

Pursuant to Article 20, paragraph 1 of the Energy Law ("Official Gazette RS" no. 84 /2004),
The Council of the Energy Agency of the Republic of Serbia, at its session held on 24 May 2005,
hereby adopted the

**STATUTE
OF THE ENERGY AGENCY OF THE REPUBLIC OF SERBIA**

(Published in the "Official Gazette RS" no. 52/2005 dated 21 June 2005 and came into force on 22 June 2005)

Purpose and Application

Art. 1

This Statute shall regulate the matters of importance for operation, organization and work in the Energy Agency of the Republic of Serbia, and especially: its business name and registered address, its affairs and conduct thereof, operational means and the source of financing, governance and purview of its bodies, representation, manner and procedure of cooperation with the public administration bodies as well as the bodies of the autonomous provinces and local self-government units, and transparency of its work.

Establishment

Art. 2

The Energy Agency of the Republic of Serbia was established by the Energy Law published in the "Official Gazette of the Republic of Serbia" no. 84/2004 (hereinafter: the Law), as a regulatory body for the purpose of pursuing the affairs of promoting and channeling energy market development pursuant to the principles of non-discrimination and efficient competition, monitoring the application of regulations and guidelines for the functioning of energy systems, harmonization of energy entities' activities on provision of normal supply of energy and services to customers, their protection as well as equal status and other affairs stipulated by the Law and this Statute.

Business name, registered address and legal status

Art. 3

The business name of the Energy Agency of the Republic of Serbia shall be: "Energy Agency of the Republic of Serbia".

The registered address of the Energy Agency of the Republic of Serbia (hereinafter: the Agency) shall be in Belgrade, at Nemanjina 22-26.

Art. 4

The Agency shall be a legal entity with legitimacy, liability and responsibilities stipulated by the Law and other regulations governing the operation of business companies and this Statute.

The Agency shall be independent in conducting affairs stipulated by the Law and this Statute and in undertaking organizational and other activities whereby efficient and rational performance thereof is ensured.

The Agency shall be functionally independent from public administration bodies, energy entities and users of their products and services, as well as other legal and natural persons, in conformity with the Law.

The Agency shall be liable for its debts to the amount of the assets at its disposal.

Seal and stamp

Art. 5

The Agency shall have a seal and a stamp.

The seal shall be round with a diameter of 30 mm and contain the text “Energy Agency of the Republic of Serbia” – Belgrade.

The stamp shall be rectangular with the dimensions 50x35 mm and contain the text “Energy Agency of the Republic of Serbia” – Belgrade and the section for the date of receipt, submission number and the number of the insert.

The text of the seal and the stamp shall be written in the Serbian language and Cyrillic script.

The terms of use and handling of the seal and the stamp as well as their number shall be governed by a specific act in accordance with this Statute.

Art. 6

The Agency shall have its logo whose design and contents shall be defined by a specific act, in accordance with this Statute.

Scope of work

Art. 7

The Agency shall conduct the following affairs within its scope of work:

1. Adopt tariff systems for the calculation of electricity and natural gas rates for tariff customers, as well as the tariff systems for access to and utilization of energy transmission, transportation or distribution system, and/or natural gas storage facilities and other services;

2. Determine: methodology for setting tariff elements for calculating electric power and natural gas prices for tariff customers, including the prices of generated electric power or natural gas for tariff customers, methodology for the calculation of prices of heating energy generated at combined heating and power plants (combined generation process) and delivered to the energy entities for the purpose of supplying tariff customers with thermal energy.
3. Determine the criteria and manner of setting costs of connection to the energy transmission, transportation and distribution systems;
4. Determine the minimum annual energy consumption threshold for gaining the status of eligible customer;
5. Establish whether the conditions have been fulfilled for granting or changing the status of eligible customer and passes an act on the granting or changing the status;
6. Issue licenses for the conduct of energy activity stipulated by the Law, pass an act on temporary and permanent revocation of the license and an act on temporary approval to operate to the energy entity in cases stipulated by the Law;
7. Adopt the criteria and the method for setting the amount of the fee for issuing license, and set the said fee ;
8. Approve grid codes, the energy market code and operation code for natural gas storage systems;
9. Decide upon lodged appeal on denial of access by a transmission, transportation or distribution system operator, as well as upon lodged appeal on denial of access by an energy entity for natural gas storage;
10. Decide upon lodged appeal on denial of connection by an energy entity, or on failure to pass a decision upon submitted application for connection to the system
11. Issue preliminary opinion on the act setting the prices for delivery of energy to tariff customers and the act setting the prices of services rendered to tariff customers;
12. Issue preliminary opinion on the act setting the prices for access to and utilization of energy transmission, transportation or distribution systems and of natural gas storage facilities and other services;
13. Keep the register of issued and revoked licenses;
14. Keep the register of eligible customers.

In addition to affairs under paragraph 1 of this Article, the Agency shall also conduct the following affairs within the scope of its rights and duties stipulated by Law: monitor the implementation of tariff systems, collect and processes data on energy entities with reference to performing energy activities, monitor the conduct of energy entities regarding separation of accounts and customer protection, and conduct other affairs in conformity with the Law and this Statute.

Agency funds and financing

Art. 8

Funds for the Agency's operation shall be provided from revenues generated by license fees, a part of the tariff for energy system access and utilization, as well as other revenues generated in the course of conducting affairs within its sphere of competence.

The Agency may receive funds from donations, under the conditions stipulated by law.

Art. 9

All revenues and expenditures of the Agency shall be determined and stated in the Agency's annual financial plan, in conformity with the Law.

The Agency's annual financial plan shall determine the Agency's total annual revenues from all sources, its expenditures, including a contingency fund, as well as elements for determining salary expenditures and other elements stipulated by the Law governing the matter of presenting the revenues and expenditures of business companies and by regulations adopted pursuant to the Law.

The revenues generated according to annual calculation of Agency's revenues and expenditures, and exceeding the total expenditures for that year shall be carried forward by the financial plan as revenues for the next year, in the manner and under the conditions determined by the Law.

Art. 10

The Agency shall have an account with the authorized bank, whereby it shall conduct its affairs.

Agency management

Art. 11

The Agency shall be managed by the Council of the Agency.

The Council of the Agency shall have its president and four members who are elected and discharged according to the procedure stipulated by the Law. The term of the president and the members of the Council shall be determined according to the Law.

The president and the members of the Council shall answer for their work at the Agency to the National Assembly of the Republic of Serbia.

The Council of the Agency shall submit an annual report to the National Assembly of the Republic of Serbia at least once a year.

- 1) The Council of the Agency

Art. 12

The Council of the Agency shall:

- 1) Adopt the Statute;
- 2) Adopt its Rules of Procedure;
- 3) Adopt the rulebook on internal organization and job classification;
- 4) Adopt the work program of the Agency;
- 5) Adopt the annual financial plan;
- 6) Adopt the report on the Agency's work and operation and annual financial statements;
- 7) Decide upon allocation of the revenue in excess of expenditures and coverage of losses in accordance with the law;
- 8) Pass the acts referred to in Art. 7, paragraph 1) points 1-4), 6-8), and 11) and 12) of this Statute;
- 9) Pass the decision on the organization of the Agency's work out of its registered office;
- 10) Decide on the establishment business cooperation with other entities;
- 11) Conduct other affairs stipulated by the Law and this Statute.

In conducting affairs within its sphere of competence, the Council of the Agency shall adopt decisions, rulebooks, recommendations, guidelines, terms and conditions, conclusions and other acts in conformity with the Law.

Art. 13

The financial plan and the Statute of the Agency shall be adopted in conformity with the Law.

The Statute of the Agency and the financial plan as well as the acts referred to in Art. 7, item 1) of this Statute shall be published in the "Official Gazette RS".

The council may decide that other Acts adopted by the Agency in the scope of its authority determined by the Law also be published.

Art. 14

The Council shall make decisions by majority of votes of the total number of Council members.

The work of the Council, manner and procedure of decision-making and other matters of importance for exercising the rights and discharging the duties of the Council shall be determined by the Rules of Procedure of the Council, in conformity with the Law.

2) President and members of the Council

Art. 15.

The President of the Council of the Agency shall:

1. Represent the Agency;
2. Manage the work of the Council
3. Organize and manage the work of the Agency;
4. Propose decisions and other acts within the Agency's purview;
5. Have powers of a director in relation to exercising the rights and obligations of employees
6. Ensure and be responsible for the legality of the Agency's work
7. Adopt an act governing the handling and use of the stamp and seal and their number, as well as contents and design of the Agency's logo;
8. Adopt other acts and discharge other duties stipulated by the Law and this Statute.

In exercising rights and discharging duties and authorizations stipulated by the Law and this Statute, the president of the Council shall adopt decisions, directives, guidelines, provisions and other acts, in conformity with the Law.

If needed, the president of the Council may establish ad-hoc working groups or expert teams for preparation or consideration of projects, analysis and other expert materials and acts falling within the Agency's purview.

Art. 16

In the conduct of affairs within the Council's purview, a member of the Council of the Agency shall monitor the state of affairs in the field of energy from the aspect of technical, economic, legal and structural and other conditions affecting the performance of energy activities as well as the Agency's work and operation. He/she shall also participate in designing the solutions for promoting and channeling energy market development, work programming and organization of the Agency's activities, make proposals to the president of the Council regarding decisions within the Agency's sphere of competence, assists the president of the Council in the conduct of affairs within his/her scope of work, coordinates the work and activities towards performance of tasks within the purview of the relevant organizational unit established by the Agency's rulebook on internal organization and job classification, and other duties determined by decisions of the Council of the Agency.

The scope of work for members of the Council in the conduct of Agency's affairs shall be regulated in more detail by the rulebook on internal organization and job classification of the Agency.

Representation of the Agency

Art. 17

The Agency shall be represented by the President of the Council, with unlimited authority.

The President of the Council may grant power of attorney to a Council member or other individual for the purpose of representing the Agency in certain legal affairs before courts and other bodies within the

country as well as abroad, or authorization to undertake other actions within the scope of his/her rights and duties.

Organization of the conduct of the Agency's affairs

Art. 18

The Agency's affairs shall be conducted in organizational units, according to the type and classification of the said affairs by similarity.

The number of organizational units, as well as the jobs therein, shall be determined by the rulebook on internal organization and job classification of the Agency.

Art. 19

Certain affairs from the Agency's purview may be discharged out of the Agency's registered office, by means of remote organizational units.

The Council of the Agency shall adopt the decision on the organization of an organizational unit for conducting affairs out of the Agency's registered office, whereby the place of business, types of affairs to be conducted and other matters concerning the operation within that organizational unit are determined.

The person in charge of the organizational unit and his/her management powers shall also be determined by the decision referred to in paragraph 2 of this Article.

Cooperation

Art. 20

The Agency shall cooperate with other regulatory bodies from other countries and organizations in the field of energy, organized at the European and regional levels, aiming to establish and promote the relations of mutual interest.

In pursuing the cooperation referred to in paragraph 1 of this Article, the Agency may join and become a member of international and other organizations for technical, scientific and other cooperation within the field of energy, in conformity with the Law and with concluded international agreements and conventions.

Art. 21

The Agency shall cooperate with the republic, provincial and local self-government bodies in conducting affairs within its sphere of competence.

The Agency may also cooperate with other organizations in the field of energy consumers, i.e. customers protection, environmental protection and other organizations.

Confidential information

Art. 22

The Council of the Agency shall determine by a special act which documents and data constitute confidential information, determine their confidentiality levels and the manner in which they are to be used and imparted to other entities.

All employees who, in any way whatsoever, gain access to the documents and data designated as confidential pursuant to decision referred to in paragraph 1 of this Article, are obliged to keep the confidential information in conformity with the Law.

Art. 23

The Agency is obliged to preserve the confidentiality of commercial and other confidential business data, submitted to it for the purposes of conducting affairs within its sphere of competence or available to it in the course of conducting certain affairs.

Statute and other acts

Art. 24

The acts of the Agency shall be: the Statute as the principal act, bylaws, decisions and other acts governing in a general way certain matters within the Agency's sphere of competence.

Other acts of the Agency must comply with the Statute.

Certain acts passed by the Council and authorized persons in the Agency must comply with the Statute and relevant act of the Agency.

Transparency

Art. 25

The Agency shall ensure transparency of its work and availability of information that is not of confidential nature pursuant to Law or the Agency's statute, to interested parties having business or other legal interest.

The acts required by Law and this Statute shall be published in the "Official Gazette of the Republic of Serbia".

The Agency shall also ensure transparency by publishing the acts referred to in paragraph 2 of this Article on its website.

Final provisions

Art. 26

The Agency's Statute and other acts shall be amended according to the procedure prescribed for adoption thereof.

Art. 27

Upon approval by the Government of the Republic of Serbia, this Statute shall be published in the "Official Gazette of the Republic of Serbia" and will come into force on the day following its publication.

Number: 1/2005

Belgrade, 24 May 2005

**Council of the Energy Agency of the
Republic of Serbia**

President of the Council,
Ljubo Macic, signed