of Srpska, number 68/20), Article 9 paragraph 4 of the Law on Gas ("Official Gazette of the Republic of Srpska", number 22/18 and 15/21) and Article 9, paragraph 2, point g) and f) of the Law on Oil and Oil Derivatives (Official Gazette of the Republic of Srpska, number 36/09 and 102/12) The Regulatory Commission for Energy of the Republic of Srpska, in the 9th regular session, held on July 22, 2021, in Trebinje, passed

RULE BOOK ON LICENSING

PART ONE - GENERAL PROVISIONS

Article 1 (Subject)

The Rulebook on Licensing (hereinafter: the Rulebook) prescribes and regulates the procedure for issuing, extending, changing, canceling and revocation of licenses for the energy activities, criteria for issuance, license conditions, types, content and period of validity of licenses, method of keeping the register of licenses, as well as the monitoring method.

Article 2 (Purpose of adoption)

The aim of adopting this rulebook is to establish unique criteria for making a decision on a request for the issuance of a license, prescribing license conditions, and ensuring legality, publicity, efficiency, economy, and non-discrimination in the process of issuing, extending, changing, canceling, and revoking licenses for the energy activities and in monitoring procedure.

Article 3 (Definitions and Abbreviations)

(Definitions)

The terms used in this Rulebook, in terms of the provisions of this rulebook, have the following meaning:

"Presiding Officer" means a person appointed by the Regulatory Commission, who has the authority to conduct the procedure, manage the public hearing and prepare a report with a recommendation for decision;

"distribution" means the transfer of electricity through distribution systems of medium and low voltage with the aim of delivering it to customers, i.e. the transmission of natural gas through distribution systems of pressure up to 16 bar for its delivery to customers, but does not include supply;

"license to perform energy activity" means the act of the Regulatory Commission, which authorizes an energy entity to perform a certain energy activity;

"energy activity", in the sense of the Rulebook, means the production of electricity, distribution and management of the distribution system of electricity, supply and trade of electricity, production of oil derivatives, transportation of oil by pipelines and oil derivatives by product pipelines, storage of oil and oil derivatives, production of natural gas, transportation and management of natural gas transportation system, storage and management of natural gas storage system, distribution and management of natural gas distribution system, trade and supply of natural gas, management of the compressed natural gas plant and management of the liquefied natural gas plant;

"energy entity" is a legal entity or entrepreneur that performs one or more energy activities in accordance with the law;

"energy" means a form of energy that is available as a commercial commodity, such as electricity, thermal energy, natural gas, oil and oil derivatives, and biofuel;

"law" means the Law on Energy, the Law on Electricity, the Law on Gas, the Law on Oil and Oil Derivatives and the Law on Renewable Energy Sources and Efficient Cogeneration;

"closed distribution system" is a system through which electricity is distributed in a spatially limited industrial and commercial zone or a zone of shared services, if the business or production process of the user of that system is connected for specific and security reasons or that system distributes electricity primarily to the owner or the system operator, or their affiliated companies;

"public hearing" means a public discussion of the subject of discussion, with the direct participation of interested persons;

"public supplier of electricity " means a supplier who, in accordance with the regulations, is designated to provide a universal service of electricity supply to small customers and households who have not chosen a supplier on the market;

"public supplier of natural gas" is an energy entity that supplies natural gas to households that have not chosen a supplier on the market;

"one-off regulatory fee" is a fee established by a special decision of the Regulatory Commission, which is paid by the applicant when submitting the application;

"compressed natural gas" is gas in a gaseous condition, compressed to a pressure greater than 100 bar;

"licensee" is an energy entity that has a license to perform energy activities;

"customer" means a legal entity, an entrepreneur or a natural person who buys energy;

"end user" means a customer who purchases energy for his own use;

"oil" a mixture of hydrocarbons of natural origin that is processed for the purpose of obtaining petroleum derivatives;

"oil pipeline" means the system of pipelines and other facilities necessary for the transportation of oil;

"public service obligation" means the obligation imposed on the energy entity to perform a certain energy activity as a public service under regulated conditions, which will ensure security of supply, and which may refer to the regularity, quality and price of the service, as well as conditions related to energy efficiency and use energy from renewable energy sources;

"electricity distribution system operator" is an energy entity that performs the activity of distribution of electricity and management of the distribution system of electricity, is responsible for the operation, maintenance and development of the distribution system in a certain area, its connection with other systems and for ensuring the long-term ability of the system to fulfill needs for the distribution of electricity in an economically justified manner;

"natural gas distribution system operator" is an energy entity that performs the activity of distribution and management of the natural gas distribution system;

"operator of the natural gas transport system" is an energy entity that performs the activity of transport and management of the natural gas transport system or its special part and is responsible for its operation;

"natural gas compression plant operator" is an energy entity that compresses natural gas with special compressors of high power and working pressure, performs storage, and is responsible for the operation of the natural gas compression plant;

"liquefied natural gas plant operator" is an energy entity that carries out conversion of natural gas into a liquid state or storage, trans-shipment and return to a gaseous state, and is responsible for the operation of the natural gas terminal;

"general conditions for the delivery and supply of electricity" represent a piece of secondary legislation made by the Regulatory Commission, which regulates the delivery and supply of electricity, the connection of power facilities of end users to the network and other relations between licensees, as well as licensees and end users, including users of permits for the performance of electricity production activities whose facilities are connected to the distribution network;

"general conditions for the supply of natural gas" represent a piece of secondary legislation regulating the conditions and method of natural gas delivery, which, with the consent of the Regulatory Commission, is adopted by each natural gas supplier;

"applicant" is a person who submits an application to the Regulatory Commission for the issuance of a license to perform energy activities;

"rules on the operation of the natural gas transport system" represent a piece of secondary legislation regulating the operation and management of the transport system, which, with the approval of the Regulatory Commission, is adopted by the operator of the transport system;

"rules on the operation of the distribution system of natural gas" represent a piece of secondary legislation, which regulates the operation and management of the distribution system, which, with the approval of the Regulatory Commission, is adopted by the operator of the distribution system;

"product pipeline" means the system of pipelines and other facilities necessary for the transportation of oil derivatives;

"production of oil derivatives" means the process of refining and refining oil or degasolinage, which produces liquid and gaseous products-oil derivatives, including liquid petroleum gas;

"energy production" means the physical or chemical process of processing energy or renewable energy sources into electrical, thermal or other forms of energy;

"producer" in the sense of this rulebook means an energy subject, organized in accordance with the law, which has a license to perform the activity of producing electricity, natural gas or oil derivatives;

"regulatory fee" means the annual amount of money, which the licensee pays to the Regulatory Commission, determined by a special decision on the regulatory fee of the Regulatory Commission, based on the budget of the Regulatory Commission adopted by the National Assembly of the Republic of Srpska;

"supplier of last resort with electricity" means a supplier who, in accordance with the regulations, is designated to supply electricity to customers, except for small customers and customers from the household category, who are supplied on the open market in the event of bankruptcy or liquidation, or termination or revocation of the supplier's license who supplied them until then;

"security of supply" implies the ability of the energy system to provide the end user with energy of a defined level of continuity and quality, in a sustainable manner and in accordance with existing standards and contracted arrangements;

"storage of oil and oil derivatives" means the activity of storing and keeping oil and/or oil derivatives in a prescribed manner in special areas, unless the storage is carried out exclusively for own needs;

"supply of electricity and/or natural gas" means the sale of electricity and/or natural gas to end customers, including resale;

"supplier" means an energy entity that performs the activity of supplying electricity or natural gas;

"supplier of last resort (reserve supplier) with natural gas" is an energy entity that performs the activity of supplying the end customer with natural gas, if its previous supplier has ceased its activity and if the supply of gas to the customer has ceased without protection;

"transportation of oil derivatives by product pipelines" means the transportation of oil derivatives through a pipeline, for the purpose of delivery to other transporters of oil derivatives, to a warehouse or to a customer, on the order of the transport orderer;

"oil transport" means oil transport by oil pipelines and other forms of transport;

"Oil transportation by pipelines" means the transportation of oil through a pipeline under pressure, for the purpose of delivery to other oil transporters by oil pipelines or to the producer of oil derivatives, at the order of the transport orderer;

"natural gas transport" means the transfer of natural gas through pipelines under high pressure (pressure greater than or equal to 16 bar), with the aim of delivering it to end customers, but does not include the supply of natural gas;

"trader" means an energy entity that performs the activity of electricity and/or natural gas trade in accordance with the law;

"trade" means the purchase and sale of electricity, including resale on the wholesale market and cross-border trade, i.e. purchase for resale and sale of natural gas on the free market to energy entities, but does not include the sale of electricity and natural gas to end customers;

"certification" is a procedure that determines the compliance of the operator of the natural gas transportation system with the conditions related to its independence and separation from the vertically integrated entity, as well as with other relevant requirements from the law.

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

(Abbreviations)

Regulatory Commission - Regulatory Commission for Energy of the Republic of Srpska

SERC - State Regulatory Commission for Electricity

FERK - Regulatory Commission for Energy in the Federation of Bosnia and Herzegovina

NOS - Independent system operator in Bosnia and Herzegovina

BOS - Balance responsible party

Article 4 (Obligation to possess licenses)

The energy entity is obliged, before starting to perform energy activities, to obtain a license for performing energy activities in accordance with the law governing the performance of certain energy activities and this rulebook.

Article 5 (Exemptions from the obligation to have a license)

- (1) The energy entity is not obliged to have a license to perform electricity production for:
 - a) production of electricity in power plants with a capacity of up to 1 MW, unless one producer produces electricity in several facilities with a total capacity of more than 1 MW,
 - b) production of electricity exclusively for own needs,
 - c) electricity production in new power plants, no longer than six months from the date of obtaining the usage permit.
- (2) The energy entity is not obliged to have a license to carry out the activities of transport and control of the natural gas transport system on the new transport system, no longer than 12 months from the date of obtaining the usage permit from the competent body in the field of construction for that system.
- (3) The energy entity is not obliged to have a license to carry out the activities of distribution and management of the distribution system of natural gas on the new distribution system, no longer than six months from the date of obtaining the usage license from the competent authority in the area of construction for that system.

Article 6
(Types of licenses)

- (1) The Regulatory Commission in the power sector issues the following licenses:
 - a) license for the performance of electricity production in hydroelectric power plants, thermal power plants, thermal power plants with integrated mines, cogeneration plants and other power plants that use renewable or other energy sources,
 - b) license to carry out activities of distribution and control of the electricity distribution system,
 - c) license to carry out activities of distribution and control of a closed distribution system of electricity and
 - d) license to carry out activities of supply and trade in electricity;
- (2) The Regulatory Commission in the natural gas sector issues the following permits:
 - a) License to carry out activities of natural gas production,
 - b) License to carry out the activities of transport and control of the natural gas transport system,
 - c) License to carry out activities of distribution and control of the distribution system of natural gas,
 - d) License to carry out activities of storage and control of the natural gas storage system,
 - e) License for trading and supply of natural gas,
 - f) License to perform the activities of managing a liquefied natural gas plant and
 - g) License to perform the activities of managing a compressed natural gas plant.
- (3) The Regulatory Commission in the Oil and Oil Derivatives Sector issues the following licenses:
 - a) License for the production of oil derivatives,
 - b) License to carry out the activity of transporting oil through oil pipelines,
 - c) License to carry out the activity of transporting oil derivatives by pipelines and
 - d) License to carry out activities of storage of oil and oil derivatives.

Article 7
(License validity period)

Licenses are issued for the period of validity:

- a) up to 30 years for performing activities of electricity production, activities of distribution and control of the distribution system of electricity and distribution and control of a closed distribution system of electricity,
- b) up to five years for the performance of electricity supply and trade activities,
- c) from 15 to 30 years for performing activities of transportation and control of the natural gas transportation system and distribution and control of the natural gas distribution system,
- d) up to 10 years for carrying out the activities of natural gas production, storage and control of natural gas storage systems, trade and supply of natural gas, control of a plant for liquefied natural gas and control of a plant for compressed natural gas and
- e) from five to 30 years for performing the activities of production of oil derivatives, transportation of oil by oil pipelines, transportation of oil derivatives by product pipelines and storage of oil and oil derivatives.

PART TWO - LICENSING PROCEDURE

Article 8 (Initiation of proceedings)

- (1) The licensing procedure is initiated at the request of the applicant.
- (2) An energy entity that intends to perform several energy activities is obliged to submit an application for the issuance of a license for each of those activities separately.

Article 9 (Application Forms)

- (1) The application for issuing, amending and revoking the license is submitted to the Regulatory Commission, on a completed form, which includes a list of supporting documents.
- (2) Application forms are:
 - a) form OB. 04. 01 - Application for the issuance of a license for the performance of electricity production,
 - b) form OB. 04. 02 - Application for the issuance of a license for the performance of activities of distribution and control of the distribution system of electricity,
 - c) form OB. 04. 03 - Application for the issuance of a license for the performance of activities of distribution and control of a closed distribution system of electricity,
 - d) form OB. 04. 04 - Request for the issuance of a license for the performance of electricity supply and trade activities,
 - e) form OB. 04. 05 - Application for the issuance of a license for the performance of natural gas production,
 - f) form OB. 04. 06 - Application for the issuance of a license for carrying out activities of transport and control of the natural gas transport system,
 - g) form OB. 04. 07 - Application for the issuance of a license for the performance of activities of distribution and control of the distribution system of natural gas,
 - h) form OB. 04. 08 - Request for the issuance of a license for carrying out activities of storage and control of the natural gas storage system,
 - i) form OB. 04. 09 - Application for issuing a license for trading and supply of natural gas,
 - j) form OB. 04. 10 - Application for the issuance of a license to perform the activities of managing a liquefied natural gas plant,
 - k) form OB. 04. 11 - Application for the issuance of a license to perform the activities of managing a compressed natural gas plant,
 - l) form OB. 04. 12 - Application for the issuance of a license for the production of oil derivatives,
 - m) form OB. 04. 13 - Application for the issuance of a license for carrying out the activity of transporting oil by oil pipelines,
 - n) form OB. 04. 14 - Application for the issuance of a license for carrying out the activity of transporting oil derivatives by pipelines,
 - o) form OB. 04. 15 - Request for the issuance of a license for carrying out the activity of storing oil and oil derivatives,
 - p) form OB. 04. 16 - Request for license amendment and
 - q) form OB. 04. 17 - Request for license revocation.

- (3) Statement Forms attached to the application for the issuance of a license are:
- a) form OB. 04. 18 - Statement on acceptance of the amount and schedule of payment of the regulatory fee and
 - b) form OB. 04. 19 - Statement on the accuracy and credibility of the submitted data.
- (4) Forms of tables with general, technical and energy data on facilities for the production of electricity, which are attached to the request for the issuance of a license for the performance of electricity production, are:
- a) Table 1 - data for the hydroelectric power plant,
 - b) Table 2 - data for the thermal power plant,
 - c) Table 3 - data for the wind power plant,
 - d) Table 4 - data for the solar power plant and
 - e) Table 5 - data for other production facilities.
- (5) Application forms are available in electronic form on the website of the Regulatory Commission.

Article 10
(Submitting an application)

- (1) The applicant for the issuance of a license is obliged to submit, in written and electronic form, a proper application for the issuance of a license to the Regulatory Commission, directly to the protocol of the Regulatory Commission or by mail.
- (2) The proper application from paragraph (1) of this Article means a filled-in application form for the issuance of a license with the necessary documentation attached.
- (3) The completed license application form should be certified and signed by the applicant, i.e. his legal representative or authorized representative.
- (4) The required documentation with the application, with which the applicant proves his claims from the application, consists of statements and evidence determined by this rulebook and the same is attached in the original or a certified copy that is not older than 90 days.
- (5) The applicant is obliged to submit along with the application, a proof of the payment of the one-off regulatory fee, which is determined by the Regulatory Commission in a separate decision.

Article 11.
(Review of regularity of the application and elimination of deficiencies)

- (1) The Regulatory Commission reviews the regularity of the submitted application for issuing a license.
- (2) If, after the review referred to in paragraph (1) of this article, it is determined that the application for the issuance of a license contains some deficiency that prevents further action on the application, the Regulatory Commission, in writing, informs the applicant of the deficiency and sets 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 shall reject such a request as irregular.
- (4) If the Regulatory Commission rejects the request as irregular, the applicant is not entitled to a refund of the one-off regulatory fee paid.

Article 12
(Waiver of claim)

- (1) The applicant for the issuance of a license may withdraw his application during the entire procedure.
- (2) If the applicant abandons the application, the Regulatory Commission will issue a conclusion suspending the procedure.
- (3) In case of withdrawal of the application, the applicant is not entitled to a refund of the one-off regulatory fee paid.

Article 13
(Data Verification)

- (1) The Regulatory Commission may, in order to establish the facts about the fulfillment of the prescribed criteria for issuing a license, check all data and, if necessary, perform an inspection of the applicant's facilities, plants and equipment.
- (2) The check can be carried out at any stage of the procedure from the moment of submission of the application until the final decision on the application is made.
- (3) The Regulatory Commission may, at any time during the licensing process, request additional information and documentation from the applicant, if this is necessary for making a decision on the application for the license issuance.
- (4) The applicant is obliged to cooperate with the Regulatory Commission and submit to it the requested data and information within a certain period.
- (5) If the applicant does not facilitate the verification or review referred to in paragraph (1) of this Article or does not submit the requested information referred to in paragraph (3) of this Article, the Regulatory Commission rejects the application for the issuance of a license.

Article 14
(Review of application, draft license, publication and comments)

- (1) The Regulatory Commission, in its regular session, analyzes the proper application of the applicant in order to determine the fulfillment of the criteria for issuing a license prescribed by this rulebook, taking into account the general public interest, safety and security of supply of electricity, natural gas and oil and oil derivatives.
- (2) After considering the proper application for the issuance of a license, the Regulatory Commission determines the draft license or makes another decision on the application for the issuance of the license.
- (3) If it determines the draft license, the Regulatory Commission, in the same regular session, passes a conclusion on the public review of the draft license, which determines the manner of conducting the public hearing, the subject of review, the place and time of holding and the type of public hearing if it is held, provisions on appointment of the presiding officer and deputy presiding officer of the procedure, as well as the method and deadlines for submitting comments and other issues of importance for the implementation of the public hearing.
- (4) The Presiding Officer is authorized to continue the procedure until the drafting of a proposal for a decision on the application, with the possibility of requesting additional consultations when necessary.

- (5) The draft license and the conclusion on holding a public hearing shall be submitted to the applicant, and the application for issuance of the license, the draft license and the conclusion shall be published by the Regulatory Commission on its website.
- (6) The Regulatory Commission publishes a public notice that contains basic information about the request, the draft license, the public hearing, the public hearing holding, the way in which interested parties can obtain additional information and gain insight into the application, the method and deadline for submitting comments from interested parties, and information related to the possibility of interested persons participating in the procedure if they have a special right or legal interest to participate in the procedure.
- (7) The notification from paragraph (6) of this article is published in one daily newspaper that is available throughout the territory of the Republic of Srpska and on the website of the Regulatory Commission.
- (8) Interested parties may not be given information and documentation that, based on the request of the applicant, by the Regulatory Commission, is protected by a confidentiality clause in accordance with the provisions of the Rulebook on confidential information.

Article 15 (Public hearings)

- (1) The Regulatory Commission may decide to hold a public hearing in the course of the public consideration where it decides on the type, number and venue of the public hearing, assessing the submitted application, the impact of the activity for which a license is required on the local community and other information on possible disputed issues in the procedure.
- (2) The Regulatory Commission can organize a general, expert and formal hearing in the process of issuing a license, and enable the participation of interested persons in the process in accordance with the Rulebook on Public Hearing and Dispute Settlement Procedure.
- (3) In the licensing process, a formal hearing is held when it is necessary to directly present evidence or conduct an investigation, all with the aim of making a fair decision on the application.
- (4) A public hearing must be held during the public consideration process in procedures when a specific license for the performance of energy activities is issued to the applicant for the first time.

Article 16 (License Proposal)

- (1) Upon completion of the public hearing procedure and the expiration of the deadline for submitting comments on the draft license, the Presiding Officer, in consultation with the Chief of Staff and the Head of the sector, prepares a report on the public hearing, which also includes the report on the public hearing, and processes the submitted comments with a recommendation based on comments, and drafts a proposal for a decision on issuing a license, which includes license and license conditions.
- (2) The report from the public consultation with processed comments and the proposed solution from paragraph (1) of this article shall be submitted to the Regulatory Commission for deciding.

Article 17
(Decision on issuing a license)

- (1) The final decision on the issuance of a license is made by the Regulatory Commission in a regular session, in the form of a resolution, the constituent parts of which are the issued license and license requirements, and no later than within 60 days from the date of submission of the proper application.
- (2) The Regulatory Commission makes the final decision on issuing a license if the criteria for issuing a license for performing energy activities are met, and based on the report from the public hearing with processed comments and proposed solutions from paragraph (2), Article 16 of this Rulebook.
- (3) The beginning of the license validity is determined in the decision on the issuance of the license.
- (4) The decision on the issuance of the license shall be delivered to the applicant.

Article 18
(Decision on rejection of application)

- (1) The Regulatory Commission will reject the application for the issuance of a license if the applicant does not prove that the criteria for the issuance of the license are fulfilled.
- (2) The Regulatory Commission may reject the application for the issuance of a license in the event that the applicant has deviated from the conditions prescribed in the previous license, and requests an extension of the license.
- (3) The Regulatory Commission submits decisions on the rejection of applications for licenses from the natural gas sector to the Secretariat of the Energy Community for the purpose of information.
- (4) The decision on rejection of the request for the issuance of a license shall be made by the Regulatory Commission in its regular session.

PART THREE - LICENSES FOR ENERGY ACTIVITIES

CHAPTER I - LICENSES FOR PERFORMING ACTIVITIES IN THE ELECTRICITY SECTOR

SECTION A. Necessary documents to be attached to the application for the issuance of a license to perform activities

Article 19
(Common documents)

The following documents must be attached to the application for the issuance of a license to perform activities in the electric power sector:

- a) a current extract from the court or other appropriate register,
- b) the acts of the competent authorities for the identity number and unique identification number (JIB) of the applicant,
- c) the founding act of the company with accompanying contracts or statute,

- d) organizational structure of the applicant (organizational scheme), systematization of jobs, data on the number of employees and their professional qualifications (including data on passed professional exams required for the performance of activities and the type of employment contract) and the statement of the applicant that it has professionally trained staff to perform required activities or concluded contracts with other legal or natural persons who have professional qualifications for performing electric power activities,
- e) statement of the applicant and proof of the legal basis for the use of electric power facilities, plants, devices and equipment or business premises used for the purpose of performing electric power activities,
- f) a set of financial reports for the previous three years, which contains: a report on the financial position (balance sheet), a report on the total result for the period (profit and loss statement), a report on cash flows, a report on changes in capital, notes to the financial report and an independent auditor's report or an initial report on the financial position for newly formed entities, i.e. for entrepreneurs business books and business records for the previous three years in accordance with the regulations governing this area,
- g) the statement of the applicant and the confirmation of commercial banks that the applicant has sufficient own funds or that he has the possibility of borrowing money from the bank or the possibility of obtaining bank guarantees,
- h) statement of the applicant, and confirmations from commercial banks on all open transaction accounts of the applicant and their status (possible blockages and volume of turnover) in the last month before the date of submission of the application,
- i) annual and three-year business plans of the applicant,
- j) the certification of the competent authority that the security measure of prohibition or protective measure of prohibition of calls, duties or electric power activities imposed on the applicant and his legal representative does not last, based on the provisions of the Criminal Law of the Republic of Srpska, i.e. the Law on Misdemeanors of the Republic of Srpska,
- k) certificate of the competent authority on settled tax obligations,
- l) certificate of the competent court that the applicant is not subject to bankruptcy or liquidation proceedings, if the applicant is a legal entity (except for the activity of distribution and management of the distribution system) and
- m) A proof of payment of the one-off regulatory fee.

Article 20

(Additional documents to the application for the electricity production)

- (1) In addition to the documents defined in Article 19, the following documents must be attached to the request for the issuance of a license for the performance of electricity production activities:
 - a) List of power plants and facilities, and lists of fixed assets related to the requested activity, of which the applicant is the owner or user,
 - b) technological diagram of the derived state of the plant with a description, single-pole diagram of the plant with the environment (with recorded measuring points and data on measuring devices at measuring points), declaration on measuring points and/or measurement register,
 - c) Minutes and decisions of competent inspections and review of activities that were carried out on the basis of the decision of the competent authority on the technical regularity and safety of the plant, as well as the fulfillment of environmental protection standards,
 - d) statement/certificate on insurance of facilities and equipment for the performance of activities,

- e) Water legal acts obtained in accordance with the regulations,
 - f) Environmental license and other acts related to environmental protection obtained in accordance with the regulations,
 - g) The concession contract in accordance with the regulations on concession awarding,
 - h) Electric power consent, connection agreement and declaration on the connection of the production facility to the distribution network and/or conditions for connection, connection agreement and approval for connection to the transmission network, for newly built production facilities,
 - i) contracts related to the activity of electricity production (NOS, BOS, transmission company and distribution system operator except those mentioned in point h) of this article, traders and suppliers),
 - j) Usage license for the newly built production facility.
- (2) The documentation referred to in paragraph (1) of this article shall be submitted separately for each production facility, if an application is submitted for the issuance of a license for the electricity production in several production facilities.

Article 21

(Additional documents to the application for distribution and Distribution system control of electricity and for distribution and control of the closed distribution system of electricity)

- (1) In addition to the documents defined in Article 19, the following documents must be attached to the application for the issuance of a license for the performance of activities of distribution and control of the distribution system of electricity and distribution and control of a closed distribution system of electricity, in addition to the documents defined in Article 19:
- a) a list of power plants and facilities, and lists of fixed assets related to the requested activity, of which the applicant is the owner or user,
 - b) single-pole schemes of the distribution area with the surroundings, with the substations drawn and power plants including SS 10(20)/0.4 kV,
 - c) technical and energy parameters of distribution power plants and facilities and a description of the system for managing and controlling the system (technical description with schematic representation),
 - d) minutes and decisions of competent inspections and review of activities that were carried out based on the decision of the competent authority on the technical regularity and safety of the plant, as well as the fulfillment of environmental protection standards,
 - e) statement/certificate on insurance of facilities and equipment for the performance of activities,
 - f) the concession contract in accordance with the regulations on concession awarding,
 - g) environmental licenses and other acts related to environmental protection obtained in accordance with regulation,
 - h) number of system users by category of consumption and corresponding customer group,
 - i) geographical map of the area where the requested activity is performed,
 - j) contracts with NOS, BOS, transmission company, other operators of the distribution system, producers whose facilities are connected to the distribution system and traders and suppliers,
 - k) standard forms of electric power consents, forms of contracts on connection and contracts on user access to the distribution system,

- l) Description of the system and means for communication with suppliers and users of the distribution system, as well as the system for remote reading of measuring devices and electronic data exchange.
- (2) In addition to the documents defined in paragraph (1) of this article, along with the application for the issuance of a license for the performance of activities of distribution and control of the distribution system of electricity, the proof of unbundling of the distribution system operator, which is a part of a vertically integrated entity, must be attached, which ensured independence in terms of legal form, organization and decision-making in relation to other activities that are not related to distribution, in accordance with the Law on Electricity,
 - (3) In addition to the documents defined in paragraph (1) of this article, the following documents must be attached to the application for the issuance of a license for the performance of activities of distribution and control of a closed distribution system of electricity;
 - a) Evidence that in a geographically limited industrial zone, commercial zone or shared services zone:
 - 1) The business or production process of the user of the closed distribution system is connected for specific and security reasons, i.e. that it is connected and
 - 2) Electricity is distributed primarily to the owner of the closed distribution system, i.e. the system operator, their related parties and other users of the system,
 - b) Usage permit for power facilities and plants that make up a closed distribution system and
 - c) Rules on the operation of the closed distribution system, if they are adopted separately the business or production process of a closed distribution user;

Article 22

(Additional documents accompanying the application for the electricity supply and trade)

In addition to the documents defined in Article 19, the following documents must be attached to the request for a license of the electricity supply and trade:

- a) A list of fixed assets and a detailed description of the information and communication technologies used to perform activities (software, hardware and communications)
- b) The intended annual volume:
 - 1) Electricity supply and
 - 2) Electricity trade,
- c) The planned number of customers,
- d) The forms of standard contracts on the supply of electricity to end customers,
- e) The decision of the Government of the Republic of Srpska on determining the public supplier of electricity, if that is the case,
- g) The decision of the Government of the Republic of Srpska on the designation of a supplier of last resort, if that is the case.

SECTION B. Criteria for making a decision on issuing a license for activities in the electric power sector

Article 23

(Common criteria for making a decision on issuing a license to perform activities in the electric power sector)

A license to perform activities in the electric power sector is issued to an applicant who proves:

- a) that he has registered the performance of the activity for which he is applying for a license in the appropriate register,
- b) to meet the technical, operational and organizational requirements for operation,
- c) to own material resources, i.e. facilities, installations and equipment, necessary for the performance of activities,
- d) that he fulfills the prescribed conditions related to the professional qualification of workers to perform operations and maintenance of electric power plants, installations and devices for electric power activity for which a license is issued,
- e) that if he does not have his own resources to meet the criteria from point c) and d) of this article, he has concluded contracts with other legal or natural persons that ensure the applicant's technical and professional qualifications for performing activities,
- f) that it meets the financial criteria for performing activities, including security instruments,
- g) to have evidence of the legal basis for the use of electric power facilities in which the activity is carried out,
- h) to properly settle tax obligations,
- i) that he has not been imposed a measure prohibiting the performance of electric power activities.

Article 24

(Additional criteria for making a decision on issuing a license for the electricity production)

A license for the electricity production is issued to the applicant, who, in addition to the criteria defined in Article 23, proves that:

- a) meets the requirements for the safe operation of production facilities and plants for the health and life of people and the functioning of equipment and installations,
- b) possesses water legal acts for production facilities obtained in accordance with the regulations,
- c) for production facilities, it has environmental permits, i.e. other acts related to environmental protection obtained in accordance with regulations,
- d) has prescribed rules for the maintenance and exploitation (operation) of production facilities and facilities,
- e) has fulfilled the conditions for the connection and access of production facilities to the power grid,
- f) achieves energy efficiency in the use of primary energy sources, i.e. undertakes measures to improve efficiency,
- g) has a usage license for each production facility,
- h) is legally and functionally unbundled from the system operator, in accordance with the Law on Electricity,

Article 25

(Additional criteria for making a decision on issuing a license for distribution and control of the electricity distribution system)

A license to perform activities of distribution and control of the electricity distribution system is issued to the applicant, who, in addition to the criteria defined in Article 23, proves that:

- a) meets the requirements for the safe operation of distribution facilities and plants for human health and the functioning of equipment and installations,
- b) has distribution network rules adopted in accordance with the law,
- c) established an efficient meter reading system for electricity metering and a system for electronic data exchange with suppliers and users of the distribution system,
- d) established the basis for remote management and control of the distribution system,
- e) is a distribution system operator, which is part of a vertically integrated entity, has ensured independence in terms of legal form, organization and decision-making in relation to other activities that are not related to distribution, which is ensured by:
 - 1) the persons responsible for control of the distribution system operator are not allowed to participate in the work of the bodies of the vertically integrated entity, who are directly or indirectly responsible for the daily operation of electricity production and electricity supply and trade,
 - 2) taking appropriate measures that will ensure that the persons responsible for the control of the distribution system operator act professionally and in a way that enables them to be independent in their work,
 - 3) the operator of the distribution system that makes decisions independently of the vertically integrated entity, on the issue of funds required for the operation, maintenance and development of the network,
 - 4) the distribution system operator being obliged to have appropriate financial, material, technical and human resources available for the performance of activities,
 - 5) the operator of the distribution system, with its registered activity, headquarters, communications, business name and logo, and business premises, cannot lead to confusion regarding the separate identity of the supply entity that is part of the same vertically integrated entity,
 - 6) the independence of the distribution system operator does not affect the right of the vertically integrated entity to approve the business plan and prescribe the general level of indebtedness of the distribution system operator, and monitor the execution of the business and investment plan,
 - 7) a vertically integrated entity is not allowed to give instructions in relation to the day-to-day performance of operations or individual investment decisions of the distribution system operator, if they are within the approved financial plan,
 - 8) the vertically integrated entity can control the business plan, including the investment plan, the adoption of internal technical regulations, the establishment of business policies and other rights, the application of which ensures the protection of interests within the vertically integrated entity to the extent that the independence of the distribution system operator is not violated, and
 - 9) that the operator of the distribution system adopted a compliance program that prescribes the measures and method of monitoring its compliance and the obligations of employees to achieve the set goals, as well as appointing an independent person or body to monitor the implementation of the compliance program, with the prior approval of the Regulatory Commission.

Article 26

(Additional criteria for making a decision on issuing a license for performance of activities of distribution and control of closed distribution system of electricity)

A license to carry out activities of distribution and control of a closed distribution system of electricity is issued to the applicant, who, in addition to the criteria defined in Article 23, proves that:

- a) in a geographically limited industrial zone, commercial zone or shared services zone:
 - 1) the business or production process of the user of the closed distribution system is connected for specific and security reasons and
 - 2) electricity is distributed primarily to the owner of the closed distribution system, i.e. the system operator, their related parties and other system users,
- b) has usage permits for power facilities and plants that make up a closed distribution system,
- c) adopted rules on the operation of the closed distribution system, with the consent of the Regulatory Commission, if the rules are adopted separately,
- d) all users of the closed distribution system have separate metering points,
- e) ensured the maintenance of separate accounts for the performance of this energy activity.

SECTION V. License requirements for activities in the electric power sector

Article 27

(Common conditions of licenses for performing activities in the electric power sector)

The following conditions are included in the licenses for activities in the electric power sector:

- a) which are determined by the provisions of the law,
- b) which ensure constant fulfillment of the criteria for issuing a permit, specified in articles 23-26. of this rulebook, depending on the electric power industry,
- c) which oblige the licensee to regulate relations with other participants in the electricity market in accordance with the prescribed market rules,
- d) designated to ensure the financial stability of the license holder,
- e) which require full compliance with other laws and regulations,
- f) which prohibit the abandonment or modification of the activity for which the license was issued, without the prior approval of the Regulatory Commission,
- g) relating to the resolution of objections, disputes and appeals,
- h) which prevent the misuse of commercial information and ensure the secrecy of confidential business data, as well as other data whose storage obligation is established by special regulations, and which the licensee obtains during the performance of activities,
- i) which define the method of reporting and submitting data and information to the Regulatory Commission,
- j) which refer to the obligations regarding the payment of the regulatory fee for the period of validity of the permit.
- k) and any other condition that is necessary in order to fulfill the objectives of the law or regulations of the Regulatory Commission.

Article 28

(Additional conditions for the license to perform activities electricity production)

In addition to the conditions specified in Article 27, additional conditions may be included in the conditions of the license for the performance of electricity production activities:

- a) which require the licensee to provide auxiliary services, in accordance with available technical capabilities and technical and commercial rules on the electricity market,
- b) which refer to the obligation to regulate the balance liability in accordance with the regulations,
- c) which refer to obligations in the case of performing a public service,

- d) by which the licensee undertakes to carry out the activity of electricity production separately from the other activities he is engaged in, in accordance with the law,
- e) which regulate the transparent and separate keeping of accounting records and access to accounting records to authorized persons and the disclosure of information required for the execution of the competence of the Regulatory Commission,
- f) that the production facilities have correct and verified measuring devices that enable the measurement of the produced electricity, as well as the electricity that is taken over or delivered to the power grid, including its own consumption of electricity,
- g) that the registration and analysis of the behavior of high dam parameters, including seismological phenomena, is ensured in accordance with the law,
- h) which regulate the rights of ownership or use of land, plants and facilities for the purpose of performing activities,
- i) relating to the financial and technical ability to dismantle and/or remove waste and to close and/or remove all production facilities in accordance with technical and environmental protection requirements after the permanent cessation of activities and in other similar cases that violate the principles environmental protection,
- j) related to energy efficiency, improvement of the quality of performance of activities and adherence to technical regulations and standards, occupational safety regulations and commercial and market rules,
- k) which refer to the obligation to protect the environment and ensure permanent control of the impact on the environment in accordance with the conditions of the environmental permit and other regulations in the field of environmental protection,
- l) which refer to obligations to act in accordance with the rules of market competition protection when participating in the electricity market, including the prohibition of unjustified withdrawal of the power plant and the prohibition of unjustified reduction of electricity production,
- m) obliging the licensee to provide free access to the competent system operator free of charge to the equipment in his plant used for the transmission or distribution of electricity for the purpose of maintaining the flow of electricity, and to make available to the competent system operator the data necessary for the operation of the system in accordance with the regulations that regulate the operation of the electric power system, the electricity market, as well as the regulations that regulate the use of renewable energy sources,
- n) relating to databases and the obligation to record and save data,
- o) which refer to the obligation to have water law acts and to comply with the obligations from those acts in accordance with the regulations that regulate this area,
- p) which refer to the regulation of the right to use public goods and energy facilities, i.e. the performance of activities, all in accordance with the regulations on concession awarding,
- q) relating to the mode of operation of power plants in the basin.

Article 29

(Additional license conditions for the performance of activities of distribution and control of the distribution system of electricity)

In addition to the conditions specified in Article 27, the following additional conditions are included in the conditions of the license for the performance of activities of distribution and control of the distribution system of electricity:

- a) related to the management, maintenance and development of the distribution system in terms of ensuring the long-term ability of the distribution system to meet the real needs for the distribution of electricity, in an economically appropriate manner,
- b) by which the operator of the distribution system, which is part of a vertically integrated entity, continuously ensures independence in terms of legal form, organization and decision-making in relation to other activities that are not related to distribution, in accordance with the Law on Electricity,
- c) in connection with keeping accounting records, and the obligation to apply the Unified Regulatory Chart of Accounts, all for the sake of efficient regulation of prices and tariffs,
- d) in terms of the obligation to perform a public service,
- e) relating to the connection of facilities of users of the distribution system, in accordance with the law, by-laws, technical regulations and standards,
- f) relating to access and use of the distribution system,
- g) related to the calculation and collection of fees for the use of the distribution system, fees for connection, fees based on the provision of non-standard services and fees based on calculated unauthorized consumption,
- h) which refer to the obligation to develop development and investment plans in the distribution system,
- i) in connection with the balance of electricity and power in the distribution system,
- j) which refer to ensuring the compliance of the distribution system plant with the transmission system, and the connected facilities of the distribution system user,
- k) in connection with the control of the production of electricity from renewable sources and in efficient cogeneration, in accordance with the regulations, taking into account the technical limitations of the power system,
- l) relating to the application of distribution network rules,
- m) regarding the creation of standard load profiles of end customers,
- n) related to monitoring and taking measures to reduce distribution losses of electricity, as well as planning and procurement of electricity to cover losses of electricity in the distribution system,
- o) relating to balancing and the obligation to maintain a register of balancing groups on the retail electricity market,
- p) which refer to the control of the correctness of the connection and the measuring point and the reliability and correctness of electricity measurement at the point of handover with users of the distribution system and internal measuring points of producers connected to the distribution system,
- q) which are imposed on the obligation to introduce advanced measurement systems,
- r) relating to databases and the obligation to record and store data, including data on end customers and their suppliers for all delivery locations,
- s) which refer to the obligation to submit data to competent entities about the readings of electricity meters at the point of handover with users of the distribution system and internal measuring points of producers connected to the distribution system,
- t) regarding the introduction of rules for electronic data exchange on the retail electricity market and the application of information security measures,
- u) that information on the possibility of using the distribution network and free power reserves by substations is available to the public via the website and the service center on a special WEB GIS platform adapted for those needs,
- v) regarding the quality of electricity supply,
- w) in terms of security of electricity supply,

- x) regarding the regulation of relations regarding the use and management of closed distribution systems,
- y) in terms of connection and arrangement of places for charging electric vehicles,
- z) relating to the change of supplier and the status of small customers in accordance with the provisions of the law,
- aa) in connection with interruptions, suspensions and restrictions on the supply of electricity in accordance with the Law on Electricity and the General Conditions for the Delivery and Supply of Electricity,
- bb) relating to the improvement of energy efficiency,
- cc) relating to the obligation to protect the environment,
- dd) relating to the financial and technical ability to dismantle and/or remove all waste and to close and/or remove all distribution facilities in accordance with the technical requirements and principles of environmental protection or the end of the life of the facility or part of the facility and in other similar cases that violate the principles of environmental protection,
- ee) relating to obligations regarding the operation of the service center,
- ff) relating to the rights to use public goods and energy facilities, i.e. to perform activities, all in accordance with the regulations on granting concessions.

Article 30

(Additional license conditions for the performance of activities of distribution and control of a closed distribution system of electricity)

In addition to the conditions specified in Article 27, the following additional conditions are included in the conditions of the permit for the performance of activities of distribution and management of a closed distribution system of electricity:

- a) relating to the operation, control and maintenance of the distribution network in a closed distribution system,
- b) relating to the connection of closed distribution system users,
- c) relating to access to a closed distribution system,
- d) regarding the fulfillment of rational requirements for increasing the power of the system,
- e) relating to the application of the rules on the operation of a closed distribution system,
- f) which refer to the obligation to prepare an investment plan for a closed distribution system,
- g) regarding the determination, adoption and application of tariffs for the use of a closed distribution system,
- h) regarding the obligation to keep separate accounts for the activity of electricity distribution and management of a closed distribution system,
- i) related to prevention and taking measures to reduce electricity losses, as well as planning and procurement of electricity to cover electricity losses in a closed distribution system,
- j) which refer to the obligation of correctness and reliability of electricity measurement at the points of handover with users of the closed distribution system.
- k) relating to the obligation to provide information to energy entities and users of the distribution system,
- l) regarding cooperation with the system operator to whose network it is connected,
- m) which refer to the obligation to deliver data to the supplier for customers within the closed distribution system, based on measured values or calculated based on the consumption profile,
- n) relating to the change of supplier and the status of small customers in accordance with the provisions of the law,
- o) regarding the undertaking of prescribed security measures,

- p) relating to measures to increase energy efficiency and environmental protection.

Article 31
(Additional conditions for the license to perform activities
of electricity supply and trade)

- (1) In addition to the conditions specified in Article 27, the following additional conditions are included in the conditions of the license for the performance of electricity supply and trade activities:
- a) that the licensee is obliged to ensure in a transparent and appropriate manner the accounting separation between the activities of electricity supply and trade as a separate business segment and other activities performed as a single legal entity,
 - b) which refer to the obligation to conclude an electricity supply contract with each end customer in accordance with the Law on Electricity,
 - c) which refer to the obligation to calculate and invoice electricity and the services it provides in accordance with the law and the concluded contract,
 - d) which refer to the obligation that the invoice for the delivered electricity contains a separately stated price of electricity, costs for using the system, fees prescribed by law, taxes and other obligations, and other important information in accordance with the law,
 - e) to treat customers in a fair and non-discriminatory manner,
 - f) which refer to obligations regarding informing and notifying the customer,
 - g) which refer to the obligation of the licensee to regulate the access and use of the distribution and transmission network for its customers, including system services at regulated tariffs (unless otherwise defined in the supply contract),
 - h) relating to the change of supplier and the status of small customers in accordance with the provisions of the law and secondary legislation,
 - i) regarding compliance with concluded contracts,
 - j) in terms of providing the end customer with different payment methods,
 - k) which refer to the obligation of the licensee to undertake all necessary measures within the framework of supply activities to ensure satisfactory quality and safety of electricity supply,
 - l) which refer to the obligation to take over electricity produced from renewable energy sources and in efficient cogeneration,
 - m) which refer to the obligation to procure the necessary quantities of electricity for the supply of customers,
 - n) in terms of data exchange with system operators and application of information security measures,
 - o) related to the improvement of the quality of performance of activities and compliance with applicable technical regulations and standards, commercial and other rules related to supply and trade, including, but not limited to, the General Conditions for the Delivery and Supply of Electricity,
 - p) which refer to the need for compliance of the reports for the Regulatory Commission by the licensee in connection with the delivery (transmission) of electricity through the transmission and distribution system with the reports of the system operator,
 - q) relating to obligations regarding the charging of electric vehicles,
 - r) related to interruptions, suspensions and restrictions on the supply of electricity in accordance with the Law on Electricity and the General Terms and Conditions for Electricity Delivery and Supply.

- (2) In addition to the conditions specified in paragraph (1) of this article, if the user of the license for the performance of electricity supply and trade activities provides the service of public electricity supply, the following conditions are also included in the license conditions:
- a) which refer to the obligation to provide public electricity supply services to small customers and households that have not chosen a supplier on the market,
 - b) which refer to the obligation to keep separate accounts for the supply of end customers who are supplied in the public supply system,
 - c) which refer to the obligation to procure the necessary amounts of electricity in the manner and under the conditions prescribed by the Law on Electricity, with the aim of ensuring a regular and safe supply of electricity to end customers who have the right to public supply.
 - d) relating to the determination, approval and application of the price of public supply,
 - e) regarding the supply of an energy protected customer.
- (3) In addition to the conditions specified in paragraph (1) of this article, if the licensee for the performance of electricity supply and trade activities provides a backup supply service, the following conditions are included in the license conditions:
- a) relating to the obligation to supply customers with electricity, except for customers from the category of households and small customers, as a backup supplier, in accordance with the Law on Electricity,
 - b) which refer to the application of the determined price of electricity for supply of last resort.

CHAPTER II - PERMITS FOR PERFORMING ACTIVITIES IN THE NATURAL GAS SECTOR

SECTION A. Necessary documents to be attached to the application for the issuance of a license to perform activities

Article 32 (Common documents)

The following documents must be attached to the application for a license to perform activities in the natural gas sector:

- a) a current extract from the court or other appropriate register,
- b) acts of the competent authorities for the identity number and unique identification number (JIB) of the applicant,
- c) founding act of the company with accompanying contracts or statute,
- d) organizational structure of the applicant (organization scheme), systematization of workplaces, data on the number of employees and their professional qualifications (including data on passed professional exams required for the performance of the activity and the type of employment contract) and the statement of the applicant that it has professionally trained staff to perform required activities or to have concluded contracts with other legal or natural persons who have the professional qualification to perform energy activities,
- e) the applicant's statement and proof of the legal basis for the use of energy facilities, plants, devices and equipment or business premises that are used for the purpose of performing energy activities,
- f) annual and three-year business plans of the applicant,
- g) a set of financial reports for the previous three years, which contains: a report on the financial position (balance sheet), a report on the total result for the period (profit and loss statement), a report on cash flows, a report on changes in capital, notes to the financial report and an

- independent auditor's report or an initial report on the financial position for newly formed entities, i.e. for entrepreneurs business books and business records for the previous three years in accordance with the regulations governing this area,
- h) statement of the applicant and confirmation from commercial banks that the applicant has sufficient own funds or that he has the possibility of borrowing from the bank or the possibility of obtaining bank guarantees for the smooth performance of activities in accordance with development plans,
 - i) statement of the applicant, and confirmations from commercial banks on all open transaction accounts of the applicant and their status (possible blockages and volume of turnover) in the last month before the date of submission of the application,
 - j) credit agreements (debts, loans) with a repayment plan, if the performance of energy activities is financed through loans,
 - k) the certification of the competent authority that the security measure of prohibition or the protective measure of prohibition of calling, activities or duties imposed on the applicant does not last, based on the provisions of the Criminal Code of the Republic of Srpska, i.e. the Law on Misdemeanors of the Republic of Srpska,
 - l) certification of the competent authority that the members of the management and responsible persons of the applicant have not been convicted of criminal offenses or that they have not been imposed a security measure of prohibition or a protective measure of prohibition of the exercise of callings, activities or duties that are connected with the activity for which the request for a permit has been submitted based on provisions of the Criminal Code of the Republic of Srpska, i.e. the Law on Misdemeanors of the Republic of Srpska,
 - m) a certificate from the competent court that the applicant is not subject to bankruptcy or liquidation proceedings, if the applicant is a legal entity,
 - n) certificate of the competent authority on settled tax obligations,
 - o) proof of measures (plans and reports) that ensure the quality of service provision,
 - p) proof of payment of the one-off regulatory fee.

Article 33

(Additional documents for carrying out the activities of natural gas production, transportation and control of the natural gas transportation system, distribution and control of the distribution system of natural gas, storage and control of the natural gas storage system, management of the liquefied natural gas plant and management of the compressed natural gas plant)

- (1) With the application for the issuance of a license to carry out the activities of natural gas production, transportation and control of the natural gas transportation system, distribution and control of the distribution system of natural gas, storage and management of the natural gas storage system, management of the liquefied natural gas plant and management of the plant for compressed natural gas, in addition to the documents defined in Article 32, the following documents must also be attached:
 - a) a geographical map of the area where activities from the natural gas sector are carried out/planned, with a schematic representation of the production capacities, facilities for liquefied or compressed natural gas or the gas pipeline system with its surroundings,
 - b) a list of buildings, plants, equipment and devices with technical parameters and with a register of fixed assets from accounting records that are required for the performance of activities and which contains the necessary data on the date of acquisition, date of putting into use, purchase value, correction of value, annual depreciation cost, subsequent assessments, depreciation, fair value,

- revaluation reserve, degree of use with depreciation policy and nomenclature of fixed assets for depreciation calculation,
- c) statement/certificate on insurance of facilities and equipment for the performance of activities,
 - d) usage permits according to regulations in the area of spatial planning and construction,
 - e) environmental permit obtained in accordance with the regulations,
 - f) description of the system of measurement and monitoring of gas quality and delivery quality,
 - g) plans and reports on the maintenance of production capacities, facilities for liquefied or compressed natural gas, i.e. transport, distribution or storage systems in the last three years,
 - h) rules on the operation of the natural gas system,
 - i) contracts and agreements concluded with participants in the natural gas market (except for end customers from the household category), or drafts of these acts if they are in the concluding phase,
 - j) data on users (number and category) whose facilities are connected or have the possibility of being connected to the natural gas system, natural gas production plants or plants for liquefied or compressed natural gas,
 - k) minutes and decisions of the competent inspection authorities and review of activities carried out based on the decisions of the competent authority regarding the technical correctness of the system (technical inspection, occupational safety, fire and explosion protection and environmental protection).
- (2) In addition to the documents defined in paragraph (1) of this article, the following documents must be attached to the request for the issuance of a permit for the performance of transportation activities and management of the natural gas transportation system:
- a) a concession contract in accordance with the regulations on granting a concession or a legal act entrusting the performance of energy activity as an activity of general interest,
 - b) natural gas transport system operator certificate issued by the Regulatory Commission, in accordance with the Law on Gas and regulations of the Regulatory Commission,
 - c) standard contracts for connection and access to the natural gas transport system.
- (3) In addition to the documents defined in paragraph (1) of this article, the following documents must also be attached to the request for the issuance of a license to carry out activities of distribution and management of the natural gas distribution system:
- a) evidence of the completed separation of the distribution system operator, which is part of a vertically integrated entity and to whose system more than 100,000 end customers are connected, and which ensures independence in terms of legal form, organization and decision-making in relation to other activities that are not related to distribution activity, in accordance with the Gas Law,
 - b) a concession contract in accordance with the regulations on granting a concession or a legal act entrusting the performance of energy activities as an activity of general interest,
 - c) standard contracts for connection and access to the natural gas distribution system;
- (4) In addition to the documents defined in paragraph (1) of this article, the following documents must also be attached to the request for the issuance of a license for carrying out activities of storage and management of the natural gas storage system:
- a) evidence that the storage operator, which is a part of a vertically integrated entity, has ensured independence in terms of legal form, organization and decision-making in relation to other activities that are not related to the activity of transport and management of the transport system, distribution and management of the distribution system and storage, in accordance with the Gas Law,
 - b) a concession contract in accordance with the regulations on granting concessions or a legal act entrusting the performance of energy activities as an activity of general interest.

- (5) In addition to the documents defined in paragraph (1) of this article, a decision on determining the obligation to provide a public service to the operator of a liquefied natural gas plant, if that is the case, must be attached to the request for the issuance of a license to perform the activities of managing a liquefied natural gas plant.
- (6) In addition to the documents defined in paragraph (1) of this article, a decision on the obligation to provide public service to the operator of a compressed natural gas plant, if that is the case, must be attached to the request for the issuance of a permit for the management of a compressed natural gas plant.
- (7) The applicant for the issuance of a license for the activity of transportation and control of the transportation system for natural gas, to whom a certificate was issued by the Regulatory Commission, when submitting the application for the issuance of the license, is not obliged to re-submit the documentation that he submitted in the procedure for issuing the certificate, except for documentation that is limited in time.

Article 34
(Additional documents for performing activities
trade and supply of natural gas)

In addition to the documents defined in Article 32, the following documents must be attached to the request for the issuance of a license for trading and supply of natural gas:

- a) a list of fixed assets and a detailed description of the information and communication technologies used to perform activities (software, hardware and communications),
- b) general conditions of natural gas supply,
- c) planned number of customers,
- d) intended annual volume:
 - 1) supply of natural gas and
 - 2) trade in natural gas,
- e) description of the method of monitoring the quality of delivered natural gas,
- f) forms of standard contracts on the supply of end customers with natural gas,
- g) the decision of the Government of the Republic of Srpska on the designation of a supplier with a public service obligation (public supplier), if that is the case,
- h) the decision of the Government of the Republic of Srpska on the appointment of a supplier of last resort (reserve supplier), if that is the case.

SECTION B. Criteria for making a decision on issuing a license for activities in the natural gas sector

Article 35.
(Common criteria for making a decision on issuing a license to perform activities in the natural gas
sector)

A license to perform activities in the natural gas sector is issued to an applicant who proves:

- a) that he is registered for performing energy activities for which a license is issued,
- b) that it meets the technical requirements for the performance of activities and that the facilities and devices, installations or facilities that it manages, which are necessary for the performance of energy activities, meet the conditions and requirements, that they are suitable for use, as well as that they meet the conditions and requirements established by technical regulations, regulations on energy efficiency, fire and explosion protection and regulations on environmental protection,

- c) that he meets the prescribed criteria related to the professional competence of employees to perform the tasks of technical management, operation and maintenance of energy facilities, devices and plants in the natural gas sector or that he has concluded contracts with legal or physical persons for the performance of these tasks, who meet conditions of professional qualification,
- d) to have proof of the legal basis for the use of energy facilities in the natural gas sector in which the activity is carried out,
- e) to properly settle tax obligations,
- f) that he has the financial means necessary to perform the activity or proves that he can provide those funds,
- g) that his license to perform any activity in the natural gas sector has not been revoked in the previous five years from the date of submission of the application (unless the license was revoked at his request), nor has he been imposed a measure prohibiting the performance of economic activity,
- h) that the members of the management and responsible persons have not been convicted of criminal offenses or have not been imposed a protective measure prohibiting them from performing activities or duties related to the activity for which the permit is issued,
- i) to adopt measures necessary to ensure the quality of service provision prescribed by the Gas Law.

Article 36

(Additional criteria for making a decision on issuing a license for the performance of transport activities and management of the natural gas transport system)

A license for carrying out activities of transport and control of the natural gas transport system is issued to the applicant, who, in addition to the criteria defined in Article 35, proves that:

- a) performed the certification of the operator of the natural gas transport system, i.e. obtained a certificate issued by the Regulatory Commission, in accordance with the Law on Gas and the regulations of the Regulatory Commission,
- b) adopted the rules of operation of the transport system, with the approval of the Regulatory Commission,
- c) established a system for measuring and recording transported quantities of natural gas.

Article 37

(Additional criteria for making a decision on issuing a license for the performance of activities of distribution and control of the distribution system of natural gas)

A license to carry out activities of distribution and control of the distribution system of natural gas is issued to the applicant, who, in addition to the criteria defined in Article 35, proves that:

- a) the operator of the distribution system, which is part of a vertically integrated entity and to whose system more than 100,000 end customers are connected, has ensured independence in terms of legal form, organization and decision-making in relation to other activities that are not related to the activity of distribution, which is ensured as follows:
 - 1) that the persons who are responsible for the management of the distribution system operator are not allowed to participate in the management bodies of the vertically integrated entity that are directly or indirectly responsible for the activity of production, transport or supply of natural gas,

- 2) by taking measures that ensure that the professional interests of the persons responsible for the distribution system operator control are taken into account in a way that ensures their independence in work,
 - 3) that the operator of the distribution system makes decisions independently of the vertically integrated entity, on the issue of funds required for the operation, maintenance and development of the distribution system,
 - 4) that the operator of the distribution system is obliged to have employees and to dispose of the financial, material and technical means necessary to fulfill the duties prescribed by the Gas Law,
 - 5) that the independence of the distribution system operator does not affect the right of the vertically integrated entity to approve the operator's annual financial plan and set the limits of its indebtedness,
 - 6) that the vertically integrated entity cannot influence the work and operations, nor influence the decisions related to the construction or development of the system of the distribution system operator,
 - 7) the operator of the distribution system independently makes decisions about current operations, that is, decisions about the construction or improvement of the distribution system if they are within the framework of the approved financial plan,
 - 8) that the operator of the distribution system is obliged to adopt a program of non-discriminatory behavior, which contains measures and a way of monitoring its compliance and the obligations of employees to achieve the set goals, whereby the Regulatory Commission may request changes to this program based on the report,
 - 9) that the operator of the distribution system that is part of a vertically integrated entity is obliged to make a difference in its communications and its business name when it comes to its identity in relation to the energy entity that deals with the supply of natural gas in the same vertically integrated entity.
- b) passed rules on the operation of the distribution system, with the approval of the Regulatory Commission,
 - c) established a system of measuring and recording the distributed quantities of natural gas at the transfer points.

Article 38

(Additional criteria for making a decision on issuing a license for storage and management of a natural gas storage system)

A license to carry out activities of storage and management of a natural gas storage system is issued to the applicant, who, in addition to the criteria defined in Article 35, proves that:

- a) the storage operator, which is a part of a vertically integrated entity, has ensured independence in terms of legal form, organization and decision-making in relation to other activities that are not related to the activity of transport and management of the transport system, distribution and management of the distribution system and storage, which is ensured as follows:
 - 1) that the persons responsible for the management of the storage operator are not allowed to participate in the management bodies of the vertically integrated entity that are directly or indirectly responsible for the activity of production, transportation, distribution or supply of natural gas,
 - 2) by taking measures that ensure that the professional interests of the persons responsible for the management of the storage operator are taken into account in a way that ensures their independence in work,

- 3) that the storage operator makes decisions, independently of the vertically integrated entity, on the issue of funds needed for the operation, maintenance and development of the storage,
- 4) to enable the vertically integrated entity to approve the operator's annual financial plan,
- 5) that a vertically integrated entity cannot influence work and operations, nor influence decisions related to the construction or development of storage,
- 6) the storage operator independently makes decisions about current operations, i.e. decisions about the construction or improvement of the storage, if they are within the framework of the approved financial plan,
- 7) that the storage operator is obliged to adopt a program of non-discriminatory behavior, which contains measures to prevent discriminatory behavior, the method of monitoring its compliance and the obligations of employees to achieve the set goals,
- b) established a system for measuring and recording natural gas quantities.

Article 39

(Additional criteria for making a decision on issuing a license for trading and supplying natural gas)

A license for trading and supply of natural gas is issued to the applicant who, in addition to the criteria defined in Article 35, proves that:

- a) adopted general conditions of supply, with the consent of the Regulatory Commission,
- b) has a system for recording delivered quantities, accounting, issuing invoices, billing and monitoring the parameters of delivered natural gas.

SECTION V. License requirements for carrying out activities in the natural gas sector

Article 40

(Common conditions of licenses for activities in the natural gas sector)

Licenses for activities in the natural gas sector include the following conditions:

- a) which ensure constant fulfillment of the criteria for issuing a permit, specified in articles 35-39 of this rulebook, depending on the energy activity,
- b) which require full compliance with other laws and regulations,
- c) by which the user of the license is obliged to comply with the regulations related to the performance of activities of general interest,
- d) which ensure the financial stability of the license holder for the purpose of performing the activity for which the license is requested,
- e) to acquire, maintain and improve the means necessary for the performance of activities,
- f) by which the licensee undertakes to regulate relations with other participants in the natural gas market in order to ensure quality and safe supply of customers, safe functioning of the system and long-term ability of the system to respond to the needs for performing activities,
- g) by which the licensee is obliged to ensure the separation of activities from other activities in which the license holder is engaged,
- h) which prohibit the licensee from cross-subsidizing activities,
- i) which regulate the transparent and separate keeping of accounting records and access to accounting records to authorized persons and the disclosure of information required for the execution of the competence of the Regulatory Commission,

- j) by which the licensee undertakes to prepare its financial statements in accordance with International Accounting Standards, International Financial Reporting Standards and the rules of the Regulatory Commission,
- k) which prohibit the abandonment or modification of the activity for which the license was issued, without the prior approval of the Regulatory Commission,
- l) which define the method of reporting and submitting data and information to the Regulatory Commission,
- m) which prevent the misuse of commercial information and ensure the secrecy of confidential business data received from third parties,
- n) which refer to the obligation to, within the scope of their activities, plan and undertake measures for a safe supply of natural gas in accordance with the regulation on the conditions of delivery and supply of natural gas in the event of disruptions in the operation of the energy system or disruptions in the market and the emergency plan situations,
- o) relating to the resolution of disputes and complaints,
- p) which refer to the obligations regarding the payment of the regulatory fee for the period of validity of the permit,
- q) or any other conditions determined by the provisions of the Law on Energy, the Law on Gas or regulations of the Regulatory Commission.

Article 41

(Additional conditions of the license for carrying out activities of transport and control of the natural gas transport system)

In addition to the conditions specified in Article 40, the following additional conditions are included in the conditions of the license for the performance of transport activities and control of the natural gas transport system:

- a) to carry out activities under economic conditions, maintain and develop a safe, reliable and efficient transport system in order to ensure an open market, while protecting the environment, and ensure adequate means to fulfill the obligations of providing services,
- b) which refer to the separation and independence of the transport system operator, i.e. the fulfillment of the criteria for the certification of the natural gas transport system operator, in accordance with the Law on Gas and the regulations of the Regulatory Commission,
- c) which ensures a non-discriminatory attitude towards all users of the system,
- d) to provide other system operators with sufficient information to ensure the safe and efficient operation of interconnected systems,
- e) related to the rules on the operation of the transport system,
- f) related to the rules on connection to the transport system,
- g) related to the rules on access and use of the transport system,
- h) related to capacity allocation and congestion management and capacity trading,
- i) relating to the preparation and adoption of a ten-year development plan, with the approval of the Regulatory Commission, which provides minimum standards for the maintenance and development of the transport system, including interconnection capacity, and to adhere to the plan,
- j) related to the construction of sufficient cross-border capacity in order to integrate the European transport infrastructure, while taking into account the security of natural gas supply,
- k) to acquire natural gas that it uses to carry out its activities in accordance with transparent, non-discriminatory and competitive procedures,

- l) based on the methodology and tariff system of the Regulatory Commission, determine the prices for transportation and control of the natural gas transportation system, obtain the approval of the Regulatory Commission on those prices, and publish them before the start of application and apply them,
- m) to determine the fees for connection to the natural gas transport system based on the methodology of the Regulatory Commission, to obtain the approval of the Regulatory Commission on the fees, and to publish them before the start of application and to apply them,
- n) in accordance with the methodology of the Regulatory Commission to enact balancing rules and fees for the imbalance of the natural gas transport system, to obtain the approval of the Regulatory Commission on the fees, and to publish them before the start of application and to apply them,
- o) to exchange technical and measurement data and other essential information required for the operation, management and development of the transport system with operators of interconnected transport systems, operators of distribution systems and customers who are directly connected to the transport system,
- p) to improve the cooperation of transport system operators at the regional level, including cross-border issues, in cooperation with the Regulatory Commission,
- q) to sign agreements with operators of neighboring systems on system interoperability and data exchange at interconnection points,
- r) to publish on its website information related to the services it provides and the conditions that apply, together with tariffs, fees, technical and other information necessary for users of the system,
- s) related to the construction of direct gas pipelines,
- t) related to exemptions for new interconnectors and take-or-pay obligations,
- u) which refer to the regulation of the right to use public goods and energy facilities, i.e. the performance of activities, all in accordance with the regulations on concession awarding,
- v) to implement and continuously supervise the adopted environmental protection measures, occupational safety measures, fire and explosion protection measures, in accordance with the regulations in those areas,
- w) to manage and maintain measuring and test equipment in accordance with valid regulations on verification and compliance.

Article 42

(Additional conditions of the license for the performance of activities of distribution and control of the distribution system of natural gas)

In addition to the conditions specified in Article 40, the following additional conditions are included in the conditions of the license for the performance of activities of distribution and control of the distribution system of natural gas:

- a) relating to the safe, reliable and secure operation of the natural gas distribution system and the quality of natural gas delivery, the maintenance and development of the distribution system in a certain area, its connection with other systems and to ensure the long-term ability of the distribution system to meet the needs for the distribution of natural gas in an economically justified way and with the application of the principles of environmental protection,
- b) by which the operator of the distribution system, if it is part of a vertically integrated entity and to whose system more than 100,000 end customers are connected, ensures independence in terms of legal form, organization and decision-making in relation to other activities that are not related to the activity of distribution, in accordance with by the Gas Law,

- c) which ensures a non-discriminatory attitude towards all users of the system,
- d) relating to communication and information exchange with other system operators in order to ensure the safe and efficient operation of interconnected systems,
- e) related to the rules on the operation of the distribution system,
- f) relating to the rules on connection to the distribution system,
- g) related to the rules on access and use of the distribution system,
- h) that, every three years, with the approval of the Regulatory Commission, it adopts a development and investment plan for a period of ten years, which is updated every year and which is harmonized with the strategy for the development of the energy sector of the Republic of Srpska, the plan for the development of the transport system and the requirements of future users for connection to the natural gas distribution system, and to adhere to it,
- i) that on an annual basis, with the consent of the Regulatory Commission, it adopts and publicly publishes an annual and three-year investment plan, aligned with the needs of users of the natural gas distribution system, a ten-year development plan for the distribution system, an investment plan for the transport system to which it is connected, and spatial planning documents, and adhere to it,
- j) to acquire natural gas that it uses to carry out its activities in accordance with transparent, non-discriminatory and competitive procedures,
- k) to determine prices for distribution and management of the natural gas distribution system based on the methodology and tariff system of the Regulatory Commission, to obtain the approval of the Regulatory Commission on those prices, and to publish them before the start of application and to apply them,
- l) to determine the fees for connection to the natural gas distribution system based on the methodology of the Regulatory Commission, to obtain the approval of the Regulatory Commission on the fees, and to publish them before the start of application and to apply them,
- m) to exchange technical and measurement data and other important information required for the operation, management and development of the distribution system with operators of the transport system and other operators of the distribution system,
- n) relating to the construction of direct gas pipelines,
- o) relating to closed distribution systems,
- p) which refer to the regulation of the right to use public goods and energy facilities, i.e. the performance of activities, all in accordance with the regulations on concession awarding,
- q) to implement and continuously supervise the adopted environmental protection measures, occupational safety measures, fire and explosion protection measures, in accordance with the regulations in those areas,
- r) to publish on its website information related to the services it provides and the conditions that apply, together with tariffs, fees, technical and other information necessary for users of the system,
- s) to manage and maintain measuring and testing equipment in accordance with valid regulations on verification and compliance,
- t) which refer to the preparation of the annual work report.

Article 43

(Additional license conditions for storage and control of the natural gas storage system)

In addition to the conditions specified in Article 40, the following additional conditions are included in the conditions of the license for carrying out activities of storage and control of the natural gas storage system:

- a) related to the management, maintenance and development of safe, reliable and efficient storage capacity, ensuring environmental protection, and ensuring adequate funds to fulfill their obligations,
- b) by which the warehouse operator, if it is part of a vertically integrated entity, ensures independence in terms of legal form, organization and decision-making in relation to other activities that are not related to the activity of transport and management of the transport system, distribution and management of the distribution system and storage, in accordance with by the Gas Law,
- c) which ensures a non-discriminatory attitude towards all users of the warehouse,
- d) to provide all other system operators with sufficient information to ensure that the transportation and storage of natural gas takes place in a manner that is compatible with the safe and efficient operation of the technically interconnected system,
- e) that he is obliged to provide system users with all the information they need for efficient access to the storage,
- f) that he is obliged to keep all information for a period of five years and to make it available to the Regulatory Commission and other competent authorities, institutions and bodies of the Republic, as well as to the Secretariat of the Energy Community, in accordance with the Gas Law,
- g) that he is obliged to allow trade in storage capacities and facilitate such trade, in a non-discriminatory and transparent manner,
- h) that he is obliged to determine the contract model and procedures for the use of warehouses, i.e. storage capacities on the primary market,
- i) that he is obliged to facilitate capacity trading on the secondary market,
- j) related to the rules on access and use of the warehouse,
- k) on the basis of the methodology and tariff system of the Regulatory Commission, to determine the prices for access and use of warehouses, to obtain the approval of the Regulatory Commission on those prices, and to publish them before the start of application and to apply them,
- l) related to capacity allocation and congestion management,
- m) which refer to the regulation of the right to use public goods and energy facilities, i.e. the performance of activities, all in accordance with the regulations on concession awarding,
- n) to implement and continuously monitor adopted environmental protection measures, occupational safety measures, fire and explosion protection measures, in accordance with the regulations in those areas,
- o) to manage and maintain measuring and testing equipment in accordance with valid regulations on verification and compliance.

Article 44

(Additional conditions for a license to perform the activities of managing a liquefied natural gas facility or a license to perform the activities of managing a compressed natural gas facility)

In addition to the conditions specified in Article 40, the following additional conditions may be included in the conditions of a license to perform the activities of managing a liquefied natural gas plant or a license to perform the activities of managing a compressed natural gas plant:

- a) which relate to the management, maintenance and development of a safe, reliable and efficient existence for liquefied natural gas or compressed natural gas facilities, ensuring environmental protection, and ensuring adequate means to fulfill their obligations,
- b) which relate to the provision of public service to the operator of a liquefied natural gas facility, i.e. to the operator of a compressed natural gas facility, if he is assigned the obligation to provide a public service,

- c) which relate to ensuring the independence of the operator of the liquefied natural gas plant or the operator of the compressed natural gas plant, if it is part of a vertically integrated entity, in case it is assigned the obligation to provide a public service,
- d) to provide all system operators with sufficient information to ensure that the liquefaction or compression of natural gas takes place in a manner that is compatible with the safe and efficient operation of technically interconnected systems,
- e) to implement and continuously monitor the adopted environmental protection measures, occupational safety measures, fire and explosion protection measures, in accordance with the regulations in those areas,
- f) to manage and maintain measuring and testing equipment in accordance with valid regulations on verification and compliance.

Article 45

(Additional conditions of the license for trading and supply of natural gas)

(1) In addition to the conditions specified in Article 40, the following additional conditions are included in the conditions of the license for trading and supplying natural gas:

- a) which refer to the general conditions of natural gas supply,
- b) which refer to the obligation to conclude a supply contract with each end user in accordance with the Gas Law and other regulations governing this area,
- c) that he is obliged to treat customers in a non-discriminatory manner,
- d) that he is obliged to provide customers with all the information they need for the supply of natural gas, in accordance with the Law on Gas, and especially with regard to price changes and other conditions of supply,
- e) which require compliance with the conditions of use of the transport, distribution and storage system, including the tariffs for the use of these systems approved by the Regulatory Commission,
- f) relating to the rules on changing natural gas suppliers,
- g) related to keeping documentation and keeping records of activities under concluded contracts on the natural gas market,
- h) relating to the obligation to procure the necessary quantities of natural gas for the supply of end customers,
- i) by which the licensee undertakes to guarantee the safety of the delivery of the contracted quantities and to ensure the lease of transport, distribution or storage capacities on behalf of the customer,
- j) related to the manner and conditions of providing information and notifications to end customers (call center).

(2) In addition to the conditions specified in paragraph (1) of this article, if the licensee for trading and supply of natural gas supplies natural gas under a public service obligation (public supply), the following conditions are included in the license conditions:

- a) which refer to the obligation to perform the public service of natural gas supply to households that have not chosen a supplier on the market,
- b) which refer to compliance with the rules of natural gas supply in the public service obligation,
- c) based on the methodology and tariff system of the Regulatory Commission, to determine the prices of natural gas for public service obligations, to obtain the approval of the Regulatory Commission on those prices, and to publish them before the start of application and to apply them,
- d) that he is obliged to perform the activity of supply in a reliable manner and in accordance with the prescribed conditions of the quality of supply, in accordance with the public service obligation,

- e) that he is obliged to draw up a standard supply contract with a public service obligation, which regulates the continuous and reliable supply of natural gas to households, with the approval of the Regulatory Commission,
 - f) which refer to the obligation to prepare, adopt, publish and deliver reports on the performance of public service obligations, with the consent of the Regulatory Commission,
 - g) related to compliance with the program of measures for socially disadvantaged customers.
- (3) In addition to the conditions specified in paragraph (1) of this article, if the licensee for trading and supply of natural gas supplies the last resort (supply of last resort) with natural gas, the following conditions are included in the license conditions:
- a) which refer to compliance with the rules on the work of the supplier of last resort (supplier of last resort),
 - b) on the basis of the methodology and tariff system of the Regulatory Commission, to determine the prices of natural gas for the supply of the last resort (reserve supply), to obtain the approval of the Regulatory Commission on those prices, and to publish them before the start of application and to apply them,
 - c) which refer to the obligation to prepare, adopt, publish and deliver reports on the supply activities of the last resort (supply of last resort).

CHAPTER III – LICENSES FOR PERFORMING ACTIVITIES IN THE OIL AND OIL DERIVATIVES SECTOR

SECTION A. Necessary documents to be attached to the application for the issuance of a license to perform activities

Article 46 (Common documents)

- (1) The following documents must be attached to the application for the issuance of a license to perform activities in the oil and oil derivatives sector:
- a) a current extract from the court or other appropriate register,
 - b) acts of the competent authorities for the identity number and unique identification number (JIB) of the applicant,
 - c) founding act of the company with accompanying contracts or statute,
 - d) a representation of the area, in a suitable scale with the designated objects, on which activity from the oil and oil derivatives sector is carried out with a schematic representation of the oil system with its surroundings,
 - e) the applicant's organizational structure (organizational chart), systematization of jobs, data on the number of employees and their professional qualifications (including data on passed professional exams required for the performance of the activity and type of employment contract) and the applicant's statement that it has professionally trained staff to perform required activities or concluded contracts with other legal or natural persons who have professional qualifications for performing energy activities,
 - f) a statement that he has facilities, installations and equipment that he can use, put into operation for the performance of energy activities or concluded contracts with other legal or natural persons that have an impact on technical qualification,
 - g) annual and three-year business plans of the applicant,
 - h) description of the measurement system and records of measuring devices at the transmission points,

- i) in connection with monitoring the quality of oil, i.e. oil derivatives in accordance with regulations,
 - j) a set of financial reports for the previous three years, which contains: a report on the financial position (balance sheet), a report on the total result for the period (income statement), a report on cash flows, a report on changes in capital, notes to the financial report and an independent auditor's report or an initial report on the financial position for newly formed entities,
 - k) the statement of the applicant and confirmation from commercial banks that the applicant has sufficient own funds or has the possibility of borrowing money from the bank or the possibility of obtaining bank guarantees for the smooth performance of activities in accordance with the development plans,
 - l) statement of the applicant, and confirmations from commercial banks on all open transaction accounts of the applicant and their status (possible blockages and volume of turnover) in the last month before the date of submission of the application,
 - m) loan agreements (debts, loans) with a repayment plan, if the performance of energy activities is financed through loans,
 - n) the certification of the competent authority that the security measure of prohibition or the protective measure of prohibition of the calling, activity or duty for which the issuance of a license is required does not last for the applicant and his legal representative, based on the provisions of the Criminal Code of the Republic of Srpska, i.e. the Law on Misdemeanors of the Republic of Srpska,
 - o) certificate of the competent court that the applicant is not subject to bankruptcy or liquidation proceedings,
 - p) a list of buildings, plants, equipment and devices with technical parameters, and for the activities of oil transportation by pipelines and transportation of oil derivatives by product pipelines and a register of fixed assets from the accounting records that are required for the performance of the activity, which contains the necessary data on the date of acquisition, the date of placement in use, purchase value, value adjustment, annual depreciation expense, subsequent assessments, impairment, fair value, revaluation reserve if applicable, degree of wear and tear with depreciation policy and nomenclature for calculating depreciation,
 - q) statement/certificate on insurance of facilities and equipment for the performance of activities,
 - r) occupancy permits according to the laws in the field of spatial planning and construction or a certified photocopy, and exceptionally, in the case of impossibility of obtaining the original document, a photocopy of the occupancy permit can be submitted, along with a statement from an authorized person on the reasons for the impossibility of their delivery,
 - s) environmental permit obtained in accordance with regulations,
 - t) concession agreement, where applicable,
 - u) plans and reports on the maintenance of the production/transportation/storage system in the last three years,
 - v) minutes and decisions of the competent inspection authorities and review of activities carried out based on the decision of the competent authority regarding the technical correctness of the system (safety at work, fire and explosion protection and environmental protection) in the period of 12 months before the date of submission of the application for issuing a permit,
 - w) valid operating rules for the transportation or storage of oil and oil derivatives,
 - x) proof of payment of the one-time regulatory fee.
- (2) The applicant for the issuance of a license for the production of oil derivatives, who performs the activity of production of oil derivatives as a production contractor, in the sense of area C, class 19 of the Regulation on the classification of activities of the Republic of Srpska, is not obliged to attach the documents from point g), h), 0), p), q), r), s), t) and u) of paragraph (1) of this article,

but is obliged to submit contracts concluded with a producer of oil derivatives that has a license in accordance with the regulations in the Republic of Srpska.

SECTION B. Criteria for making a decision on issuing a license to carry out activities in the oil and oil derivatives sector

Article 47

(Common criteria for making a decision on issuing a license to carry out activities in the oil and oil derivatives sector)

- (1) A license to perform activities in the oil and oil derivatives sector is issued to an applicant who proves:
 - a) that he has registered the performance of the activity for which he is applying for a permit in the appropriate register,
 - b) to own material resources, i.e. buildings, installations and equipment, necessary for the performance of activities,
 - c) that the employment relationship has the required number of workers with appropriate professional education and qualifications with authorizations to perform activities in accordance with the regulations, and who are organized into work units and in charge of clearly specified tasks in a way that ensures the performance of activities for which the license is issued (including data on passed professional exams required for performing activities),
 - d) that if he does not have his own resources to meet the criteria from point b) and c) of this article, he has concluded contracts with other legal or natural persons that ensure the applicant's technical and professional qualification for performing activities,
 - e) to have general acts, rules, procedures and management, operation and maintenance plans in accordance with laws, technical regulations and standards,
 - f) that the applicant's license to perform the same activity has not been revoked in the last five years prior to submitting the application, if applicable,
 - g) that the security measure of prohibition or the protective measure of prohibition of the calling, activity or duty for which the issuance of a permit is requested does not last for the applicant and his legal representative,
 - h) that, on the basis of the attached documents, it can be assessed that he has the financial ability to pay obligations (solvency) to perform the activity for which the permit is issued,
 - i) to ensure reliable, efficient and safe functioning of the system while applying the principles of environmental protection, fire and explosion protection, occupational safety in accordance with the regulations in these areas,
 - j) that an efficient system for recording the produced quantities of oil derivatives/transported quantities of oil and oil derivatives/stored quantities of oil i.e. oil derivatives has been established and that it has correct, harmonized and traceable measurements at the transfer points of the oil pipeline or product pipeline/storage system.
- (2) The applicant for the issuance of a license for the production of oil derivatives, who performs the activity of production of oil derivatives as a production contractor, in the sense of area C, class 19 of the Regulation on the classification of activities of the Republic of Srpska, is obliged to fulfill the criteria from paragraph (1) of this article, and for the criterion from point g), he is obliged to conclude contracts with a producer of oil derivatives that has a license in accordance with the regulations in the Republic of Srpska.

SECTION V. Conditions of licenses for carrying out activities in the oil and oil derivatives sector

Article 48

(Common conditions of licenses for performing activities in the oil and oil derivatives sector)

The following conditions may be included in licenses for activities in the oil and oil derivatives sector:

- a) which ensure constant fulfillment of the criteria for issuing a permit, specified in Article 47 of this rulebook,
- b) by which the user of the license is obliged to comply with the regulations related to the performance of activities of general interest (if the activity is of general interest),
- c) which require full compliance with all other laws and regulations,
- d) which ensure the financial stability of the licensee for the purpose of carrying out activities,
- e) to acquire, maintain and improve the means necessary for the performance of activities,
- f) to implement and continuously monitor the adopted measures that fulfill the obligations of environmental protection and ensure permanent control of the impact on the environment in accordance with the conditions of the environmental permit and laws in the field of environmental protection,
- g) which regulate the rights of ownership or use of land, plants and facilities for the purpose of performing activities,
- h) by which the user of the license undertakes to regulate relations with participants in the market of oil and oil derivatives and adhere to the contractual obligations in order to ensure the quality and safe performance of activities,
- i) relating to compliance with the rules on how to submit a complaint to the Regulatory Commission,
- j) to manage and maintain facilities, measuring and testing equipment in accordance with valid regulations on verification and compliance,
- k) that it is financially and technically capable of managing the risks of potential hazards caused by damage to the system (management of facilities, installations and equipment), and/or removing all malfunctions/damages and closing endangered facilities/installations in accordance with technical requirements, regulations and the principles of protection of people, facilities, installations, equipment and the environment,
- l) which provide the representatives of the Regulatory Commission with access to information and accounting records necessary for the execution of the Regulatory Commission's competence,
- m) by which the licensee undertakes to prepare its financial statements in accordance with International Accounting Standards, International Financial Reporting Standards and the rules of the Regulatory Commission,
- n) which prohibit the abandonment or modification of the activity for which the permit was issued, without the prior approval of the Regulatory Commission,
- o) which define the method of reporting and submitting information to the Regulatory Commission,
- p) which refer to the obligations regarding the payment of the regulatory fee for the period of validity of the permit,
- q) to implement and continuously monitor the adopted occupational safety measures, fire and explosion protection measures, in accordance with the regulations in these areas,
- r) which ensure a non-discriminatory relationship, prevent misuse of commercial information and ensure the protection of trade secrets of participants in the oil and oil derivatives market,
- s) or any other conditions determined by the provisions of the Law on Energy and the Law on Oil and Oil Derivatives or regulations of the Regulatory Commission.

Article 49

(Additional conditions of the license for the production of oil derivatives)

In addition to the conditions specified in Article 48, additional conditions may be included in the conditions of the license for the production of oil derivatives:

- a) which provide operational reserves of petroleum derivatives in accordance with the provisions of the Law on Oil and Oil Derivatives,
- b) which provide an obligation regarding quality assurance of oil derivatives in accordance with current regulations.

Article 50

(Additional license conditions for carrying out the activities of oil transportation by oil pipelines and transportation of oil derivatives by product pipelines)

In addition to the conditions specified in Article 48, additional conditions may be included in the license conditions for carrying out the activities of oil transportation by pipelines and transportation of oil derivatives by product pipelines:

- a) on the basis of the methodology and tariff system of the Regulatory Commission, to determine the prices of transportation of oil and oil derivatives, to obtain the approval of the Regulatory Commission for those prices, and to publish them before the start of application and to apply them,
- b) for which the licensee is obliged to ensure the separation of activities from other activities in which the licensee is engaged,
- c) which relate to the regulation of the right to use public goods and energy facilities, that is, the performance of activities, all in accordance with the regulations on concession awarding.

Article 51

(Additional license conditions for carrying out activities of storage of oil and oil derivatives)

In addition to the conditions specified in Article 48, additional conditions may be included in the conditions of the license for the storage of oil and oil derivatives:

- a) to continuously improve and adhere to the rules of operation of the storage system, based on the principles of publicity and non-discrimination,
- b) that it is financially and technically capable of managing the risks of potential hazards caused by damage to the warehouse and/or removing all malfunctions/damages and closing endangered facilities/installations in accordance with technical requirements, regulations and principles of protection of people, facilities, installations, equipment and environment,
- c) which ensure the storage of oil reserves and oil derivatives in accordance with the provisions of the Law on Oil and Oil Derivatives,
- d) which refer to the regulation of the right to use public goods and energy facilities, i.e. the performance of activities, all in accordance with the regulations on granting concessions.

CHAPTER IV - CONTENTS OF THE LICENSE

Article 52 (License Content)

- (1) A license for the performance of energy activities is issued by a decision, the constituent parts of which are the license and license requirements.
- (2) The license contains the name and address of the user, the user's identity number, registration number, the beginning of validity and the period of validity of the license.
- (3) The conditions of the license consist of:
 - a) general provisions,
 - b) definitions,
 - c) the subject of the license,
 - d) period of validity of the license,
 - e) the rights of the licensee,
 - f) obligations of the licensee,
 - g) monitoring,
 - h) extension, amendment, cancellation and revocation of the permit,
 - i) sanctions,
 - j) communication,
 - l) transitional and final provisions,
 - m) attachments.

CHAPTER V – REGULATORY FEE

Article 53 (Regulatory fee)

- (1) The licensee is obliged to pay the regulatory fee to the Regulatory Commission during the period of the license validity.
- (2) The amount of the regulatory fee is determined by a separate decision of the Regulatory Commission, for each year, in accordance with the budget of the Regulatory Commission adopted by the National Assembly of the Republic of Srpska.

PART FOUR - SPECIAL LICENSING PROCEDURES

Article 54. (Initiation of special proceedings)

The procedure for extending, changing, canceling and revoking the license can be initiated at the request of the licensee or at the initiative of the Regulatory Commission.

Article 55.
(Extension of license)

- (1) The licensee has the right to extend the license after the expiry of the license validity period in the procedure and under the conditions prescribed by this rulebook for the issuance of the license.
- (2) If the licensee intends to continuously perform the activity for which he holds the license, he is obliged to submit a request for the extension of the license using the form for issuing a new license no later than three months before the expiration of the license validity period.

Article 56
(License Change)

- (1) Changes to the license are made at the request of the licensee or at the initiative of the Regulatory Commission.
- (2) The license may be amended, at the request of the licensee, in the following cases:
 - a) changes in connection with energy facilities used for the performance of activities,
 - b) status changes of licensees, as well as other data changes that are important in legal transactions, and are entered in the appropriate register,
 - c) circumstances related to the fulfillment of the conditions of the license.
- (3) The Regulatory Commission, on its own initiative, may initiate the procedure for changing the license in the following cases:
 - a) when extraordinary circumstances occur that affect the security of supply,
 - b) environmental protection needs,
 - c) when the user of the license is required to provide a public service,
 - g) ensuring the reliable operation of the energy facility,
 - d) when, based on the factual situation, he judges that it is necessary to protect the public interest,
 - f) when the user of the permit does not submit a request for amendment of the permit in accordance with paragraph (1) of this article.

Article 57
(Revocation of license)

- (1) The Regulatory Commission may cancel the issued license if the licensee, in the process of issuing, extending or changing the license, provided untrue data, on the basis of which the Regulatory Commission made a final decision or in other cases provided by special regulations.
- (2) By canceling the license, all legal consequences that the license produced are canceled.

Article 58
(Withdrawal of licenses in the electricity sector and the oil and oil derivatives sector)

- (1) The Regulatory Commission may, on the basis of the powers prescribed by the provisions of the law, revoke the issued permit.
- (2) The license revocation procedure is initiated based on the request of the licensee, interested person or competent inspector or on the initiative of the Regulatory Commission.
- (3) The license may be revoked in cases where:

- a) the licensee does not comply with the terms and conditions established by the license,
 - b) the licensee does not perform the activity in accordance with the provisions of the law and other regulations,
 - c) the licensee ceases to perform the activity for which the license was issued,
 - d) the license holder provides incorrect information and data to the Regulatory Commission during the period of validity of the license,
 - e) liquidation or bankruptcy proceedings have been initiated against the user of the permit, the legal basis for using the energy facility has been abolished, or a legally binding judgment has been passed banning the performance of the activity,
 - f) the license holder ceases to fulfill one or more criteria for issuing a license prescribed by law and this rulebook,
 - g) the licensee does not allow authorized persons of the Regulatory Commission direct access to facilities, equipment and documentation,
 - h) the licensee does not comply with the provisions of the concluded contract between the electric power entities with regard to the payment of the prescribed fees, within the agreed terms,
 - i) the licensee does not properly pay the regulatory fee.
- (4) The Regulatory Commission may, during the license revocation procedure, set a reasonable deadline for the elimination of identified deficiencies in connection with the fulfillment of the conditions of the license, which it warns the licensee about in writing.
- (5) If the licensee does not eliminate the deficiencies within the period specified in paragraph (4) of this article, the Regulatory Commission continues the procedure of revocation of the license.

Article 59
(Withdrawal of the license in the natural gas sector)

- (1) The Regulatory Commission may, on the basis of the authorization prescribed by the provisions of the Law on Gas, temporarily or permanently revoke the issued license.
- (2) The license revocation procedure is initiated based on the request of the licensee, interested person or competent inspector or on the initiative of the Regulatory Commission.
- (3) The license may be temporarily revoked from the licensee in cases where:
- a) the licensee does not comply with the terms and conditions established by the license,
 - b) does not perform activities for which a license was issued in the manner prescribed by the Gas Law and this rulebook,
 - c) if, within a period of three months, he does not fulfill his obligations towards other licensees who perform activities in the natural gas sector as a public service,
 - d) liquidation or bankruptcy proceedings have been opened against the licensee, the legal basis for the use of the energy facility has been abolished, or a legally binding judgment has been passed that prohibits the performance of activities,
 - e) the licensee does not allow authorized persons of the Regulatory Commission access to facilities, equipment and documentation,
 - f) the licensee does not properly pay the regulatory fee.
- (4) In the case referred to in paragraph (3) of this article, before deciding on the temporary revocation of the license, the Regulatory Commission issues a written warning to the licensee with a specific deadline in which the licensee is obliged to eliminate the identified irregularities.
- (5) On the temporary revocation of the license referred to in paragraph (3) of this article, the Regulatory Commission issues a decision in which it determines the deadline for eliminating the deficiencies that lead to the temporary revocation of the license, which cannot be longer than 90 days from the date of delivery of the decision.

- (6) The Regulatory Commission permanently revokes the licensee's license to perform activities if the energy entity does not remedy the deficiencies for which the license was temporarily revoked within the time limit set by the decision on temporary license revocation from paragraph (5) of this article.
- (7) Exceptionally from paragraph (6) of this article, and in order to protect the public interest, the Regulatory Commission may, after obtaining the opinion of the ministry responsible for the field of energy and the opinion of the competent inspection, authorize the energy entity to continue with its activities until the conditions for eliminating harmful consequence of the termination of the operation of the energy entity, but not longer than twice the duration of the period specified in paragraph (5) of this article.
- (8) If, by ceasing one of the activities in the natural gas sector, an energy entity whose license has been permanently revoked could threaten the regular and safe supply of natural gas, the life and health of people or cause serious disturbances in the economy, the Government of the Republic of Srpska, in order to protect the public interest, at the proposal of the ministry responsible for the field of energy and in consultation with the Regulatory Commission, it may make a decision authorizing another energy entity that has a license to perform the same activity to perform that activity.
- (9) The decision of the Government from paragraph (8) of this article shall determine the rights and obligations of the energy entity that is designated for the performance of energy activities in a certain area, the time during which it will perform the activity, as well as the rights of the owner of the facility that was used for the performance of the activity of the energy entity whose license was revoked, if there is a need to use the same facility.

Article 60

(Unique application of rules in other procedures)

- (1) The rules of the procedure for issuing a license shall also be applied in the procedure of extending, changing and revoking a license.
- (2) If the application for initiation of the proceedings referred to in paragraph (1) of this Article states facts or submitted evidence on the basis of which the state of affairs can be determined or if that state of affairs can be determined on the basis of commonly known facts or on the basis of official data available to the Regulatory Commission, these procedures can be carried out and decisions made without holding a public hearing.
- (3) The application⁹ for extension, amendment and revocation of the license may be rejected for the reasons prescribed in Article 18 of this rulebook.

PART FIVE - REGISTER/ RECORD OF LICENSES

Article 61.

(Register of licenses)

- (1) The Regulatory Commission keeps a register of issued licenses.
- (2) The license register consists of a record of all submitted applications and a register for each individual license.
- (3) The registry for each license contains:
 - a) an application for the issuance of a permit with attached documentation,
 - b) documentation related to public consideration,

- c) the decision approving or rejecting the request for a permit,
 - d) issued license,
 - e) decision on the extension of the license,
 - f) decision on the amendment of the license,
 - g) decision on the cancellation of the license,
 - h) the decision on license revocation,
 - i) used legal remedy against the decisions of the Regulatory Commission in connection with the issuance of a license, refusal of a request for the issuance of a license, extension, amendment, cancellation or revocation of a license,
 - j) other documentation related to each individual process.
- (4) The Regulatory Commission maintains a collective register of issued licenses in electronic form, which contains:
- a) type of license,
 - b) license registration number,
 - c) the name, headquarters and address of the licensee,
 - d) the date of issuance of the license,
 - e) period of validity of the license,
 - f) dates of decision making,
 - g) date of commencement of public service provision and period of provision.
- (5) Each license issued by the Regulatory Commission is assigned a registration number in accordance with the Rulebook on office and archive operations of the Regulatory Commission and the Decision of the Regulatory Commission on encryption.
- (6) The summary register of issued permits is available on the website of the Regulatory Commission, and inspection can also be done in the premises of the Regulatory Commission.
- (7) The Regulatory Commission keeps a record of submitted applications in electronic form, the resolution of which is in progress, which is available on the website of the Regulatory Commission and which contains:
- a) type of application,
 - b) name, headquarters and address of the applicant,
 - c) date of application submission,
 - d) protocol number,
 - e) request status.

Article 62 (Publishing)

The decision on the issuance, extension, modification, cancellation or revocation of the license is published on the website of the Regulatory Commission, and the dispositive part of the decision in the "Official Gazette of the Republic of Srpska".

PART SIX - MONITORING

Article 63 (Monitoring Terms)

- (1) The Regulatory Commission supervises the use of the license by the licensee.

- (2) The licensee is obliged to cooperate with the Regulatory Commission when supervising the use of the license and to report in accordance with the Rulebook on reporting, other acts and conditions defined in the license.
- (3) Authorized staff of the Regulatory Commission perform regular and extraordinary monitoring checks in the area of the licensee and have the right to access facilities, plants, equipment and documents for the purpose of inspecting the performance of activities, in accordance with the conditions of the issued license.
- (4) In the case of a third-party complaint against the licensee, the Regulatory Commission examines the justification of the complaint and checks whether the business practice of the licensee is in accordance with the conditions of use of the license.
- (5) The licensee is obliged to notify the Regulatory Commission of any violation of the conditions for the use of the license within 10 days from the day the violation occurred.

Article 64 (Sanctions)

If the Regulatory Commission, on the basis of direct observations, obtained data or supervisory checks, determines that the licensee has not complied with or violates the conditions for the use of the license, it may undertake the following activities:

- a) warn the licensee about the recorded irregularities and set deadlines for their elimination,
- b) initiate misdemeanor proceedings,
- c) inform competent authorities and bodies about observed irregularities that are within their competence,
- d) initiate the procedure of annulment or revocation of the license.

Article 65 (Communication)

- (1) Official communication between the licensee and the Regulatory Commission is done in writing.
- (2) The licensee is obliged to submit to the Regulatory Commission documentation and information in the original (certified and signed by a person authorized to represent) or in a certified copy that is not older than 90 days.
- (3) Documentation and information may be submitted 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 shall be submitted in the form and in the manner prescribed by the provisions of the Rulebook on Reporting.

PART SEVEN - TRANSITIONAL AND FINAL PROVISIONS

Article 66 (Cooperation with other regulatory commissions and the Secretariat of the Energy Community)

- (1) The Regulatory Commission cooperates with other regulatory commissions in the field of energy in Bosnia and Herzegovina, enabling the smooth exchange of information on submitted applications for licenses, on monitoring issues, as well as decisions on the same.

- (2) The Regulatory Commission cooperates with the Secretariat of the Energy Community in accordance with the law.

Article 67
(Application Submission plan)

The Regulatory Commission can make a decision on the plan for submission and processing of applications for the issuance of licenses for the performance of energy activities.

Article 68
(Proceedings in progress)

Proceedings that were initiated according to the rules of procedure that were valid until the date of entry into force of this rulebook, will be concluded according to those rules of procedure.

Article 69
(Legal Protection)

- (1) The decision of the Regulatory Commission on the issuance, extension, modification, cancellation or revocation of the license is final.
- (2) The party dissatisfied with the decision may initiate an administrative dispute with the competent court.

Article 70
(Interpretation of the Rules)

- (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 71
(Expiration)

On the date of entry into force of this rulebook, the Rulebook on licensing ("Official Gazette of the Republic of Srpska" No. 7/19) ceases to be valid.

Article 72
(The entry into force)

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

President

Vladislav Vladicic

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