

Pursuant to the point 11 of Decision on amendment of the Statute of the Regulatory Commission for energy of Republic of Srpska ("Official Gazette of Republic of Srpska" number 109/09), Chief of Staff of the Regulatory Commission determined the cleaned text of the Statute of the Regulatory Commission for energy of Republic of Srpska ("Official Gazette of Republic of Srpska number 41/04, 67/07, 113/07 and 109/09) in which the effective date of the respective Statute was noted.

**STATUTE  
OF THE REGULATORY COMMISSION FOR ENERGY  
OF REPUBLIC OF SPRSKA(Cleaned text)**

**I GENERAL PROVISIONS**

**Legal Basis and the Founding Aim**

**Article 1**

Regulatory Commission for energy of Republic of Srpska (hereinafter: Regulatory Commission) performs its competences in accordance with the Law on Energy and other energy-related laws in order to provide transparent and non-discriminatory position for all participants in the energy market in Republic of Srpska.

**Name and Seat**

**Article 2**

The full name of the Regulatory Commission is: Regulatory Commission for energy of Republic of Srpska.

The Abbreviated title of the Regulatory Commission for energy of Republic of Srpska is: Regulatory Commission or RERS.

The full name of the Regulatory Commission in English is: Regulatory Commission for Energy of Republic of Srpska.

The seat of the Regulatory Commission shall be in Trebinje.

**Legal Status**

**Article 3**

The Regulatory Commission shall have the status of a legal person and the right to enter into legal transactions with third parties.

The Regulatory Commission shall be registered wth the Court Registry.

The president of the Regulatory Commission shall, independently and without limitations, represent the Regulatory Commission while performing legal transactions with the third parties.

The Regulatory Commission shall be held responsible with its entire property for the liabilities in the legal transactions with the third parties.

The Founder shall not be held responsible for the liabilities of the Regulatory Commission in the legal transactions with the third parties.

## **Independence**

### **Article 4**

The Regulatory Commission shall be independent and non-profitable organization which is functionally independent from the entity authorities, energy undertakings and beneficiaries of their products and service as well as from all other legal and physical persons.

## **Seal**

### **Article 5**

The Regulatory Commission has its seal, which shall be round with the 35mm diameter, with the Republika Srpska crest in the middle, with the following text written in the concentric circles in the Cyrillic and Latin alphabet: Regulatorna komisija za energetiku Republike Srpske, Trebinje.

The Regulatory Commission has a seal, which shall be square with the following text: Regulatorna komisija za energetiku Republike Srpske, Trebinje, with the space provided for the record number and the date of receiving the document.

The method of use, number, keeping, handling and protection of the seal and stamp shall be determined by the separate decision of the Regulatory Commission, which shall be made within 15 (fifteen) days from the day of entering into force of this *Statute*, in accordance with the legal regulations of Republika Srpska.

## **Logo and Memorandum**

### **Article 6**

The Regulatory Commission shall have its logo, which shall be displayed on the official documents provided for the third parties and on its official premises.

Official documents of the Regulatory Commission, which shall be provided for the third parties (such as memorandum, invoice, order forms, dispatch notes, pro form invoice, etc) shall always contain the logo.

The design of the logo and the content of the memorandum shall be determined by the separate decision of the Regulatory Commission, which shall be made within 60 (sixty) days from the day of entering into force of this *Statute*, in accordance with the legal regulations of Republic of Srpska.

### **Open Account**

#### **Article 7**

The Regulatory Commission shall have open accounts necessary to perform business activities in and out of the country, in accordance with the regulations of Republic of Srpska and Bosnia and Herzegovina.

### **Appointment, Structure, Terms and Limitations of the Regulatory Members**

#### **Article 8**

Appointment, structure, terms and limitations of the members of the Regulatory Commission shall be determined by provisions of the Energy law.

Members of the Regulatory Commission shall perform their duties professionally, and shall realize their employment rights with the Regulatory Commission. The Regulatory Commission shall conclude the employment contract with the members of the Regulatory Commission.

Employment regulations as well as the internal documents of the Regulatory Commission shall apply to the Regulatory Commission employees.

### **Contents of the *Statute***

#### **Article 9**

The provisions of the *Statute* regulate as follows:

1. Competencies and organization of the Regulatory Commission;
2. Method of work of the Regulatory Commission;
3. Financing of the work of the Regulatory Commission;
4. Transparency of work of the Regulatory Commission;
5. Protection of confidential information;
6. Procedures for amendments to the *Statute*; and
7. Other issues related to the exercise of the authorities of the Regulatory Commission.

## **II COMPETENCIES AND ORGANIZATION OF THE WORK OF THE REGULATORY COMMISSION**

### **Competencies of the Regulatory Commission**

#### **Article 10**

Operations from the competences of the Regulatory Commission are as follows:

1. Supervision and regulating the relations within the generation, distribution, and customers of electricity, including the traders of electricity;
2. Prescribing of the methodologies and criteria for setting of the price for using distribution network and price for the electricity supply of the non-eligible customers and methodology for determination of fee for connection to the distribution network;
3. Making tariff system for sale of electricity and use of the distribution network,
4. Determination of tariff rates for distribution system users and tariff rates for non-eligible customers,
5. Making decision on issuance, extension, amendment, transfer and revocation of the licenses for doing activities of generation, distribution, supply and trade of electricity,
6. Issuance of licenses for construction of the electric power facilities;
7. Prescribing criteria for getting a status of eligible customers;
8. Determination of the general conditions for delivery of the electricity,
9. Settlement of disputes regarding: the right to be supplied with electricity, the right to access distribution network, obligation to deliver electricity, tariffs at which electricity is delivered, terminations in electricity supply, refusal to deliver electricity and quality of electricity supply.

The activities within the scope of Regulatory Commission in the natural gas sectors are as follows:

1. Determination of the methodology for calculation of costs of generation, transport, distribution, storage and supply with natural gas,
2. Determination of the methodology for calculation of the costs of connection to the network;
3. Making of the tariff system for calculation of prices for use of the system for generation, transport, distribution, storage of natural gas and tariff system for calculation of the price of natural gas for the tariff customers supply,
4. Determination of the criteria and prescription of the conditions for getting, amendment and revocation of the license for realization of the activities as

well as deciding upon, in the proceeding for getting, amendment and revocation of the license for realization of the activity in the natural gas sector,

5. Deciding upon the complaint of the decisions of the transport and distribution system operators in the proceedings for giving consent to the transport and distribution network use or use of the storage, as well as in the procedure of giving consent for connection to the transport or distribution network,
6. Determination of the minimum annual consumption of the natural gas which is to be used for getting a status of the eligible customer and the status is determined and keeping of the register of eligible customers of natural gas,
7. Giving consent to the rules of operation of the system operator and to the general conditions for supply with natural gas,
8. Giving consent to the energy undertakings for the prices of services and the price of the natural gas supply,

In the sector of oil and oil derivatives, Regulatory Commission for Energy of Republic of Srpska is in charge of:

1. Determination of the methodology for calculation of costs of oil transport through oil pipelines and oil derivatives through the product-pipelines,
2. Making tariff system for calculation of the price utilization of the oil pipeline, i.e. product-pipeline,
3. Approval of prices for utilization of the oil pipelines, i.e. product-pipelines,
4. Determination of criteria and prescription of terms and conditions for granting, amendment and revocation of the licenses, making decisions in the process for granting, amendment and revocation of licenses for carrying out activities in the oil field and oil derivatives; keeping register of the issued licenses and of temporarily or permanently revoked licenses for carrying out activities in the oil field and oil derivatives field;
5. Resolving in the second instance per the complaint,
6. Monitoring of the activities which the license is issued for in the oil field and oil derivatives field pursuant to this law and principles as stipulated by this law, including monitoring of application of tariff systems and methodology for access and use of the oil pipeline, i.e. product-pipeline and

Apart from the activities referred to in paragraphs 1, 2 and 3 of this Article, Regulatory Commission does other activities prescribed by the energy-related laws.

## Article 11

The Regulatory Commission shall exercise the authorizations and perform the following functions in accordance with its competencies listed in the previous article under the Law on electricity:

1. Enhance the efficiency, reliability and the cost-effectiveness of the system for generation, distribution and exchange of the electricity;
2. Enhance the competition;
3. Stimulate the efficiency, cost-effectiveness and safety while using the electricity;
4. Regulate the safety of supply, quality of services and tariffs, taking into account the interests of the customers and needs of the companies for delivery of electricity;
5. Ensure the equality of the electricity supply;
6. Ensure transparent and non-discriminatory behavior on the electricity market;
7. Ensure that the energy activities performed on the territory of Republic of Srpska do not cause negative affects on the health, security and environmental protection;
8. Stimulate generation of electricity from renewable energy sources including the waste, as well as combined generation of heat and electricity,
9. Supervise effectiveness of the mechanisms and the procedures, which provide mid-term and long-term system balance between the consumption and the delivery of electricity;
10. Create conditions for development of the electricity system (generation and distribution);
11. Issues measures for prevention of the misuse of the monopoly behavior of the users of licenses issued by the Regulatory Commission;

Regulatory Commission is authorized to do the following functions pursuant to its competences stated in the previous Article pursuant to the Gas law:

1. It directs development of the natural gas market following the principles of non-discrimination, competition, transparency and keeping business secreted of the natural gas market participants,
2. It regulates activities in the natural gas sector for protection of the natural gas customers;
3. It follows realization of activities and mutual unbundling of the activities in the natural gas sector;

4. It follows application of the tariff system and methodology for access and use of the network in the natural gas sector;
5. It supervises application of the rule of work of the system operator, particularly regarding access and use of the system and settlement of issues of the system congestion;
6. It supervises activities in the natural gas sector pursuant to the Gas law and principles determined in it: giving consents to the documents which, within the integrated subject, regulates: rule on separate accountkeeping between activities within the integrated energy undertaking in the natural gas sector and rules based on which the functional independency of the transport operatora is achieved, namely distribution structure regarding control of the transport, namely distribution network;
7. It collects and treats data on the energy undertaking regarding doing activities in the natural gas sector and publication of the relevant data on the natural gas market.

### **Internal Organization and Systematization of the Positions**

#### **Article 12**

In order to realize duties from its competences, the Regulatory Commission shall have the following organizational units:

- Tariff and Market Department;
- Licensing and Engineering Department;
- Administration Department;
- Legal Department

Regulatory Commission has its Chief of Staff.

### **Rules on Work, Internal Organization and Systematization**

#### **Article 13**

Internal organization, competences of the organizational units, and systematization of the positions, work, salaries, and other issues related to the work and employment, in accordance with the legal regulations of Republic of Srpska, shall be determined by the separate Rules on Work, Internal Organization ad Systematization which shall be issued within 30 (thirty) days from the day of the approval of this *Statute*.

### **Managing of the Organizational Units**

#### **Article 14**

Departments referred to in Article 121 shall be managed by the Heads of departments.

The heads of the departments shall report and shall be responsible for their performance to the Chief of Staff of the Regulatory Commission, who shall report directly to the President and the Members of the Regulatory Commission.

### **III METHOD OF WORK OF THE REGULATORY COMMISSION**

#### **1. Sessions of the Regulatory Commission**

##### **Convening of the Session**

###### **Article 15**

Sessions of the Regulatory Commission are held at least once in 30 (thirty) days.

President of the Regulatory Commission convenes and chairs the sessions.

President is obliged to convene a session of the Regulatory Commission on the request of any member of the Regulatory Commission.

##### **Decision-making Process at the Session**

###### **Article 16**

Members of the Regulatory Commission are obliged to attend the sessions, vote and make decisions.

Regulatory Commission shall make decisions by majority vote, and each member of the Regulatory Commission, including the President, shall have one vote.

The Regulatory Commission shall approve the Procedural Rules with a view to regulate the basic procedures and practices of the Regulatory Commission within 30 (thirty) days from the day of entering into force of this *Statute*.

The Procedural Rules must contain provisions on hearing and sessions, drafting process, soliciting of the public comments and publishing of the rules and regulations.

##### **Transparency**

###### **Article 17**

All final decisions of the Regulatory Commission shall be made in public sessions of the Regulatory Commission, except those referring to the internal organization of the Regulatory Commission.



During the course of a public session, the Regulatory Commission may, if needed, convene an executive session when necessary to protect confidential information or trade secrets, as well as in other cases defined by the Procedural Rules of the Regulatory Commission.

The members of the Regulatory Commission may also meet in internal meetings, not open to the public, but official acts and decisions in regards to the legally based competencies may not be made in internal meetings.

The purpose of internal meetings is to improve the efficiency and quality of the Regulatory Commission work.

Under extenuating circumstances, a member of the Regulatory Commission may attend a public session by conference call if he/she is not able to attend the meeting in person, and such attendance shall be considered an attendance for the purpose of hearing a public testifying and voting.

## **2. Acts of the Regulatory Commission**

### **General and Single Acts**

#### **Article 18**

The Regulatory Commission shall adopt its Procedural Rules, Code of Ethics and other general and single acts with the view to perform powers, competences and responsibilities, which are determined by the law and this Statute.

All acts shall be adopted in a written form and must contain the legal base for their adoption.

General and single acts of the Regulatory Commission must be in accordance with this Statute.

Methods of preparation, types of document, organization of public hearing, and their adoption shall be regulated by the Procedural Rules of the Regulatory Commission.

### **Public Hearing**

#### **Article 19**

While preparing to issue general act, which shall determine the regulatory activities, the Regulatory Commission shall publish the draft of that document and ask for the public comments on it.

During the drafting process, the Regulatory Commission may ask for the public opinion on a certain issue.

The results of the aforementioned activities shall form the basis for the making of the proposals of the documents referred to in the paragraph 1 of this article.

## **Publishing of the Documents**

### **Article 20**

Statute, Procedural Rules, Rulebooks and regulations of the Regulatory Commission made within the scope of regulatory competence shall be published in the "Official Gazette of the Republika Srpska".

Other acts of the Regulatory Commission, made within the scope of regulatory competence, published in the "Official Gazette of Republic of Srpska" are as follows:

- Decisions and Rulings in the tariff proceedings,
- Decision on issuance, extension, amendment, transfer, cancellation and revocation of licenses for doing electric power activities, as well as decision on refusal of the application for issuance of the license,
- Decision on the regulatory fee,
- Interpretation and standpoints of the Regulatory Commission,
- Other documents which Regulatory Commission to publish in the "Official Gazette of Republic of Srpska" and which are of importance for indefinite energy market participants,

The following documents of the Regulatory Commission needn't be published in the Official Gazette of Republic of Srpska:

- Single acts made per the complaints in the second instance,
- Rulings for deciding in the proceedings for settlement of disputes between the energy market participants,
- Decision on undertaking measures after the regular and emergency monitoring activities of the licensees,
- Conclusions for termination of the proceedings, conclusion for deciding on the procedural issues in the proceedings or the ones used for solving simple matters in the proceedings,
- General acts regulating internal activities of the Regulatory Commission,
- Notices;

Budget of the Regulatory Commission and the annual report are published in the "Official Gazette of Republic of Srpska" provided that such an obligation is assigned to the Regulatory Commission by Decision on their adoption.

Acts referred to in paragraph 3 and 4 of this Article are published at the website and notice board of the Regulatory Commission and in other means of public information

provided that such obligation is prescribed by the special document of the Regulatory Commission.

### **Entering into Force**

#### **Article 21**

General acts of the Regulatory Commission, which relate to its competence determined by the Law, shall enter into force on the eighth day from the day of its publication, unless earlier publication has not been provided by the document itself because of extraordinary justified reasons.

### **3. Rights, Obligations and Responsibilities of the Members of the Regulatory Commission**

#### **Rights and Obligations of the President**

##### **Article 22**

The President directs the work of the Regulatory Commission.

The President of the Regulatory Commission:

1. Signs general and single acts of the Regulatory Commission;
2. Represents the Regulatory Commission with the third parties;
3. Convenes Regulatory Commission sessions and chairs its work;
4. Supervises and shall be responsible for the legality and the work of Regulatory Commission.
5. Performs other tasks with the view of providing the efficient operation of the Regulatory Commission.

In case that the President is being prevented or absent, in the legal transactions with the third parties he may be represented by the person who shall be designated by the Chairman through the written authorization. This written authorization may be common or specific for the certain type of work, for the certain body or certain time period.

#### **Rights and Obligations of the Other Members**

##### **Article 23**

The members of the Regulatory Commission shall have equal rights and responsibilities to participate in the work on the promulgation and implementation of the rules, decisions, instructions, orders, advisory rulings and other documents of the Regulatory Commission.

A member of the Regulatory Commission shall have the right to propose the consideration of certain issues in the Regulatory Commission sessions.

The Regulatory Commission is obliged to pass a decision on a proposal put forward by Regulatory Commission within a period of 30 days of the proposal being submitted.

A member of the Regulatory Commission shall have the right and obligation to be regularly informed on all issues related to the work of the Regulatory Commission.

### **Obligations of the Members and Staff**

#### **Article 24**

President, members of the Regulator and other persons employed with the Regulatory Commission are obliged to perform his/her function conscientiously and to maintain the integrity of the Regulatory Commission.

Persons referred to in the paragraph 1 of this Article have to follow provisions of the Code of Ethics.

Persons referred to in the paragraph 1 of this Article may neither use his/her work in the Regulatory Commission nor the integrity of the Regulatory Commission in realizing personal and other gains contrary to the law and the Regulatory Commission Code of Ethics.

If there is any conflict of interest for the member of the Regulatory Commission, it shall be resolved in accordance with the provisions of the Article 26 of the Law on electricity and the Code of Ethics.

The member of the Regulatory Commission shall bear the individual responsibility for his/her work and the joint responsibility for the work of the Regulatory Commission.

## **IV FINANCING THE OPERATIONS OF THE REGULATOR**

### **Financing the Operations**

#### **Article 25**

The Regulatory Commission is financed by charges and fees from the energy undertakings, licensees for doing one or more energy activities and one-off fees for the licenses which it issues.

### **Other Funding Sources**

#### **Article 26**

The Regulatory Commission activity may also be funded from grants given by foreign governmental and non-governmental organizations on non-returnable basis.

## **Budget of the Regulator**

### **Article 27**

Prior to the beginning of the budget year, the Regulatory Commission shall submit the proposal of the budget to be adopted by the National Assembly of Republic of Srpska.

## **Annual Report**

### **Article 28**

The Regulatory Commission shall report to the National Assembly of Republic of Srpska on its work at least once a year.

## **Annual financial statements**

### **Article 29**

The Regulatory Commission shall assure that the annual financial statements of the Regulatory Commission are prepared in accordance with international accounting standards and must be audited by an independent auditor.

## **V TRANSPARENCY OF THE WORK OF THE REGULATORY COMMISSION**

### **Publishing of the Financial Statements**

#### **Article 30**

The Regulatory Commission shall publish its budget, and its annual report.

The Regulatory Commission shall provide that its official documents are easily accessible by the public.

### **Other Methods of Providing Information**

#### **Article 31**

The Regulatory Commission can issue special publications, newsletters and bulletins, and make their website, with the purpose of providing more complete information on its work.

## **VI PROTECTION OF CONFIDENTIAL INFORMATION**

### **Definition of the Confidential Information**

#### **Article 32**

Confidential information is considered to be acts, data and information that, if disclosed, may damage the interests and integrity of the Regulatory Commission, natural or legal persons, and which are determined as confidential information by the Rules of Confidential Information.

The provision of information contained in confidential documents, data or information to the National Assembly of Republic of Srpska or to the other competent institutions through reports approved by the Regulatory Commission for disclosure shall not be considered as disclosure of confidential information.

### **Obligation of Keeping the Confidential Information**

#### **Article 33**

All members of the Regulatory Commission, employees, associates and members of advisory bodies and other persons who take part in the activities of the Regulatory Commission must safeguard confidential or privileged information that they access in the performance of their duties or tasks in the Regulatory Commission or related to it, consistent with the rules of the Regulatory Commission.

### **Rules of Confidential Information**

#### **Article 34**

The Regulatory Commission shall issue the Rules on Confidential Information within the 90 (ninety) days from the day of entering into force of this *Statute*.

The Rules referred to in the previous paragraph shall promulgate issues addressing the protection of confidential information establishing the procedures for defining confidential information and the protection of documents, data and information that are defined as confidential.

## **VII PROCEDURE FOR THE AMENDMENTS TO THE *STA TUTE***

### **Proposing of Amendments**

#### **Article 35**

Amendments to the *Statute* may be proposed by any of the Members of the Regulatory Commission.

### **Approval of Amendments**

#### **Article 36**

Amendments to this *Statute* shall be made according to the same procedure under which they were approved.

## **VIII TRANSITIONAL AND CLOSING PROVISIONS**

### **Interpretation of the Statute provisions**

#### **Article 37**

The Regulatory Commission shall provide an interpretation of the *Statute* in the event of ambiguity or disagreement concerning its application.

## **Entering into Force**

### **Article 38**

This *Statute* became effective on 15 May 2004, i.e. on 20 July 2007, i.e. on 29 December 2007, i.e. on 17 December 2009.

Number: 01-1034-1/09  
Date: 24 December 2009

Regulatory Commission  
Chief of Staff  
Mladen Staka