

BOSNA I HERCEGOVINA
Konkurencijsko vijeće



БОСНА И ХЕРЦЕГОВИНА
Конкуренијски савјет

OPINION

on Draft Decision on the supply of qualified buyers in Brcko District of Bosnia and Herzegovina

Sarajevo, October 2011



Number: 01-26-7-17-1-I/11
Sarajevo, 20th October 2011

Pursuant to Article 25 paragraph (1), item f) of the Competition Act ("Official Gazette of BiH" no. 48/05, 76/07 and 80/09), at the request of the State Electricity Regulatory Commission of Bosnia and Herzegovina, received by the Council of Competition on 21st September 2011 under number 01-26-7-17-I/11, Council of Competition on the 20th (twenty) session held on 20th October 2011, issues the following

OPINION

Draft Decision on the supply of qualified buyers in the Brcko District of Bosnia and Herzegovina, is complied with the Competition Act.

Exposition

State Electricity Regulatory Commission of Bosnia and Herzegovina (hereinafter: the SERC or the Applicant), filed the request to the Council of Competition, for an opinion on Draft Decision on the supply of qualified buyers in the Brcko District of Bosnia and Herzegovina (hereinafter: the Draft Decision) on 21st September 2011, in the sense of compliance with the provisions of the Competition Act.

Pursuant to the Law on transfer, Regulator and System Operator in Bosnia and Herzegovina ("Official Gazette of BiH", no. 7 / 02, 13/03, 76/09 and 1 / 11), the SERC has the authority to regulate activities of production, distribution and supply of electricity in Brcko District of Bosnia and Herzegovina.

Draft Decision enables qualified buyers, that is, electricity buyers who are connected to the transmission or distribution network, to buy electricity according to their own choice. Gaining the status of qualified buyer, the buyer is free to choose electricity suppliers and negotiate the quantity and price of electricity while services of the transmission and distribution networks, as well as ancillary services are paid at regulated prices. Free formation of prices and quantities of electricity supply between qualified buyers and suppliers, should result in a strengthening of competition among the participants in the relevant market, and a positive effect for the final consumers.

Also, the Draft Decision has defined the term of the Assigned Supplier which has an obligation to supply all eligible customers, who have not chosen supplier of their choice within the Article 12 of the Draft Decision. Such public service obligation in the area where there is a qualified buyer in this case will belong to the Public utility company "Komunalno Brčko" d.o.o.

The Draft Decision should enable achieving targets set for the SERC in the Act on the transfer, Regulator and System Operator in Bosnia and Herzegovina, for inclusion in the international electricity market and introducing competition and preventing monopolies in electricity activities, creation of conditions for rational and economic development of the production, distribution and supply of electricity in the area of Brcko District, protection of the general public interest, create incentives for the existence and operation of the power companies on the principles of nondiscrimination and equality.

It follows that the Draft Decision complies with the provisions of the Competition Act and the Council of Competition hereby gives a positive opinion.

President

Ibrica Lakišić