

# **Decision Enacting the Law on Application of Electricity Tariff System of the Federation of BiH**

**In the exercise** of the powers vested in the High Representative by Article V of Annex 10 (Agreement on Civilian Implementation of the Peace Settlement) to the General Framework Agreement for Peace in Bosnia and Herzegovina, according to which the High Representative is the final authority in theatre regarding interpretation of the said Agreement on the Civilian Implementation of the Peace Settlement; and considering in particular Article II.1. (d) of the last said Agreement, according to the terms of which the High Representative shall “Facilitate, as the High Representative judges necessary, the resolution of any difficulties arising in connection with civilian implementation”;

**Recalling** paragraph XI.2 of the Conclusions of the Peace Implementation Conference held in Bonn on 9 and 10 December 1997, in which the Peace Implementation Council welcomed the High Representative’s intention to use his final authority in theatre regarding interpretation of the Agreement on the Civilian Implementation of the Peace Settlement in order to facilitate the resolution of any difficulties as aforesaid “by making binding decisions, as he judges necessary” on certain issues including (under sub-paragraph (c) thereof) “measures to ensure implementation of the Peace Agreement throughout Bosnia and Herzegovina and its Entities”;

**Considering** that the Law on Transmission of Electric Power, Regulator and System Operator of Bosnia and Herzegovina (BiH OG 7/02, 13/02) and Law on Electricity (FBiH OG 41/02), which regulates the electrical power system, electrical power sector activities, electrical power market, general conditions for electricity supply, planning and development, construction, reconstruction and maintenance of the electrical power facilities, supervision of compliance with the law and other issues significant for electrical power business activities in the territory of the Federation of Bosnia and Herzegovina;

**Noting** that the said Laws establishes the State Electricity Regulatory Commission and the Regulatory Commission of the Federation of Bosnia and Herzegovina;

**Mindful** that the following are certain aims of the Regulatory Commissions: to prevent monopoly behavior in electrical power activity, to achieve rationalization in electricity consumption, to enable the third party access to the grid (both transmission and distribution) and a gradual introduction of the electricity market of rules;

**Considering further** that the stable transition to a regulatory environment for the electricity sector requires a climate of co-operation between the electricity companies and the customers of such companies to facilitate the gradual development of the electricity market;

Having taken into account and considered the totality of the matters aforesaid, the High Representative hereby issues the following:

## **DECISION**

### **Enacting the Law on Application of Electricity Tariff System of the Federation of Bosnia and Herzegovina,**

which is hereby attached as an integral part of this Decision. The said Law shall enter into force as a Law of the Federation of Bosnia and Herzegovina, with effect from 31 December 2003, on an interim basis, until such time as the Parliamentary Assembly of the Federation of Bosnia and Herzegovina adopts this Law in due form, without amendment and with no conditions attached.

This Law shall be in force until the State Electricity Regulatory Commission issues a decision which regulates the issue of the Application of the Electricity Tariff System.

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### **Law On Application Of Electricity Tariff System**

### **Article 1**

Where an industrial company located in the territory of Federation of Bosnia and Herzegovina ("domestic industrial company"), requires electricity for its manufacturing needs to be supplied by any electricity company (as defined in the Law on Electricity), the electricity company shall be obliged to offer, and the domestic industrial company shall be obliged to accept, the tariff rates set out in valid laws and sub-laws.

### **Article 2**

The provisions of Article 1 shall not apply in the event that the domestic industrial company and the electricity company conclude or have concluded a written agreement modifying tariff rates for energy supply.

### **Article 3**

If the electricity company mentioned in Article 1, has insufficient technical capacity to meet the electricity supply requirements of a domestic industrial company, it shall request another electricity company to provide such shortfall. Such electricity company shall be obliged to provide said shortfall, where that electricity company has sufficient technical capacity to generate an energy surplus, either directly to the domestic industrial company or to the electricity company mentioned in Article 1. The shortfall supplied, if any, shall be provided to the domestic industrial company under the same terms and conditions as set out in Article 1.

### **Article 4**

Each electricity company is obliged to make full disclosure of its monthly available surplus to the Federation Ministry of Mining and Industry. Such disclosure shall be made in writing on the 8<sup>th</sup> day of each month.

### **Article 5**

This Law shall come into force forthwith and shall be published in the Official Gazette of Federation of Bosnia and Herzegovina.

*Sarajevo, 31 December 2003*

*Paddy Ashdown  
High Representative*