



Mr Ian John Alexander Plenderleith
AS Tallinna Vesi
Ädala 10
10614 Tallinn

Our ref: 28.02.11 nr 9.2-5/11-0090-001

Starting the supervision proceedings on the price of water service provided by AS Tallinna Vesi in the cities of Tallinn and Saue as per the Public Water Supply and Sewerage Act § 15⁴ lg 1, 2 ja 3.

Dear Mr. Plenderleith,

The Public Water Supply and Sewerage Act (hereinafter the PWSSA) § 15⁴ (1, 2 and 3) obligate the Competition Authority (hereinafter the CA) to perform supervision on the compliance with the PWSSA, incl. on the price of water service on its own initiative. In order to fulfil the duties set out in the law, the CA initiated on 23.02.2011 with a directive No 9.2-5/11-011, the supervision proceedings on the compliance of the water tariffs applied by AS Tallinna Vesi (ASTV) in the cities of Tallinn and Saue with the PWSSA. CA is informing ASTV of the initiated supervision proceedings in line with the Administrative Procedure Act (APA) § 35 (1) (2).

CA would explain that according to the PWSSA § 15⁴ (3), the CA has certain rights in the supervision proceedings as set out in the PWSSA § 14² (7-9), i.e.:

- Upon the fulfilment of their obligations provided for in this Act the water undertaking shall allow the CA to examine its accounting, shall justify the bases for establishing the price of the water service and provide required explanations regarding its economic activities (ÜVVKS § 14² (7)).
- In the presence of a representative of the water undertaking under examination, the CA shall be entitled to enter the territory, buildings and facilities of the water undertaking, examine the necessary documents, other information and circumstances, and obtain extracts, make transcripts and copies (PWSSA § 14² (8)).
- The CA shall be entitled to request additional information from the water undertaking and the natural and legal persons associated with the water undertaking and their representatives, also state agencies and their officials, if the data necessary for the fulfilment of the obligations provided for in this Act is publicly unavailable.

The PWSSA § 15⁴ (3) stipulates the CA's obligation to keep the water undertaking's business secrets in line with the provisions laid down in section 63 of the Competition Act.

The CA is additionally drawing ASTV's attention to the PWSSA § 15¹ (4), which states that the failure of a water undertaking to fulfil the task of providing information or to deliver some other requirement, which may hinder the execution of supervision, the water undertaking shall be penalised with a fine of up to 32,000 EUR.

Pursuant to the above, we obligate ASTV to fill in the excel file named „**Järelevalve (2010)**“ annexed to this letter by **15.03.2011**. Filling in the named file shall ensure for the CA the opportunity to fulfil the duties stemming from the law in order to check whether the water tariffs applied by ASTV for the services provided in the cities of Tallinn and Saue comply with the principles set out in the PWSSA.

The CA finds that every kind of cooperation by ASTV with the CA is the best prerequisite for swift and adequate supervision proceedings.

Sincerely yours,

(digitally signed)

Märt Ots
Director General

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