

Company AS TALLINNA VESI
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Title Competition Authority requests explanations from Tallinna Vesi regarding the price

Competition Authority requests explanations from Tallinna Vesi regarding the price components serving as a basis of the prices of water services, as part of its supervisory review procedure, linked to the rejection of the tariff application for Tallinn and Saue City on the 4.12.2018.

On 6.12.2018, Competition Authority notified the company of the initiation of a supervisory review procedure. Currently, the Competition Authority finds the prices of water services provided by the company in Tallinn and Saue City to be non-compliant with the requirements specified in the Public Water Supply and Sewerage Act.

The Competition Authority's view is that the sales revenue of the company should be lower by order of magnitude of EUR 10 million.

In the same notification, the Competition Authority granted ASTV the possibility to provide its views on the price components underlying the valid prices for water services, taking into account the views provided in the notification. The CA states that if ASTV does not provide its further explanations regarding the facts indicated in their notification at the latest by 07.01.2019, the CA will decide on their further action. This could include issuing an order to the company.

The Company is currently considering its position.

A judgement from the ongoing International Arbitration (ICSID) proceedings is expected imminently. Depending on the outcome of the proceedings, any further reductions in tariffs imposed by the CA would give ASTV grounds to bring a second International Arbitration claim, including to offset potential compensation claims received from customers.

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