

*This translation is unofficial; it is for information purposes only.*

## ORDINANCE ON LICENSING OF ACTIVITIES IN THE ENERGY SECTOR

Promulgated in the “State Gazette”, No. 53 of June 22, 2004

### Chapter One GENERAL PROVISIONS

Article 1. (1) This ordinance establishes the terms and procedure for:

1. Issuance, revision, amendment, termination and withdrawal of licenses for activities in the energy sector, as laid down by the Energy Law (EL);
2. Holding of tenders in accordance with Article 46 of the Energy Law;
3. Issuance of permissions for transactions specified by the Energy Law and granting of authorisations for corporate transformation by division, separation, consolidation or merger, and by change of the corporate legal status of licensees;
4. Approving of the general terms of the contracts as provided for in Articles 98, 146, 149, 150, and 183 of the Energy Law;
5. Supply of consumers with electrical and heat energy and natural gas;
6. Filing of complaints, their processing and voluntary settlement of disputes as laid down in Article 22 of the Energy Law.

(2) This ordinance establishes also the particulars subject to entry into the public registers of issued licenses and the resolutions for authorising of transactions provided for by the Energy Law, as well as for granting authorisations for consolidation, merger, separation and division of licensees, the entry procedure, and the provision of information about the entered particulars.

### Chapter Two LEGAL PROCEEDING BEFORE THE STATE COMMISSION FOR ENERGY REGULATION

Article 2. A legal proceeding before the State Energy Regulatory Commission, referred to hereinafter “the Commission” or “SERC” shall be opened on:

1. Application in writing for:
  - a) Issuance, revision, amendment and termination of licenses for activities in the energy sector, as laid down by the Energy Law (EL);
  - b) Issuance of permissions for transactions specified by the Energy Law and granting of authorisations for corporate transformation by division, separation, consolidation or merger, and by change of the corporate legal status of licensees;
  - c) Approving of the general terms of the contracts;
2. Complaint or request for settlement of dispute in accordance with Article 22 of the Energy Law;
3. Initiative of the Commission in the cases provided for in Article 9;
4. Proposal by the control authorities for issuing of compulsory prescriptions as laid down in Article 78, par. 2, Item 4 of the Energy Law.

Article 3. (1) The Commission approves of the sample application forms as per Article 2, Item 1 and the annexes thereto, and prescribes their minimum content. The application samples are printed in the bulletin published by the Commission and displayed on its Internet web page. They can also be received in the office of SERC.

(2) The application with the set of required documents shall be filed at the records office of the Commission or sent by registered letter with advice of delivery. The applications are entered in the incoming register of the records office of the Commission.

Article 4. (1) The applications and complaints shall be checked for compliance with the provisions of the ordinance within a seven-day period after they have been filed.

(2) If the application or claim is found to be non-compliant with the requirements, a written notice shall be forwarded to the applicant/complainant, and he will be provided with a seven-day period to correct the irregularities.

(3) If, within the term of paragraph (2), the applicant does not remove the irregularities, the application, respectively the complaint, shall not be further processed and with resolution of the chairman the file is suspended and archived.

(4) The applicant, respectively – the complainant shall be notified in writing that the application or complaint is not subject to further processing.

Article 5. The Organizational Charter of the State Energy Regulatory Commission shall lay down:

1. The procedure of filing;
2. The procedure of processing of the filed applications and complaints;
3. The procedure of decision-making on the above.

Article 6. (1) The Commission, based on an adopted resolution, shall terminate the proceeding and notify the applicant in writing within a three-day period after the adoption of the resolution in the case when a proper authorization of the Commission for Protection of Competition in accordance with the Protection of Competition Act is needed.

(2) Within a period of three days after the adoption of the resolution as per paragraph (1), the Commission shall bring the case to the Commission for Protection of Competition for commencement of proceeding in accordance with the procedures of the Protection of Competition Act.

(3) The Commission shall resume the proceeding of issuing of the administrative act after the decision of the Commission for Protection of Competition comes into force.

Article 7. During the examination of the files for issuing, revision, amendment, termination, and withdrawal of licenses, for granting permissions for corporate transformations of licensees, and for authorizations of the transactions specified in Article 21, Item 19 of the Energy Law, the Commission shall consider the existence of the conditions, laid down by the Energy Law taking into account the principles provided for by Article 23 of the Energy Law.

Article 8. (1) The Commission may verify the stated data and facts by routine checks.

(2) The commission may request opinions from the persons listed in Article 19 of the Energy Law in connection with issuing a license, authorization of corporate transformations and granting permissions for transactions as specified in Article 21, Item 19.

(3) The Commission proceeds with the resolutions on a current file when it decides that all documents and particulars pertaining to the filed application or complaint have been collected and verified and the terms as provided for in the Energy Law have been observed.

(4) At a closed meeting the Commission takes a decision on the application for:

1. Issuance, revision, amendment, termination or withdrawal of licenses for the activities in the energy sector determined by the Energy Law;
2. Granting permissions for the transactions as specified by the Energy Law;
3. Authorizes corporate transformations by division, separation, consolidation or merger or by change of the corporate legal status of licensees, or refuses such authorizations;
4. Approves or refuses approval of the general terms of the contracts for supply of electrical energy, heat energy or natural gas;
5. Adopts a resolution on a filed complaint following the procedure of Article 22 of the Energy Law.

(5) If the Commission does not come up with a decision within the terms laid down in the Energy Law, it is considered an implicit (silent) refusal.

Article 9. The Commission, upon its initiative and resolution, shall open proceedings in the following cases determined by the Energy Law:

1. Revision and/or amendment of an issued license in the cases listed in Article 51, paragraph 2 of the Energy Law;
2. Termination of a license in the cases specified in Article 55, paragraph 2 of the Energy Law for the whole territory or part of the territory covered by the license in the case when the licensee fails to exercise the licensed activity for a period in excess of one year;
3. Withdrawal of a license in the cases specified by Article 59, paragraph 1, 2 or 3 of the Energy Law;
4. Issuance of licenses for transmission, distribution, public supply and public retail of electrical energy, for transmission, transit transmission, storage, public supply, public retail and distribution of natural gas in the cases according to Article 15, paragraphs 2 and 4, article 17, paragraphs 2 and 4, article 22, paragraph 5, and article 23, paragraphs 2 and 4 of the Transitional and Final Provisions of the Energy Law.

## Chapter Three ISSUANCE OF LICENSES

### Section I General Provisions

Article 10. (1) The Commission shall issue licenses for exercising the activities defined by the Energy Law.

(2) The license shall be issued by resolution of the Commission and constitutes an inseparable part of this resolution.

Article 11. (1) Depending on the type of activity in the energy sector the Commission issues the following types of licenses:

1. For generation of electricity;
2. For generation of heat energy;
3. For generation of electricity and heat energy;
4. For transmission of electricity;
5. For transmission of heat energy;
6. For transmission of natural gas;
7. For transit transmission of natural gas;
8. For distribution of electricity;
9. For distribution of natural gas;
10. For storage of natural gas;
11. For public supply of electricity;
12. For public supply of natural gas;
13. For public retail of electricity;
14. For public retail of natural gas;
15. For trade in electricity;
16. For organizing an electricity market.

(2) The Commission shall fix terms of the licenses as per paragraph (1) from one to 35 years depending on the time resource of the assets involved in exercising the licensed activity, and on the financial status of the applicant.

(3) The Commission shall not fix a term of the license longer than the term requested by the applicant.

Article 12. (1) A license shall be issued without tender to every person who has filed an application and meets the provisions for issuance of a license with the exception of the cases laid down in Article 46, paragraph 1 and 2 of the Energy Law.

(2) In cases when only one license can be issued for the territory of the country or for a differentiated territory, the license is issued to the person, who has filed an application for issuance of new license:

1. In the case of terminating of an existing license, if the Commission has authorized the transfer of the licensee's enterprise of the terminated license to the same person;
2. In the case of terminating of an existing license for a part of the territory covered by it, if this part meets the requirements of the Energy Law, and the Commission has authorized the transfer of the assets for exercising the licensed activities in the separated territory to the same person.

(3) In the cases specified by Article 46, paragraph 1 and 2 of the Energy Law, a license shall be issued to the person – winner of the tender.

(4) The Commission authorizes the transactions specified by the Energy Law or gives permission for transformation of a licensee, if his application complies with the provisions for exercising of the licensed activity and meets the requirements for issuance of the corresponding permit.

Article 13. (1) The application for issuance of a license contains:

1. The firm, registered office and address of management, the tax number of the applicant and the name of the person or persons, who represent it.
2. The type of the license applied for;
3. Description of the energy enterprise (facilities) for carrying out the licensed activity, if the application for license is for an activity as laid down in Article 11, paragraph 1, Item 1-9;
4. Proposal and justification of the term of the license;
5. Evidence of ownership or applications for licenses for other activities, subject to the Energy Law ;
6. Specimen of the signature of the person, representing the applicant.

(2) The following documents shall be attached to the application in accordance with paragraph (1):

1. Copy of the court ruling for registration of the applicant and an original of the certificate of good standing, issued by the court of registration of the applicant;
2. Copy of the certificate of tax registration and the BULSTAT registration (at the national statistics office);
3. Declarations, stating that:
  - a) The managers and the members of the management bodies of the applicant, and, in case the members are legal persons – their representatives in the corresponding management body – have not been deprived of the right to exercise trade activity;
  - b) The managers and the members of the management bodies of the applicant, and, in case the members are legal persons – their representatives in the corresponding management body – have not been sentenced by judgement-at-law for offense against property, unless discharged;
  - c) The applicant is not subject to bankruptcy adjudication proceedings;
  - d) The applicant has not had a license for the same activity withdrawn, or the period under Article 59, paragraph 4 of the Energy Law has expired;
  - e) More than three months have passed from the entry into force of the act of denial of issuance of license for the same activity, if such an act has been issued;
4. Business plan;
5. The annual financial statements of the applicant for the last three years, and - when the legal person is newly registered – proofs of financial resources (certificate from the corresponding bank for opened bank accounts and availability of funds); if the annual financial statement of the applicant is subject to independent financial audit, the applicant presents also the auditor's report;
6. Information about the sources for financing of the activity and evidence of the availability of these sources;
7. Proofs that the person, to whom it refers, satisfies the requirements, set by the rules pursuant to Article 24, paragraph 2 and Article 173, paragraph 1 of the Energy Law, for financial provision of the deals they sign in electricity or natural gas;
8. Information about the share percentages of the partners or shareholders of the applicant and the corresponding copies of documents (corporate bylaws, court rulings or copy of the shareholders' record book, etc.) providing proofs of the correctness of this information.

9. Evidence of the applicant's experience in carrying out such activity; if the applicant is newly incorporated, evidence shall be presented of the experience of the partners or shareholders, who exercise control over the newly founded company;
  10. Information about the management and organizational chart of the applicant and the education and qualifications of the management personnel of the applicant, as well as data about the number and qualifications of the staff occupied in carrying out the activity subject to licensing;
  11. Documentary evidence of paid fee for processing the application.
- (3) The declarations under paragraph 1, item 4, "a" and "b" shall be submitted by each member of the management body of the applicant.
- (4) Attached to the application for issuance of license pursuant to Article 11, item 1 – 10 are also:
1. Permit for use of the energy enterprise and the corresponding infrastructure, which represent the means for exercising the licensed activity, issued in accordance with the Territorial Development Act (TDA), in case these facilities are newly constructed; no such permit is required if these facilities have been used for carrying out of activity according to an issued license by the applicant or a third party;
  2. Data characterizing the technical status of the energy enterprise and its technical and operational characteristics, as well as those of its service infrastructure, and a list of the primary and auxiliary equipment of the energy enterprise;
  3. Written evidence of the observation and compliance with:
    - a) The normative requirements for safe and healthy working conditions, for technical safety of machines, equipment and installations, for the values of parameters of the working environment, for the measures for prevention, diminishing or limiting of the risks for safety and health at work, for provision of the personnel with personal protection means and special workclothes, for conducted evaluation and assessment of the risk of the working positions, for the provision of the workers with medical service by specialized medical office of labour medicine;
    - b) The normative requirements for technical operation of power stations, transmission networks, equipment and installations;
    - c) The normative requirements for protection of the environment, including permit for water usage, when it is provided for by the Waters Act;
  4. Documents, providing evidence of the ownership, respectively limited real right of usage of the facility (facilities), which constitute the means of exercising of the licensed activity, with drawings and maps of the corresponding territories and networks;
  5. Description of the territory of deployment of the respective networks and data, reflecting the number of connected users and the number of potential users, if the application for issuance of license is filed pursuant to Article 11, items 8 and 9;
  6. Description of the territory, subject to the application of license for transmission of heat energy, and authenticated copies of the valid drawings and plans of the built-up area;
  7. Opinion on the fire and emergency safety of the facility, issued by the competent authorities of the Ministry of Interior.
- (5) The following documents shall be also attached to an application for issuance of license pursuant to Article 11, paragraph 1, items 5, 11 – 14:

1. Information about the fixed assets in possession, including information about deployed information networks and software for carrying out the activity;
2. User code
3. Draft of general terms of the contracts, if the Energy Law requires such provisions to be prepared by the licensee.

(6) The following documents shall be also attached to an application for issuance of license pursuant to Article 11, paragraph 1, items 5, 15 and 16:

1. Information and evidence of the fixed assets in possession, including information and evidence about the deployed information network and software for carrying out the activity;
2. Evidence of the availability of technical provisions for concluding deals with electricity in accordance with the Electricity Trading Rules;
3. Evidence of availability of personnel and its qualifications for carrying out the activity and of familiarity with the market of electricity.

Article 14. (1) The business plan shall be prepared for a period of not less than five years following the directives of the Commission. It shall contain:

1. Investment program;
2. Production Program;
3. Repair Program;
4. Social program for the activities and measures with social content, regulated as compulsory by legislative acts;
5. Projection of the structure and volume of expenditure scheduled on a yearly basis in accordance with the classification of expenses taking into account the directions of the Commission about the format and content of the information, required for the purpose of pricing pursuant to the ordinances for price regulation of electricity, heat energy and of natural gas.

(2) The business plans of the licensees whose prices are being regulated by the method “upper limit of prices or income” and/or “net present value” shall indicate for every year of the regulatory period:

1. The forecasted capital structure;
2. The volume, method of financing and schedule of all planned investments with justification of each one;
3. Projection of the prices of energy and/or the services delivered for every price period over the time period of the business plan;
4. Proposals for uniform changes of prices in case of significant deviations of the price setting factors;
5. Determination of areas for upgrading effectiveness.

(3) The first business plan and the first user code shall be approved of on issuing of the license.

(4) The licensees present for approval every subsequent business plan not later than six months prior to the expiration of the term of the previous business plan.

Article 15. The user code shall contain in compulsory manner the procedures for working with customers, the procedure and terms for receiving, considering, inspection and response to filed complaints, alerts and proposals.

Article 16. (1) When the applicant requests issuance of license with provisions for transactions at regulated prices, the application for issuance of license is presented with an attached application for price endorsement according to the provisions of the corresponding ordinance, which regulates prices.

(2) If the applicant fails to present the application under paragraph 1, accompanied by all required documents, the application for issuance of license shall not be considered further.

(3) When announcing the resolution for issuance of license, the Commission announces also the decision for approval of the prices.

(4) An appeal of the resolution concerning endorsement or fixing of prices of electricity and/or heat energy or natural gas does not prevent the resolution for issuance of license to be executed.

Article 17. (1) The Commission evaluates the availability of technical, material and human resources of the applicant in accordance with the requirements of the technical regulations for carrying out of the corresponding activity pursuant to the provisions of Article 83, paragraph 1 of the Energy Law.

(2) The Commission assesses the availability of financial resources of the applicant based on his capability to ensure the required funds and guarantees for carrying out of the licensed activity.

Article 18. (1) When the applicant has filed a common application for issuance of more than one license for exercising of different licensed activities, every application shall be considered individually with respect to the provisions for issuing of the respective license.

(2) The commission shall issue separate licenses for each licensed activity if the applicant fulfils the requirements for issuance of the corresponding license and the limitations of Article 44 of the Energy Law do not exist.

(3) The Commission shall issue separate licenses for distribution and retail of electricity or natural gas for every differentiated territory.

(4) When the applicant has filed an application for issuance of license for generation of electricity or heat energy, or for storage of natural gas involving several independent from each other energy facilities, the Commission shall issue a single license.

(5) In the cases of paragraph (4), if the applicant files a second application before the Commission has pronounced its decision on the first application within the statutory term, the two applications shall be integrated into one common file and the period for response of the Commission commences from the date of filing of the second application. If the term for announcing of the resolution on the first application has expired before filing of the second application, the Commission shall consider the second application in the ordinary manner.

## Section II

### Issuance of Licenses without Tender before Construction of the Energy Enterprises



Article 19. (1) A license under Article 11, paragraph 1, items 1, 2, 3, 5, and 10 may be issued before the construction of the energy enterprise, which will carry out the corresponding activity, at the request of a legal person, registered in accordance with the Trade Act.

(2) The application as laid down in paragraph (1) shall contain:

1. The firm, registered office and address of management, and the tax number of the applicant;
2. The type of license applied for;
3. Description of the facility (facilities) for carrying out of the licensed activity, including the basic technical parameters of the future energy enterprise;
4. Approved and detailed schedule with time frame for the construction of the energy enterprise and a proposal and justification of the term of exercising the activity (the term of the license);
5. Information about issued licenses or licenses requested by the applicant for other activities under the Energy Law;
6. Specimen of the signature of the person representing the applicant.

(3) The time period of construction of the energy enterprise for exercising the licensed activity shall not be included in the term of the license.

(4) The following documents shall be attached to the application:

1. Copy of the court ruling for registration of the applicant and an original of the certificate of good standing, issued by the court of registration of the applicant;
2. Copy of the certificate of tax registration and the BULSTAT registration (at the national statistics office);
3. Declarations, stating that:
  - a) The applicant is not subject to bankruptcy adjudication proceedings;
  - b) The applicant has not had a license for the same activity withdrawn, or the period under Article 59, paragraph 4 of the Energy Law has expired;
  - c) More than three months have passed from the entry into force of the act of denial of issuance of license for the same activity, if such an act has been issued;
4. The annual financial statements of the applicant for the last three years, and - when the legal person is newly registered – proofs of financial resources; if the annual financial statement of the applicant is subject to independent financial audit, the applicant presents also the auditor's report;
5. Information about the sources for financing of the construction and evidence of the availability of these sources;
6. Information about the share percentages of the partners or shareholders of the applicant and the corresponding copies of documents (corporate bylaws, court rulings or copy of the shareholders' record book, etc.) providing proofs of the correctness of this information.
7. Evidence of the applicant's experience in carrying out such activity; if the applicant is newly incorporated, evidence shall be presented of the experience of the partners or shareholders, who exercise control over the newly founded company;
8. Preliminary design and/or technical design, and/or working design of the construction of the energy enterprise;
9. Investment analysis and financial model, containing the forecasted prices of energy and/or service;

10. Draft contracts with terms exceeding one year for purchasing of energy, if such are envisaged, pertaining to applications for licenses for generation of electricity and/or heat energy;
11. Business plan, indicating without restriction: the number of years for which it has been compiled, with the year of issuance of the license set as the zero reference; planned investment, investment made prior the presentation of the business plan; forecasts for: the capital structure, income and expenditures, production and repair programs and the associated expenses, return of investment, annual cash flow, sales, prices;
12. Declaration in writing by the applicant, coordinated with the respective regional environmental inspection office and waters office, that the applicant has fulfilled the requirements of the normative environmental regulations for the approval of the projects;
13. Description of the territory, subject to the application of license for transmission of heat energy, and authenticated copies of the valid drawings and plans of the built-up area;
14. Documentary evidence of paid fee for processing the application.

Article 20. (1) The Commission shall issue a license pursuant to the provisions of this section if the person, who has filed the application, possesses the financial capabilities to build the energy enterprise and meets the requirements for issuance of the corresponding license, and if it approves of the drafts of the presented financial models and contracts under Article 19, paragraph 4, items 10 and 11 (if such are provided for).

(2) In the license under paragraph 1 the Commission shall set the conditions for the construction of this facility and the term for commencing the licensed activity.

Article 21. (1) The financial models and contracts under Article 19, paragraph 2, items 10 and 11, which have been presented for approval, shall satisfy the following requirements:

1. The prices provided for by the contracts shall not exceed their market values during the term of the contracts;
2. The price structure provided for by the contracts shall not create burdens in violation of the users' interests (unjustifiable high values of the prices, exceeding the requirements of credit pay off);
3. The risks taken by the sides shall not create conditions for violation of the users' interests.

(2) The energy enterprises submit variants of the financial models, which shall contain the possible economic and financial consequences with forecasts of their impact on prices in cases when deviations from the assumptions underlying the primary models should occur (forecasted loads, fuel prices, inflation, etc.).

(3) The Commission may issue compulsory directives with respect to prices and price-setting methodologies provided for by the financial models and contracts, including their updating.

(4) The Commission shall determine the market values of prices for the duration of a given contract by performing analysis using the present value method in order to verify if the price fixed by the contract would not exceed its forecasted market value, and issues compulsory directives for elimination of the inconsistency.

(5) The Commission shall determine the extent of the risks taken by the sides in the contracts under paragraph 1 and issues compulsory directives for their balancing with the aim of protecting the users against violation of their interests.

(6) The Commission shall determine the level and the means of risk management (insurance coverage, etc.) with the aim of preventing excessive debt burden on the energy enterprise and threat to reliable supply.

(7) If the compulsory directives are not observed and adhered to, the Commission may refuse issuance or amendment of the license.

Article 22. (1) On commencement of commercial operation of the energy enterprise the person, who has received a license under the provisions of this section, shall submit to the Commission:

1. Permit for usage of the construction site;
2. Information about the technical and operational characteristics of the newly constructed site and its service infrastructure as well as a list of the basic and auxiliary equipment of the energy enterprise;
3. Documents, providing evidence of ownership (title), respectively limited real right for use of the facility (facilities), which will provide the means of exercising the licensed activity, accompanied by the corresponding plans and maps of the corresponding networks;
4. Declaration in writing by the licensed person, coordinated with the respective regional environmental inspection office and waters office, stating that the applicant has fulfilled the requirements of the normative environmental regulations for the commissioning of the facility and permit for water usage, in case it is provided for by the Waters Act;
5. Evidence concerning the employed personnel and its qualifications, information about the management and organizational structure of the licensee and data including the number and qualifications of the personnel involved in exercising the activity - subject to licensing;
6. Updated business plan and financial model.

(2) Within a period of one month from the filing of the documents in accordance with paragraph (1), the Commission shall determine if the provisions of Article 40, paragraph (1), items 1-3 of the Energy Law have been satisfied and by resolution:

1. Issues permission for commencement of exercising of the licensed activity, or
2. Issues compulsory directives and fixes a time schedule for correcting any found inconsistencies with the requirements for exercising the licensed activity;
3. Withdraws the issued license, if the inconsistencies under item 2 have not been corrected or eliminated within the specified time period.

(3) The Commission notifies the licensee in writing about its decision under paragraph (2) within a period of three days after the resolution has been adopted.

(4) On the licensee's request the procedure under paragraph (2) may be conducted after signing of Act 15 - pursuant to Ordinance No. 3 of 2003, regulating the types of acts and protocols in the construction process (State Gazette, No. 72, 2003) – for determining the readiness for acceptance of the constructed site. In this case the licensee shall submit the documents under paragraph (1), items 2 – 6 and the act itself.

(5) In cases under paragraph (4) the Commission shall, within the time period, specified in paragraph (3):

1. Permit commencement of exercising the licensed activity under condition – after receipt of a permit for use in accordance with the Territory Development Act, or
2. Issue compulsory directives and set a time period for elimination of found inconsistencies with the requirements for exercising of the licensed activity;
3. Withdraws the issued license, if the inconsistencies under item 2 have not been corrected or eliminated within the specified time period.
4. (6) In conducting the procedure under paragraph 1 and 4 Article 16 shall be also applied.

### Section III.

#### Issuance of Licenses in the Case of Selection of the Licensee after Conducting a Tender Pursuant to Article 43, Paragraph (8) and Article 42 of the Energy Law

Article 23. (1) Only after a tender for selecting the license holder a license shall be issued for:

1. Generation of electricity in the cases of justified and properly announced pursuant to Article 4, paragraph (2), item 5 of the Energy Law necessity for new energy resource for electricity generation;
2. Distribution of natural gas with the exception of the cases under Article 43, paragraph (7) of the Energy Law.

(2) The differentiated territories under the licenses for distribution of natural gas shall be determined by the list pursuant to Article 4, paragraph (2), item 6 of the Energy Law.

Article 24. (1) The list of demanded new power capacities for generation of electricity shall contain the following characteristics of each energy enterprise:

1. Location;
2. Basic technical and operational parameters, including the nature of the primary energy sources;
3. Time schedule for the commissioning of the facility with respect to the demand for electricity and the total energy balance.

(2) The list of new differentiated territories for distribution of natural gas and for revision of existing differentiated territories for distribution of natural gas, for which no license has been issued, shall contain the boundaries of the territory.

Article 25. (1) Within a one-month period after the promulgation of the list in the “State Gazette” SERC shall prepare a program for the tenders, which will be conducted on the basis of the list/lists.

(2) The program under paragraph (1) shall be published in the license bulletin of SERC and on its Internet page.

(3) In accordance with the program under paragraph (1) SERC, by adopting a resolution, shall determine for each facility:

1. The subject of the tender;
2. The procedure and schedule for the preparation of the tender documentation.

Article 26. (1) A working group, appointed by a SERC resolution shall prepare the draft of the tender documentation.

(2) The members of the working group are obliged to observe the confidentiality of the information submitted to them in accordance with the assigned task and sign a proper declaration of non-disclosure.

(3) Members of a working group do not have the right:

1. To provide consultations in any form to third parties with respect to the subject of the tender;
2. To take part in the tender directly or by connected persons as specified in the Trade Act.

Article 27. (1) The tender documentation shall be prepared in the Bulgarian language and shall contain all data, directions and requirements necessary for the preparation of the proposal by the candidates. The State Commission for Energy Regulation may decide to compile the tender documentation in another language.

(2) The tender documentation includes the following mandatory components:

1. Detailed description of the subject of the tender;
2. The tender provisions – technical and price, etc.;
3. Draft of the license;
4. Draft of the contract for purchasing of electricity in the case under Article 46, paragraph (1) of the Energy Law, proposed by the public supplier, its provisions shall be approved by the State Commission for Energy Regulation;
5. List of documents, which must be submitted by the candidate for evaluating of the proposal and as evidence of the candidate's technical, financial, economic and organizational capabilities for the implementation of the proposal;
6. Requirements to the candidates;
7. Requirements to the proposal and the annexes thereto;
8. The evaluation criteria and the methods of evaluation of the proposal.

(3) The description of the subject of the tender shall contain sufficient data for the preparation of the candidates' proposal – description of the facility with information of its financial, economic, technical, operational, ecological and other characteristics, as well as data concerning the expected trends in the general and detailed territory development plans pertaining to the facility (the cadastre or the construction site), information about the territory of the license, etc.

(4) The State Energy Regulatory Commission shall approve by resolution the tender documentation, if it has been prepared in accordance with the provisions of the ordinance, and satisfies the conditions concerning its assignment.

Article 28. (1) The State Energy Regulatory Commission announces the tender by adopting a resolution.

(2) The resolution under paragraph (1) shall contain:

1. The subject of the tender;
2. The beginning and final date for the construction of the facility; the subject of the tender is the selection of a holder of license for electricity generation or terms for the construction of particular parts of the corresponding gas distribution network;

3. The conditions and procedure of conducting the tender;
  4. The requirements to the candidates for license;
  5. The type, amount and the payment method of a guarantee for participation in the tender;
  6. The price of the tender documentation, place and deadline for acquiring it;
  7. Deadline for filing the applications for participation;
  8. Date, place and time of opening of the submitted applications for participation;
  9. Term for evaluation of the proposals.
- (3) With the resolution under paragraph (1) a sample form of the declaration for the confidentiality of the data in the tender documentation shall be approved. The resolution constitutes an inseparable part of the tender documentation.
- (4) In cases when the territory, which will be covered by the license for construction of new gas distribution networks, encompasses the territory of more than one municipality, the draft resolution of the State Energy Regulatory Commission for opening a procedure for conducting a tender shall be coordinated with the corresponding municipalities.
- (5) The resolution of the State Energy Regulatory Commission shall be promulgated in the “State Gazette” and on the web page of the Commission in the Internet. The tender shall be announced also in an international periodical with economic orientation.
- (6) The resolution of the State Energy Regulatory Commission for opening the tender may be appealed only together with the resolution for selection of the candidate – winner of the tender.

Article 29. (1) The guarantee for participation in the tender shall be set to the amount of the initial license fee of the corresponding license, the holder of which is being selected by the announced tender.

(2) The period for submitting of the applications for participation shall be determined depending on the type of energy enterprise, which constitutes the means of exercising of the licensed activity, however it cannot be longer than six months since the date of promulgation of the resolution under Article 28, paragraph (1) in the “State Gazette”.

(3) The date of opening of the applications for participation shall be no later than 30 days after the expiry of the term for the submission of the applications for participation.

(4) The period for evaluation shall not exceed three months after the date of opening of the applications for participation in the tender.

Article 30. (1) The State Commission for Energy Regulation by adopting a resolution shall appoint the commission for conducting the tender headed by a chairman and counting from four to eight members.

(2) The chairman of the commission for conducting the tender is member of the commission.

The commission for conducting the tender shall be appointed after the expiration of the term for submission of the applications for participation.

Article 31. (1) Members of the commission for conducting the tender shall become officials of the administration of the State Commission for Energy Regulation and,

depending on the subject of the tender – also representatives of the corresponding municipalities, covered by the territory of the license, and representatives of other institutions and organizations taking interest in the tender.

(2) It is compulsory to include in the commission for conducting the tender a licensed attorney and economist, the other members shall possess the required professional qualifications and working experience corresponding to the subject of the tender.

(3) Member of the commission for carrying out the tender shall not become a person, who:

1. Possesses material interest in setting up the facility – subject of the tender;
2. Is connected person according to the Trade Act with a candidate in the tender;
3. Has participated in the working group for the preparation of the tender documentation;

(4) The members of the commission for conducting the tender shall certify by proper declaration the absence of the circumstances under paragraph (3).

(5) The members of the commission for conducting the tender are obliged to observe the confidentiality of the information submitted to them in connection with holding the tender and keep secret any circumstances, which have become known to them in the process of working for the commission – on their appointment to the commission they shall fill in the proper declaration.

(7) The compensation of the outside experts – members of the commission for conducting the tender, and all expenses in connection with its activities shall be provided for by the State Commission for Energy Regulation.

Article 32. The State Commission for Energy Regulation may make changes of the members of the commission for conducting the tender in the case of death or continued illness of a member or for other objective reason, which prevents its members of performing their activities.

Article 33. (1) The chairman of the commission for conducting the tender shall hold a meeting of the commission within three days after its appointment.

(2) The meeting shall be considered regular if at least 2/3 of the total number of its members are present at the meeting.

(3) At its first meeting the commission for conducting the tender:

1. Determines the place of holding meetings and the procedure of its operation;
2. In case of necessity the commission for conducting the tender may propose to the State Commission for Energy Regulation to invite experts observing the requirements for confidentiality; the commission proposes to the State Commission for Energy Regulation to determine the amount of compensation of the invited experts.

(4) The commission for conducting the tender shall adopt its resolutions with a majority of 2/3 of the total number of members.

(5) Minutes shall be taken of the meetings of the commission for conducting the tender.

(6) The chairman of the commission for conducting the tender shall appoint administrative employees from the staff of the State Commission for Energy Regulation to assist its work.

Article 34. (1) The tender documentation shall be received after signing a list of contents of the documentation package by both sides and making the payment of the price of the tender documentation as well as signing the declaration of confidentiality concerning the information contained in the tender documentation.

(2) A duly authorized person shall sign two copies of the declaration under paragraph (1).

Article 35. (1) Candidate for participation in the tender may be a Bulgarian or foreign legal person, registered as merchant pursuant to the Trade Act or in accordance with its national legislation, or a joint venture of the two.

(2) With its resolution for opening the tender the State Commission for Energy Regulation may stipulate the requirement to the foreign legal person or the joint venture of legal persons – winner of the tender to create a corporation in accordance with the Trade Act. In such cases the newly founded corporation shall be binded by the proposal, filed by the joint venture.

(3) Candidate for participation in the tender may be a person, possessing technical, economic, financial and organizational capabilities for performing the activity according to the license, which is not subject to the circumstances laid down by Article 40, paragraph (3) of the Energy Law.

Article 36. (1) The application for participation in the tender shall be in writing. The State Commission for Energy Regulation shall approve of a sample application form for participation in the tender as part of the tender documentation.

(2) Attached to the application under paragraph (1) are:

1. The proposal of the applicant and the annexes to it in accordance with the tender documentation;
2. Copy of the ruling for registration (incorporation) of the participant as merchant in compliance with its national legislation and an original certificate of good standing;
3. Copy of the certificate of tax registration;
4. Declarations for the absence of circumstances as laid down by Article 40, paragraph (3) of the Energy Law
5. Authenticated annual financial reports for the last three years and, for newly incorporated legal persons – proofs of financial resource (certificate from a corresponding bank);
6. Document providing evidence of the purchase of the tender documentation and documentary evidence of deposited bank guarantee for participation in the tender;
7. Evidence concerning the candidate's experience in similar projects;
8. Miscellaneous documents specified by the tender documentation.

Article 37. (1) Filing of the application is done at the location, specified by the tender documentation, or by registered post with advice of delivery, or by courier service.

(2) Applications for participation in the tender shall be received up to the date and time, specified in the resolution or the announcement. A certificate of filing the application shall be issued to the candidate.

(3) The application and the annexes thereto shall be submitted in a non-transparent envelope observing the requirements of the tender documentation.



(4) In the case of sending the application by post the valid date shall be the date of the post stamp of the sending station.

(5) A register of the filed applications shall be kept with entries reflecting the sequence of received applications and the date and time of receipt of the applications.

Article 38. If, within the term of filing the applications for participation in the tender, no application has arrived, or only one application has been filed, the term can be extended by no more than 60 days from the date of promulgation in the “State Gazette” of the announcement about the extension of the term. In this case the date of opening of the applications shall be changed too.

Article 39. (1) On the day, appointed for opening of the applications for participation in the tender, the commission for conducting the tender shall open the submitted applications and check their formal (technical) compliance with the requirements for participation.

(2) Minutes shall be taken of this meeting, which shall be signed by all members of the commission for conducting the tender.

(3) A separate annex to the minutes shall be prepared for every single application, in which the commission for conducting the tender states the extent of compliance with the requirements, specified by the tender documentation, which must be satisfied by the application and the annexes to it.

(4) Authorized representatives of the candidates for participation in the tender can attend the meeting under paragraph (1) by presenting power of attorney. The list of the candidate representatives or their authorized representatives shall be attached to the minutes.

(5) The commission for conducting the tender shall remove from participating in the tender a candidate, whose application and the annexes to it do not meet the requirements, specified by the tender documentation.

(6) The commission for conducting the tender is obliged to notify in writing the candidate about his removal within three days after the day of holding the meeting.

(7) A removed candidate can appeal the decision for selection of the winning candidate of the tender.

Article 40. (1) After the check of the formal compliance the commission for conducting the tender proceeds with the evaluation of the applications.

(2) Minutes shall be taken for every meeting of the evaluation.

(3) The commission for conducting the tender shall have the authority to remove participants in the tender, who have reached this phase of the selection if, in the process of evaluation, discrepancies of their proposals with the tender provisions are encountered. In this case Article 39, paragraph (6) and (7) shall be applied.

(4) The commission for conducting the tender may request additional information from the candidates and specify a term for its submission.

Article 41. The members of the commission for conducting the tender are obliged to observe the confidentiality with respect to the contents of the proposals and are forbidden

to take the tender materials and documentation out of the location appointed for its meetings.

Article 42. (1) After completion of the evaluation the chairman of the commission for conducting the tender shall submit a report to the State Energy Regulatory Commission concerning the results of the evaluation and a draft resolution.

(2) In its report the commission for conducting the tender shall evaluate the candidates and propose a motivated grading of the candidates. Reservations (if any) of members of the commission for conducting the tender shall be attached to the report together with the proposals of all candidates in the tender.

(3) The commission for conducting the tender may, in its report, propose termination of the tender, if the conditions under Article 50, paragraph (1) of the Energy Law exist.

(4) The contents of the report of the commission for conducting the tender with the proposals shall not be disclosed to the candidates and shall not be made public in the media.

(5) The State Energy Regulatory Commission alone shall assess the proposals, circumstances and facts, presented in the report of the commission for conducting the tender.

Article 43. (1) The State Energy Regulatory Commission shall within a 14-day period from the receipt of the proposal of the commission for conducting the tender grade the candidates and by a motivated resolution shall appoint the person – winner of the tender.

(2) With its resolution under paragraph (1) the State Energy Regulatory Commission shall issue the corresponding license.

(3) The State Energy Regulatory Commission shall notify in writing the candidates about the resolution within three days, including the removed candidates.

Article 44. (1) The State Energy Regulatory Commission shall terminate the tender and announce a new one, if:

1. Only one candidate has applied;
2. The proposals of the candidates do not meet the tender requirements.

(2) In case there is only one candidate after the second announcement of the tender, the State Energy Regulatory Commission pronounces this candidate winner of the tender if it meets the tender provisions.

Article 45. (1) In its resolutions for appointing the winning candidate of the tender or for termination of the tender the State Energy Regulatory Commission pronounces on the retaining (withholding) or release of the guarantees for participation in the tender.

(2) The State Energy Regulatory Commission shall have the right to retain the guarantee for participation when a candidate:

1. Withdraws his proposal after the expiration of the term for submission of proposals;
2. Files a complaint against the resolution for grading of candidates till the solution of the dispute by the court;
3. Withdraws his proposal after being appointed winner of the tender.

(3) The guarantees of the removed candidates shall be released by the holder of the tender within three working days after the expiration of the term for filing a complaint (appeal) against the resolution under paragraph (1). At termination of the tender the guarantees of all candidates shall be released within the same period of time.

(4) The guarantees of the graded candidates shall be released within three days after coming into force of the resolution for issuance of license.

(5) The State Energy Regulatory Commission shall release the guarantees without being liable for interest for the period when the guarantee sums have been deposited as collateral for the tender.

(6) The guarantee of the winner of the tender may be retained as an initial license fee.

Article 46. After the construction of the energy enterprise Article 21 shall be applied correspondingly.

#### Section IV. Contents of the License

Article 47. (1) The license shall contain:

1. The name of the state body issuing the license;
2. The name and registration number of the act;
3. The legal grounds for issuance of the act;
4. The name (firm), registered office, address of management and tax number of the licensee;
5. The activity, for which the license has been issued;
6. The term of the license;
7. The territory of the license (for activities, for which it is required);
8. The facility (facilities) for exercising the activity;
9. Regulatory section, which specifies the special conditions for exercising the licensed activity, specified by the commission, depending on the type of license and the special requirements, determined by the current normative, general and individual administrative acts.

(2) The following annexes constitute an inseparable part of the license and they are updated periodically:

1. List and description of the facility or facilities, which provide the means of exercising the licensed activity with their technical and technological characteristics;
2. Description of the boundaries and, if needed, a map indicating the territory covered by the corresponding license for transmission or for distribution of electricity, heat energy or natural gas and retail of electricity and natural gas;
3. Business plan;
4. User code;
5. Resolutions for price setting or approval related to the activity of the license;
6. Resolutions for setting the quality measures of the energy and/or the service;
7. Approved general terms of contracts (if such are required).

(3) The updating of the annexes under paragraph (2), item 3 – 7 shall not be considered revision of the license.

Article 48. General terms for exercising the licensed activity shall be the effective provisions of normative acts, as well as the adopted by the Commission individual and general administrative acts, applicable to the corresponding licensed activity, and observing the goals and principles of the regulation in accordance with the Energy Law.

Article 49. The special provisions of the license shall be determined depending on the licensed activity and they shall include, without limitation:

1. Obligation for research of the power consumption, forecasting, planning, and development of the generating resources, respectively of the transmission and distribution networks;
2. Obligation for effective utilization of energy and energy resources in accordance with the norms and standards, related to energy efficiency and protection of the environment;
3. Obligation for taking out of insurance – types, covered risks and amount of insurance coverage;
4. Rules for supply and quality standards of the delivered energy and/or services, approved by the Commission;
5. Requirements to the construction of the energy enterprise, in the case when the license has been issued prior to its erection;
6. Requirements to the decommissioning (terminating of the operation) of an energy enterprise.

## Section V Collection and Submission of Data

Article 50. In the process of executing of its functions the Commission may require from the licensees to submit information and documents, related to the licensed activity.

Article 51. (1) The licensee shall be obliged to submit on an annual basis to the Commission within the designated time frames and following its directions the following information:

1. Annual report for the execution of the programs according to the business plan and for maintaining of the safety and security of the energy enterprise (facilities);
2. Information about signed contracts;
3. Information about newly constructed energy facilities, components of the transmission and distribution network and submission of documents for permission of their usage or commissioning (commencement of operation).

(2) Upon the Commission's request, the licensee shall, without limitations, submit the following information:

1. Installed and available generation capacity, offered for purchase or purchased by the transmission enterprise for a given time period;
2. Generated and/or sold volume of electricity, heat energy or natural gas and the payments made according to the sales contracts;
3. Activity in execution of the sales contracts for electricity, heat energy and natural gas;
4. Customer relations – quality of service, reliability and security of supply;
5. Publication of the general terms and prices;

6. Any accounting documentation, which is of significance for the regulation.

Article 52. (1) When the Commission places a request with the licensee for submitting information or documentation, it shall notify the licensee in writing and specify a time frame for their submission.

(2) In the case when the requested information or documents have not been submitted, the Commission may impose a property sanction or a fine pursuant to the Energy Law.

Article 53. The Commission may obligate the licensee to collect and store information and documents pertaining to the:

1. Readings of the metering devices;
2. Quality of energy and services and paid indemnities;
3. Customer contracts;
4. Complaints.

Article 54. The Commission may publish all documents and information, received under the procedure of this section, which do not constitute corporate confidential matter, when this is to the benefit of the consumers of electricity, heat energy or natural gas.

Article 55. The Commission shall collect and store the information and documents, submitted by the licensees, in the files, which are kept for every license.

## Section VI Insurance

Article 56. (1) The licensees shall be obliged to take out and keep for the term of the license issued to them the following types of insurance:

1. Insurance of the assets at the facilities, which constitute the means of exercising of the licensed activity;
2. Insurance against civil liability;
3. Other types of insurance, prescribed by the Commission in implementing the regulatory principles.

(2) The insurance shall be to an extent and amount sufficient to provide for the financial means necessary for replacement of each component of the energy facilities and equipment, damaged or destroyed as a result of an accident or other emergency circumstances, as well as for payments of compensations for damages caused to third parties.

(3) The license shall specify the particular covered risks and the amount of the insurance coverage, which the licensee is obliged to keep for the duration of exercising the license.

Article 57. (1) The licensees are obliged to submit to the Commission on an annual basis and within time frames set up by the license information about the signed insurance contracts.

(2) On the Commission's request the licensee shall submit proofs of the validity of the insurance.

Chapter Four  
REVISION AND AMENDMENT, EXTENSION OF THE TERM, TERMINATION  
AND WITHDRAWAL OF LICENSES

Section I  
Revision and Amendment of Licenses

Article 58. (1) An issued license shall be revised and/or amended by a resolution of the Commission.

(2) Proceedings for revision/amendment of a license shall commence:

1. On the initiative and resolution of the Commission;
2. On the licensee's request.

(3) The resolution of the Commission for opening of proceeding for revision and amendment of the license shall not be subject to appeal.

Article 59. (1) A license may be revised or amended on the Commission's initiative in the following cases:

1. For providing of reliable, uninterrupted, high quality supply of the consumers with electricity, heat energy and natural gas;
2. In case of changes in the governing legislation;
3. For the purpose of ensuring the national security and public order in coordination with the respective competent state bodies and offices;
4. In case of danger for human life and health, environmental pollution and harm to the environment and the property of third persons, when it does not imply withdrawal of license, and/or on proposal of specialized state bodies in exercising their authority;
5. In the event of authorization of corporate transformation of a licensee or deal of disposal, if it does not lead to termination of the license;
6. On resolution of the Commission for Protection of Competition or court ruling, which affect the license conditions, related to violation of competition rights;
7. In case of obvious error in facts.

(2) A licensee may request revision and /or amendment of the license in cases under paragraph (1) if a substantial change of the circumstances of exercising the licensed activity occurs, as well as changes with respect to the nature of the primary energy sources, which are used, and/or the technology of energy transformation, when this will lead to increase of the effectiveness of utilization of energy and energy resources and/or diminishing of the harmful effect on the environment.

(3) The licensee shall be obliged to apply for revision of the license in case of decommissioning of generating capacities .

(4) Holder of a license, issued by tender procedure, may request its revision and/or amendment before commencing of operation only in the case of occurrence of emergency or extraordinary circumstances, which could not be foreseen or evaded.

Article 60. (1) When the Commission, on its initiative, opens proceeding for revision and/or amendment of an issued license, it sends to the licensee written notice about the opening of the proceeding with an explicit statement of the grounds for the proposed revision and the content and effect of the proposed modification of the license.

- (2) The Commission shall demand opinion on the proposal for revision of an issued license from the competent state and municipal bodies, and they shall submit it in a 14-day term, in written form accompanied by the required data and documents.
- (3) The licensee can submit a written opinion on the motives for revision and/or amendment of the license within a 14-day time frame.
- (4) The Commission may revise a license even if the licensee would not submit an opinion in writing within the term under paragraph (3).
- (5) The Commission shall revise and/or amend the license after the expiration of the term under paragraph (2) and (3).

Article 61. (1) The licensee shall submit an application in written form for revision and/or amendment of a license, which shall contain:

1. The name (firm), registered office, address of management and tax number of the applicant;
2. The registration number of the license;
3. The grounds and motives of the request for revision and/or amendment of the license;
4. Proposal for revision and/or amendment.

(2) The following documents shall be attached to the application under paragraph (1):

1. Proofs (evidence) of the circumstances, which constitute the ground for the requested revision and/or amendment;
2. Document of paid fee.

(3) Depending on the ground for revision and/or amendment of the license, the applicant submits the documents needed for assessment of the application.

(4) In the proceeding for revision and/or amendment of a license the procedure and terms for submission, examination and resolution of the applications for issuance of license shall be applied respectively.

Article 62. (1) After considering the submitted opinions and the collected data and documents the Commission shall pronounce its decision for:

1. Revision and/or amendment of the license, or
2. Termination of the procedure for revision and/or amendment.

(2) The Commission shall announce its resolution under paragraph (1) at an open meeting. A written notice shall be sent to the applicant about the date, time and place of the meeting.

(3) The resolution for revision and/or amendment of a license shall be published in the license bulletin of the Commission and on its Internet page.

## Section II

### Extension of the Term of the License

Article 63. (1) The licensee can request extension of the term of the license pursuant to the provisions of Article 56. Paragraph (1) of the Energy Law.

(2) If, on expiry of the term of the license, the energy enterprise of exercising the licensed activity is subject to final decommissioning for technical reasons, the Commission shall extend the term of the license till the complete termination of the operation of the energy enterprise.

(3) The term under paragraph (2) shall not exceed the term for the final and complete decommissioning of the energy enterprise.

(4) The right of application for extension of the term of the license may be exercised at every expiration of the extended term of the license.

Article 64. (1) The application for extension of the term of the license shall include:

1. Name (firm), registered office, address of management and tax number of the applicant;
2. Registration number of the permit or the license;
3. Application for extension of the term of the license;
4. Proposal and justification of the new term of the license.

(2) The following documents shall be attached to the application under paragraph (1):

1. Certificate of good standing, issued by the court of registration of the applicant;
2. Copy of the certificate of tax registration of the applicant;
3. Declaration stating that the applicant is not subject bankruptcy adjudication proceedings;
4. Evidence of the technical status of the energy enterprise and of its technical and operational characteristics and its service infrastructure;
5. Document of paid fee.

(3) The application shall be filed at least one year before the expiration of the term of the initial license.

(4) If the applicant would not keep the term under paragraph (3), the application shall not be processed. In such a case the applicant may submit an application for issuance of a new license by the procedure of the ordinance.

Article 65. (1) The Commission shall consider the demands in the application and determine the fulfillment of the requirements and obligations under the effective license as well as the documents, which are attached to the application, with respect to the ongoing compliance of the applicant with the terms and conditions for exercising of the license.

(2) The Commission shall, by resolution:

1. Extend the term of the license;
2. Refuse extension of the term of the license.
3. (3) With its resolution under paragraph (2), item 1 the Commission shall specify the conditions for exercising of the licensed activity during the new term.
4. In the proceeding for extension of a license the terms and procedure for submission, consideration and resolution of an application for issuance of license shall be applied (implemented).

### Section III. Termination of License

Article 66. (1) An issued license shall be terminated by resolution of the Commission.

(2) The proceedings for termination of a license shall be opened on the initiative of the Commission or by application in writing of the licensee.



Article 67. (1) The license shall be terminated in the following cases:

1. On expiration of the term of the license with the exception under Article 56 of the Energy Law;
2. On the licensee's demand, including the case of transfer of the assets, which constitute the means of exercising of the licensed activities under the conditions of Article 53;
3. On corporate transformation of the licensee, when the transformation leads to termination of the legal person – holder of the license;
4. On destruction of the energy enterprise, which constitutes the means of exercising of the licensed activity by the licensee;
5. On entry into force of the court ruling of declaring the licensee insolvent or the ruling for termination of the activity as a result of winding-up of the licensee beyond the instances provisioned under Article 59;
6. When the licensee has not exercised the licensed activity for a period of more than a year.

(2) A licensee, selected by tender, may submit an application for termination of the license only if the energy enterprise under construction (incomplete construction) has been transferred to a third party under the conditions stipulated by Article 53, paragraphs 1,2 and 3 of the Energy Law.

Article 68. (1) The licensee shall submit an application with the following contents:

1. Name (firm), registered office, management address and tax number of the applicant;
2. Registration number of the license;
3. Justification of the termination applied for;
4. The procedure of disposal of the assets, which constitute the means of exercising of the licensed activity, or the incomplete energy enterprise (if construction has commenced).

(2) Document of paid fee and documents, providing evidence of the grounds for termination shall be attached to the application.

(3) In the proceeding for terminating of a license the terms and procedure for submission, consideration and resolution of an application for issuance of license shall be applied (implemented).

Article 69. (1) In the case, when the Commission opens proceedings for terminating of an issued license on its initiative, a written notice shall be sent to the licensee about the opening of proceedings, which shall state explicitly the grounds of the proposed termination.

(2) The Commission shall demand opinion of the opened proceedings for termination of a license from the competent governmental and municipal bodies, which deliver such opinion in writing and the data and documents requested from them within a 14-day time frame.

(3) The licensee shall submit a statement in writing on the grounds and motives of license termination within a 14-day period.

(4) The Commission shall terminate the license after the expiration of the terms under paragraphs (2) and (3).

Article 70. (1) Within a period of three months from the opening of proceedings for termination of the license, the Commission shall execute routine check of the circumstances under Article 56, paragraph (3) of the Energy Law.

(2) When performing the check the Commission shall demand in a mandatory manner opinion statements of the Ministry of Energy and Energy Resources (MEER), Ministry of Defense (MD), Ministry of Regional Development and Public Works (MRDPW), and of the corresponding municipality, as well as of other involved persons. In case the application for termination concerns a license for generation of heat energy and/or electricity, it is compulsory to demand an opinion statement from the corresponding transmission enterprise.

(3) The Commission shall terminate a license on the request of the licensee by resolution:

1. Within a one-year period from submission of the application for the reason of term expiry;
2. On entry into force of a license for the same activity in the cases specified by Article 52 and 53 of the Energy Law;
3. Within a period of three months from submission of the application for terminating the license in all other cases.

(4) The resolution of the Commission shall determine the period of actual cessation of the activity or appoint a special manager.

(5) The licensee shall be obliged to exercise the licensed activity till closing of the proceedings for termination of the license.

(6) The Commission shall suspend processing of the application for termination of a license, when the licensee withdraws his application prior to issuance of the resolution. In the cases under Article 67, paragraph (1), item 1 the licensee shall be obliged to file an application for extension of the term of the license at the same time with the withdrawal of the application for termination of the license.

#### Section IV Suspension and Withdrawal of License

Article 71. (1) Procedure for withdrawal of an issued license shall be opened by resolution of the Commission in the cases under Article 59 of the Energy Law.

(2) The procedure shall be opened by the Commission:

1. If a written statement has been made, establishing the infringement;
2. On finding by the control bodies of failure to fulfill issued instructions or compulsory administrative measures;
3. If evidence is available of submission of false information in the process of issuance of the license;
4. When a document or documents, which provide the motives and justification of the issuance of the license have been admitted to be false, forged or with incorrect contents by the proper court procedure.

(3) The resolution for opening of a procedure for withdrawal of a license shall not be subject to appeal.

(4) By its resolution for opening of the procedure the Commission specifies a term for discontinuation of the infringement and rectifying of its consequences and sets up a date

of an open meeting for withdrawal of the license after the expiry of the rectification period.

Article 72. The Commission shall by a resolution withdraw the issued license without opening procedure for withdrawal of the license, in the presence of an administrative act in force for withdrawal of a license for operation of a nuclear facility pursuant to the Act of Safe Use of Nuclear Energy or for cancellation of a permit for water use under the Water Act (when the license has been issued for electricity generation by a hydro power plant).

Article 73. (1) In a three day term from the resolution pursuant to Article 71, paragraph (1) the Commission shall send a warning in writing to the licensee about discontinuation of the infringement and rectification of the consequences within the specified term, which shall serve as notification of the opening of the procedure.

(2) With the warning the Commission demands a statement of opinion in writing of the licensee on the motives for opening of the procedure.

(3) If, within the time frame, set by the Commission, the licensee stops the infringement, eliminates the consequences or fulfills the directives and this is acknowledged by the inspection and control authorities of the Commission, it shall, by resolution, terminate the procedure of withdrawal of the license.

Article 74. (1) If the licensee does not discontinue the infringement, does not rectify the consequences or does not fulfill the issued directives, an open meeting shall be held for withdrawal of the license.

(2) The Commission shall determine, if a given infringement of the license or the law represents a ground for the withdrawal of the license, depending on its significance for the uninterrupted and reliable supply of the users, violating of the goals and principles of the Energy Law, and/or a systematic infringement by the licensee of the obligations pursuant to the license or the Energy Law.

(3) The Commission shall in due order explore the need of appointment of a special commercial administrator.

(4) At the open meeting the licensee has the right to deliver his objections to the withdrawal of the license.

Article 75. (1) The Commission shall deliver a resolution by the open procedure for withdrawal of the license at a closed meeting. With its resolution the Commission:

1. Terminates the procedure, if no ground exists for withdrawal of the license;
2. Withdraws the license.

(2) With the resolution for withdrawal of the license the Commission shall specify the period needed for the actual termination of the activity.

(3) If the circumstances for appointment of a special commercial administrator are present, with the resolution for withdrawal of the license the Commission shall appoint such special manager.

(4) The discontinuation of the procedure of withdrawal of the license, as well as the withdrawal of the license itself, shall not exclude searching of administrative and penal

responsibility for the infringement, documented by an act for establishment of the infringement.

Article 76. (1) The Commission may, by resolution, stop the exercising of the activity under an issued license in cases, when its inspection and control body has found an offence by the licensee, which does not require the initiation of a procedure for withdrawal of the license, however it constitutes a threat to the security of supply and violates the goals and principles of the Energy Law.

(2) In its resolution the Commission shall determine the term of discontinuation of the activity and for rectifying of the offense, and shall appoint a special commercial administrator. In cases, when the license has been issued for a differentiated territory, the Commission shall appoint another licensee, meeting the conditions of issuance of license, who shall exercise the activity in this territory till the expiration of the discontinuation term.

#### Chapter Five

#### RESOLUTIONS FOR APPROVALS OF CORPORATE TRANSFORMATION OF LICENSEES AND AUTHORISATION OF TRANSACTIONS

Article 77 (1). The Commission shall express its consent of the corporate transformation of a licensee by consolidation, merger, separation or division, if the person that will perform the licensed activity after the transformation meets the requirements for issuance of a license for the activity.

(2) The procedure for issuance of approval of corporate transformation of a licensee pursuant to Article 52 of the Energy Law shall be opened by written application of the licensee, which shall be submitted to the Commission before issuance of the resolution for corporate transformation in accordance with the Trade Act.

(3) The application under paragraph (2) shall contain:

1. Name (firm), registered office, address of management and tax number of the applicant;
2. Registration (filing) number of the license;
3. The application for corporate transformation and its type;
4. Description of the facilities, which, after the corporate transformation, will be the means of exercising the licensed activity;
5. Specimen of the signature of the person, who represents the applicant.

(4) The following documents shall be attached to the application under paragraph (2):

1. Contract for the corporate transformation or plan for transformation;
2. Report of the auditor as provided by Article 262 of the Trade Act;
3. Document of paid fee.

(5) The contract or plan for transformation under paragraph (4) must provide evidence that following the planned corporate transformation the goals and principles of the regulation pursuant to the Energy Law shall be observed.

Article 78. (1) The Commission shall pronounce a resolution on the application for corporate transformation within a period of one month after submission of the application

or rectification of the irregularities, governed by the goals and principles as laid down in the Energy Law.

(2) The term under paragraph (1) may be extended with the time necessary for conducting an outside expert assessment, assigned by the Commission, which must determine if, as a result of the planned corporate transformation, the balance of the interests of the energy company and the users and their equal standing will be impaired, as well as the other goals and principles of the Energy Law.

(3) The Commission, with its resolution:

1. Issues approval of the transformation;
2. Issues refusal for the transformation.

(4) In the cases, when the Commission approves of the corporate transformation, with its resolution under paragraph (2), item 1, it revises or terminates the existing license and/or issues a new license.

(5) The termination, revision or issuance of a license comes into force from the date of entry of the transformation in the commercial register.

Article 79. (1) The Commission authorizes the execution of disposal transactions with uncompleted construction sites or with assets, which constitute the means for exercising the activity pursuant to an issued license, under the conditions of Article 53 of the Energy Law.

(2) The procedure of issuance of the authorization under paragraph (1) shall be opened on a written application of the licensee, which shall contain:

1. Name (firm), registered office, address of management and tax number of the licensee and the future purchaser;
2. Registration (filing) number of the license;
3. Request for authorization of execution of the transactions as laid down in Article 53, paragraph (1) or (2) of the Energy Law;
4. Description of the facility(entity) – subject of the transaction.

(3) The following documents shall be attached to the application under paragraph (2):

1. An application of the future purchaser for acquiring (buying) of the energy company and for issuance of a new license; the application shall include attached all documents required by the ordinance for issuance of license;
2. Certificate of good standing of the licensee;
3. Preliminary agreement between the licensee and the purchaser.

(4) Filing of an application by the future purchaser under paragraph (3), item 1. is mandatory, when the termination or revision of the license may lead to disrupting the security of supply with electricity, heat energy or with natural gas.

Article 80. (1) The Commission shall examine and consider the applications under Article 79, paragraph (2) concurrently within a three-month period from their submission, or from rectifying of the irregularities.

(2) In the process of examination and consideration of the request for execution of a disposal transaction and for issuance of a new license the provisions of Chapter Two shall be applied.

Article 81. (1) The Commission shall pronounce a resolution on the request for executing disposal transactions with uncompleted entities under construction, or with assets, which constitute the means for execution of the activity under an issued license, by which it:

1. Issues authorization for executing of a disposal transaction and indicates the purchaser and the term of execution of the transaction;
2. Issues refusal of execution of a disposal transaction, when the purchaser does not meet the requirements for issuance of license.

(2) The Commission shall, with the resolution under paragraph (1), item 1, revise, amend or terminate the license and issue a license to the purchaser, if it satisfies the conditions of the Energy Law for issuance of license for the corresponding activity.

(3) The Commission may issue an authorization for execution of the disposal transaction irrespective of the purchaser's submission of application for issuance of license, when the termination or revision of the license does not imply degradation of the reliability of supply.

(4) The licensee and the purchaser are supposed to submit to the Commission information and evidence of executing the transaction in the term specified by it.

(5) The license, issued to the purchaser, becomes effective (enters into force) on closing the disposal transaction.

Article 82. (1) The Commission shall issue authorization for:

1. Establishment of a guarantee deposit, including special guarantee deposit or mortgage on the property and assets, which constitute the means of exercising the licensed activity, in accordance with Article 53, paragraph (5) of the Energy Law;
2. Execution of other transactions, which may lead to degrading of the reliability and security of supply as a result of indebtedness of the energy company, as laid down by Article 21, item 19 of the Energy Law – issuance of bonds, contracting loans with repayment (redemption) term exceeding one year, signing contracts for purchasing of energy with terms over one year, and other transactions amounting to more than 10 % of the assets of the licensee as specified by the last audited annual financial report.

(2) The procedure for issuance of authorization under paragraph (1) shall be opened by a written application of the licensee, which shall contain:

1. Name (firm), registered office, address of management and tax number of the licensee;
2. Registration (filing) number of the license;
3. Request for authorization of execution of a transaction for establishment of a guarantee deposit or mortgage and description of the facility (entity) – its subject.
4. The grounds for establishment of guarantee or mortgage and data about the person – beneficiary of the establishment of the guarantee;
5. Request for executing of the transaction, the grounds and motives of its execution, and financial justification of the transaction.

(3) The following documents shall be attached to the application under paragraph (2):

1. Copy of the contract, serving as a basis for the request for establishment of the guarantee;
2. Copy of the draft contract, for which authorization is being requested, including the financial models of the agreements for energy purchasing;
3. Redemption plan for the contractual liabilities.

- (4) The Commission shall pronounce its resolution on the application within one month from its filing or from the rectifying of the irregularities of the application.
- (5) The Commission, by the resolution under paragraph (4), shall:
1. Authorize the establishment of a guarantee deposit or mortgage;
  2. Authorize the execution of the requested transaction;
  3. Decline the issuance of authorization for the respective transaction or for establishment of guarantee or mortgage, when the execution of the transaction or the establishment of guarantee or mortgage will lead to breaking of substantial conditions for exercising of the licensed activity, including the principles pursuant to Article 23, paragraph (1) of the Energy Law.
- (6) In the cases under paragraph (5), item 3, the Commission may issue compulsory directives to the licensee, concerning the provisions and clauses of the submitted draft contract under paragraph (3), items 1 and 2.
- (8) The licensee may submit a new application with the same request, pursuant to this article, after the fulfillment the compulsory directives of the Commission as laid down in paragraph (6).

Article 83. In executing its authority under this chapter, the Commission may demand statements from the Commission for Protection of Competition, concerning the adherence to the competition regulations.

## Chapter Six. SUPPLY OF CONSUMERS

### Section I. General Provisions

Article 84. The licensees are obliged to ensure secure and reliable, uninterrupted and with high quality supply of consumers with the exception of cases of turning/switching off or discontinuation of the supply when:

1. Planned or emergency repairs of the transmission and distribution network are carried out;
2. A competent governmental body has determined a restrictive administration schedule of using electricity, heat energy and natural gas;
3. Bills have not been paid;
4. Consumers have violated the contract and the contract infringement is subject to such a sanction (measure).

Article 85. Consumers shall have the right of connecting to the licensees' networks under the conditions and procedure provided for by the Energy Law and the ordinances for its application, which regulate the access (connection) to these networks.

Article 86. The licensees shall be obliged to ensure the metering and reading (logging) of electricity, heat energy and natural gas by:

1. Installing and keeping in good order of equipment for commercial metering;

2. Employing of qualified personnel for control and taking the readings of the metering equipment.

Article 87. Licensees are obliged to provide for the protection of the consumers' rights and to ensure equal standing of the consumer groups by:

1. Preparation and approval by the Commission, and publishing of the general terms for consumer supply;
2. Preparation and publishing of the consumer code – the regulations for working with the consumers, including the conditions for connecting to the transmission and the corresponding distribution network in accordance with the regulatory framework;
3. Executing of sales contracts for electricity, heat energy and natural gas on the basis of the general terms;
4. Establishment of a specialized unit for consumer relations;
5. Publication of emergency handling rules and for modification (revision) of the rules.

## Section II. Quality of Service Standards

Article 88. (1) The quality of supply with electricity, heat energy and natural gas shall be determined by the following groups of indices:

1. Quality of the electricity, heat energy and natural gas;
2. Security, reliability, uninterruptedness, and effectiveness of the supply;
3. Quality of the commercial services.
- (2) The quality indices, included in the groups under paragraph (1) and their normative values shall be determined and accepted by resolution of the Commission.
- (3) The particular values (norms) of the quality indices and the time frame for reaching of these normative values shall be determined for every licensee by resolution of the Commission and shall become provisions of the license.
- (4) The quality indices, which shall be taken in consideration when applying the ordinances for price regulation of electricity, heat energy and natural gas follow:
  1. General index of the quality of the supplied energy or natural gas;
  2. General index of uninterruptedness of supply;
  3. Time for written response to a consumer's complaint;
  4. Time for check, and if necessary – for replacement of the device for commercial metering on the request of the consumer;
  5. Time for correction of a metering error of a device for commercial metering;
  6. Time for correction of errors in the preparation of the bills for consumed energy or natural gas.
- (5) Licensees shall take into consideration in a compulsory manner the achievement of the normative objectives under paragraph (4) in their business plans and also their investment programs.
- (6) The licensees shall prepare, as part of their business plans, programs for collection, storage, analysis and presentation before the Commission of the information needed for assessment of the quality of electricity and heat energy, and of natural gas, and of the services delivered.



- (7) The Commission shall supervise the implementation and fulfillment of the plans and programs under paragraph (5) as part of its supervising activity of the compliance with the license provisions.

### Section III.

#### Sale of Electricity, Heat Energy and Natural Gas for Domestic Needs with Publicly Known General Terms

Article 89. (1) The Commission shall approve of the general terms for sale of electricity, heat energy and natural gas under article 98, 150, and 183 of the Energy Law.

(2) The general terms of paragraph (1) shall be prepared and offered by:

1. The public retailers of electricity – for electricity sales;
2. The heat transmission enterprise – for sales of heat energy;
3. The public retailers of natural gas – for sales of natural gas.

Article 90. (1) The general terms under Article 89 shall be publicly known and shall contain in an obligatory manner the following:

1. The rights and obligations of the energy company and of the consumers;
2. The conditions for quality of supply;
3. The information, submitted by the energy facilities to the consumers;
4. The term of the contract;
5. The conditions for turning/switching off or discontinuation of the supply with electricity, heat energy and natural gas;
6. The procedure for metering, reading, distribution and payment of electricity, heat energy and natural gas;
7. The procedure for providing access to the devices for commercial metering or to other monitoring equipment, as well as to the heating elements, when consuming heat energy;
8. The responsibility of the energy company in the case of unregulated interruption or low quality supply with electricity, heat energy and natural gas.

(2) The general terms shall comprise transparent and accessible procedures for examination of consumers' claims, as well as procedures for reimbursing of unduly collected sums and for indemnification of caused damages.

(3) The general terms shall specify the contents of the invoices and bills issued by the energy facilities, which shall reflect the actual consumption and contain particulars of the number of the measuring device, the consumption of electricity, heat energy or natural gas for the billing period in consideration, the value added tax (VAT) and a break down of the sum into components, if such have been approved of.

Article 91. (1) The drafts of the prepared general terms shall be made public to the consumers in an adequate way by the energy company at least 45 days before their submission for approval by the Commission.

(2) The energy facilities shall present the drafts of the general terms for approval by the Commission with a written application.

(3) The following documents shall be attached to the written application under paragraph (2):

1. Statements, opinions and notes on the draft, which have been received in the course of the public discussion of the general terms;
2. Statement of opinion of the energy company on the received comments and notes in the course of the public discussion of the general terms;
3. Resolution of the management bodies of the energy company for acceptance of the general terms.
4. (4) In the course of examination of the submitted drafts of general terms the Commission may demand from the energy facilities supplementary information and to issue mandatory directives for revision and amendment of the drafts of the general terms with respect to rendering them inline with the requirements of the law and ensuring of equal standing and transparency to the consumers.

Article 92. (1) The Commission shall pronounce a resolution on the application for approval of the general terms in a period of 30 days after the submission of the information and execution of the directives under Article 91, paragraph (4).

(2) The Commission, by its resolution, shall:

1. Approve of the general terms;
2. Refuse to approve of the general terms, when the mandatory directives of the Commission under Article 91, paragraph (4) have not been fulfilled, or the general terms do not provide for equal standing of the parties of the contract.

Article 93. (1) The energy facilities shall publish the general terms, approved by the Commission, in one central daily and one regional daily as a minimum in a period of 14 days after adoption of the resolution for their approval.

(2) The general terms shall enter into force 30 days after their first publication without any need for express written acceptance by the consumers.

(3) The consumers, who are not in agreement with the general terms, shall have the right in a period of 30 days after their entry into force to file with the respective energy company an application with proposal for special conditions.

(4) The special conditions, accepted by the energy company, which differ from the published ones, shall be reflected in additional written annexes. These annexes cannot provide for or set up conditions, differing from the ones, laid down in Section II, which place the consumers in an unequal position with respect to the rest of the consumers.

(5) The regulations under paragraphs (3) and (4) shall be applied also to new consumers.

Article 94. The procedure for initial acceptance of the general terms shall be applied also for their revision and amendment.

#### Section IV.

##### Written Contracts for Sale of Heat Energy and Natural Gas under General Terms

Article 95. (1) The Commission shall approve of general terms of written contracts for:

1. Sale of heat energy pursuant to Article 149 of the Energy Law;
2. The service of share distribution of heat energy pursuant to Article 146, paragraph (2) of the Energy Law;

3. Sale of natural gas to industrial consumers pursuant to Article 183, paragraph (1) of the Energy Law.
- (2) The general terms under Paragraph (1) shall be prepared by:
  1. The heat transmission company:
    - a) For sale of heat energy to industrial consumers;
    - b) For purchasing of heat energy from the producers;
    - c) For delivery of the service share distribution of heat energy;
  2. A heat energy generating entity – for sale of heat energy to directly connected industrial consumers;
  3. A public retailer of natural gas – for sale of natural gas to industrial consumers.
- (3) The Commission shall pronounce a resolution on the application for approval of the general terms within a 30-day period after submission of the draft. The Commission, with its resolution, shall either approve of the general terms or refuse approval and issue compulsory directives for revision and amendment of the draft.
- (4) The procedure for initial acceptance and approval shall be applied for the revision and amendment of the general terms.

Article 96. (1) The written contracts signed on the basis of the approved general terms shall contain the following:

1. The name (firm), registered office and address of management of the energy company;
  2. Services offered;
  3. The terms and quality of service delivery;
  4. Supplementary services for maintenance of consumer equipment and devices;
  5. Procedures for obtaining of true, objective and exhaustive information on the effective tariffs and rates (prices) of the services;
  6. The contract term (duration) and the terms and procedure for renewal and termination of the contract, as well as the termination of access to the services.
  7. Penalties for breach of contract.
- (2) Each consumer shall have the right to become familiar with the draft contract in advance and with the general terms for this type of agreements approved by the Commission.
- (3) The energy companies are obliged to offer alternative contract payment terms.

## Chapter Seven.

### SETTLEMENT OF DISPUTES UNDER ARTICLE 22 OF THE ENERGY LAW

#### Section I.

##### Complaints

Article 97. (1) The Commission shall examine complaints:

1. Of consumers against licensees, in connection with:
  - a) The right of the consumer to be connected for the purpose of being supplied with electricity, heat energy or natural gas;
  - b) The right of the licensee to turn off the connection and delivery to the consumer of electricity, heat energy or natural gas;

- c) The terms of supply and the quality standards offered to the consumers by the licensee;
  2. Of licensees against licensees, in connection with exercising of the licensed activity.
- (2) The Commission shall examine the filed complaint, when the licensee has already examined it and has forwarded its associated correspondence file in accordance with the provisions of Article 98, paragraph (3).

Article 98. (1) The complaint shall meet the following requirements:

1. It must be written in the Bulgarian language;
  2. The name and address of the complainant and of the energy company, subject of the complaint must be specified;
  3. It must specify the nature of the complaint;
  4. It must present the circumstances pertaining to the case and factual evidence, if available;
  5. The complainant must sign it.
- (2) The complainant shall submit the complaint to the Commission through the corresponding energy company.
- (3) The energy company is obliged to send, within three days after its receipt, the submitted complaint, its own statement concerning the complaint and the complete correspondence binder, collected in the process of examination of the complaint by the energy company.

Article 99. (1) The working group shall collect all necessary evidence for clarification of the circumstances, related to the complaint.

(2) The working group may invite the sides to a meeting in the registered office of the Commission for additional clarification of the circumstances. Minutes shall be taken at the meeting, signed by the parties present.

Article 100. (1) On completion of the examination the working group shall compile a record of findings, with all collected evidence attached to it. The record of findings shall be signed by the persons, who have performed the inspection or checks, and by the inspected person.

(2) The inspected person shall have the right to submit explanations or objections in three days after receiving the statement.

(3) The working group shall draw a conclusion based on the submitted explanations and objections, which shall become an inseparable part of the record.

(4) The working group pass the collected proofs and evidence, minutes, records and the prepared report about the results of the examination to the chairman of the Commission.

(5) The chairman, by resolution, shall determine the submission of the file for consideration at a closed meeting of the Commission.

Article 101. The Commission shall pronounce its resolution on the complaint within 30 days after its filing.

Article 102. (1) With its resolution the Commission shall terminate the file, when the examination has not found any infringement of the provisions of the license.  
(2) When the examination has found an infringement of the license terms, the Commission shall decide on imposing of compulsory administrative measures adhering to the procedures of the Energy Law.  
(3) The Commission shall notify the sides to the complaint about its decision within three days after its issuance.  
(5) Irrespective of its resolution under paragraph (1) or (2), the Commission may assist in a voluntary settlement of the dispute between the parties by the procedure specified in section II.

Article 103. (1) The resolutions of the Commission pertaining to this chapter shall be subject to appeal before the Supreme Administrative Court (SAC) by the procedure of the Supreme Administrative Court Act (SACA).  
(2) The Commission may publish the resolutions on complaints on its Internet page without the evidence, statements and opinions and the arguments of the parties in the dispute.

## Section II. Voluntary Settlement of Disputes

Article 104. (1) The Commission shall assist in voluntary settlement of disputes on reception of written request from the parties for commencing of a voluntary settlement procedure.  
(2) The Commission shall assist in voluntary settlement of disputes, when less than three months have elapsed from the occurrence of the dispute to the submission of the request.  
(3) The Commission shall not pronounce any resolution in voluntary settlement of disputes.

Article 105. (1) On receipt of a request as laid down by Article 104, paragraph (1), the chairman of the Commission appoints an official from the administrative staff, who is entitled with the formal examination of the request.  
(2) The administrative official shall check if the grounds for dispute are within the range of Article 97, paragraph (1), item 1, and if more than three months have passed since the origination of the dispute; the official then reports his opinion to the chairman.  
(3) If the dispute is not within the range of Article 97, paragraph (1), item 1, the chairman or a person duly authorized by him with a resolution:  
1. Opens a settlement procedure and appoints a person from the Commission, its administration or an outside expert to carry it out – a mediator, possessing special knowledge and qualifications on the subject of dispute, or  
2. Initiates an examination pursuant to the procedure, laid down in section I;  
3. Notifies the parties in writing about the manner of settlement of the dispute.

Article 106. If the Commission has been approached for voluntary dispute settlement by reconciliation procedure, it may issue directives on the supply of electricity, heat energy

or natural gas, if it constitutes an issue in the course of the negotiations for voluntary settlement of the dispute.

Article 107. (1) The mediator shall notify the parties in writing that the reconciliation procedure is voluntary and confidential and it does not prevent the sides from seeking protection of their rights in court.

(2) The Commission shall assist in conducting of the reconciliation procedure by providing space in the office of registration of the Commission for holding meetings of the parties and the person, appointed to mediate in the settlement of the dispute, and, if necessary, in collecting evidence related to the dispute.

(3) Minutes shall be taken of the meetings held.

Article 108. (1) The mediator shall use all reasonable means and effort for the settlement of the dispute and, with the consent of each side, reveal information, regarded as confidential, to the other, with the aim of contributing to reaching an agreement.

(2) The mediator may propose to the sides a solution of the dispute and, with their consent, to prepare the settlement agreement, signed by them.

(3) The settlement agreement of the dispute may contain obligations for payment of production expenses, and other liabilities, related to the provisions of the license, signed contracts or normative and administrative acts.

Article 109 (1) In case the sides cannot achieve voluntary settlement of their dispute, the mediator shall propose to the chairman to terminate, by resolution, the reconciliation procedure.

(2) The information, which has been shared during the reconciliation procedure, shall not be used by the sides in other procedures.

(3) The agreements reached by reconciliation procedures shall not be subject to publication.

### Section III.

#### Complaints and Disputes on Competition

Article 110. (1) When, in exercising its authorities, the Commission finds out that a licensee violates or restricts competition, it shall refer the matter to the Commission for Protection of Competition (CPC).

(2) The Commission shall send a request in writing to the Commission for Protection of Competition to examine and analyze the file, to which the evidence of the violation relates, and to take the required measures within the scope of its authority.

(3) The request under paragraph (2) shall contain the grounds for referring the matter to the Commission for Protection of Competition and copies of the pertaining evidence shall be attached to it. A copy of the request shall be sent to the licensee too.

(4) The Commission shall assist the Commission for Protection of Competition by providing all necessary information and documents, which may be used by the Commission for Protection of Competition in connection with the file.

(5) In the course of the proceeding at the Commission for Protection of Competition the Commission shall notify it of any changes, related to the file, that have occurred in the mean time.

Article 111. (1) In case the Commission for Protection of Competition rules by resolution that by its activity the licensee violates or restricts competition, the Commission may impose compulsory administrative measures as laid down in the Energy Law.

(2) In case the Commission for Protection of Competition reports a systematic violation of the competition rules, the Commission may withdraw the license.

## Chapter Eight. REGISTERS

Article 112. (1) The Commission shall keep public registers:

1. Of the issued licenses – license register, and
2. Of the issued authorizations and approvals in accordance with Article 21, item 18 and 19 of the Energy Law.

(2) The registers shall be kept in a computer data base and index files of the persons and circumstances, subject to entry.

(3) Subject to entry shall be only circumstances, provided for by the ordinance, and consequent changes in their status.

(4) The licensees are obliged to report the changes of the circumstances, subject to entry, within a seven–day period after their occurrence.

Article 113. (1) The license register shall be public. Everyone has the right to scroll it and to receive copies or extracts from it.

(2) Requests for extracts from the register shall be directed to the Commission.

(3) Entries in the register shall have notification function only.

Article 114. (1) Entries in the registers shall be made on the basis of resolutions of the Commission.

(2) An entry of circumstances into a personal file shall be made on the basis of data contained in documents submitted to the Commission or collected by the Commission by an official procedure.

(3) Entries in the registers shall be made by officials, appointed by the chairman of the Commission to keep and maintain the corresponding registers.

Article 115. (1) Every person, subject to registration in the computer database, shall be assigned a file with unique address (identification), which shall store all entries, provided for by the ordinance.

(2) Every file shall consist of fields, corresponding to the circumstances, subject to entry. Every field shall have a unique index – common (one and the same) to all files.

(3) Every field shall contain columns for entry of the following particulars:

1. Filing number and date of the Commission’s resolution for making the entry;
2. Date of entry;
3. The corresponding circumstance , subject to entry;

4. Name of the official, who has made the entry;
  5. Notes.
- (4) All subsequent entries shall be made in a manner not affecting the information, contained in previous entries.
- (5) When an entered particular is being deleted, an entry shall be made in the corresponding field, indicating that the original entry has been deleted. The delete action must not lead to destruction (loss) or damage of the information related to the entry being deleted.
- (6) Entry errors shall be corrected on the basis of a resolution of the Commission, and the correction is indicated in the corresponding field. The corrective action must not lead to destruction (loss) or damage of the information related to the entry being corrected.

Article 116. (1) For every person, subject to entry in the register, a file shall be opened in the index register, which shall contain in the order of submission (arrival) all documents and acts of the Commission related to it.

- (2) Every file shall have a unique index, coinciding with the index of the file of the registered person in the computer database.
- (3) The documents, arranged in the file, shall be accompanied by a list of contents with the dates of submission of the listed documents. The official, who keeps the register, shall authenticate the list of contents.

Article 117. Files shall be opened to the person, subject to entry in the register of licenses, in the computer database and in the index register, which shall contain:

1. Name (firm) of the company, registered office, address of management and subject of activity;
2. Statistical identity code (BULSTAT);
3. The court of registration, filing number of the company case at the court, partition, register, volume and page of entry of the person;
4. Tax number;
5. Registered offices of branches (if applicable)
6. Management bodies, the full names of the persons who manage and represent them, the manner (form) of representation; in case legal persons are members of management bodies or representatives – their name (firm), registered office, address of management, statistical identity code (BULSTAT), as well as the full names of the persons representing them, shall be entered;
7. The term of incorporation of the company, the amount of the registered corporate capital, number, type and face (par) value of the shares;
8. Date of submission to the Commission of the application for issuance of license;
9. Date and filing number of the resolution of the Commission for issuance of license;
10. Date and filing number of the resolution of the Commission for revision, amendment or withdrawal of the license;
11. Date and filing number of the resolution of the Commission for authorization of the licensee pursuant to the Energy Law;
12. Date and filing number of the resolution of the Commission containing mandatory directives to the licensee;
13. Imposed penalty sanctions and compulsory measures.



### Additional Provisions

§ 1. Within the meaning of this ordinance:

1. A company shall be considered as “Newly incorporated company” for a period of three financial years after its incorporation (entry in the commercial register).
2. “Systematic violation of the obligations pursuant to the license or the law” shall be reported, when three or more administrative violations of the Energy Law or the ordinances for its application have occurred for a period of two years.

### Transitional and Final Provisions

§ 2. All energy companies with issued licenses shall submit to the Commission till November 30 five-year business plans.

§ 3. This ordinance is adopted pursuant to Article 60 of the Energy Law.