

MINISTRY OF FINANCE

Mr Jüri Mõis
Mayor
Vabaduse väljak 7
10141 Tallinn

Your ref: 16.05.2000 No 8/1207
Our ref: 20.06.2000 No 70-4884

Regarding an exemption regarding the term of sole right of water undertakings

Regarding your application to allow Tallinn City Government to establish a sole right for 20 years to the water undertakings to be appointed on the administrative territory of the City of Tallinn for operating as the water undertaking, the Ministry of Finance with the Competition Authority are or the following position:

Public water supply and sewerage system is a capital-intensive sector, in which the circulation of assets is several times slower than in other fields of activity. Therefore in the period of large investments the term of the sole right to be granted to the water undertaking can be longer than the generally applied term of 5 years. At the same time we are of the opinion that a term of the sole right of 15 years could be sufficient for the development of the development trends for the development of the water business and for making the main investments (taking into account the preparation of the public water supply and sewerage development plan for a period of 12 years). In connection to that we propose to submit to us an application for allowing a term of sole right of 15 years, for submitting it to the Government of the Republic.

Sincerely,

/signature/
Siim Kallas
Minister

/signature/
Martin Põder
Deputy Secretary General acting as Secretary General

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