

Class: UP/I 034-03/19-01/017

Reg.no: 580-10/63-2019-002

Zagreb, 1 October 2019

**CCA vs. Koprivničke vode d.o.o., Koprivnica**

**- Initiative relating to alleged distortion of competition – abuse of a dominant position**

**Decision: Initiative dismissed due to lack of standing to act**

**Case summary:**

On 5 April 2019 the Croatian Competition Agency (CCA) received a complaint for the initiation of an infringement proceeding against the undertaking Koprivničke vode d.o.o. from Koprivnica regarding the alleged prevention, restriction and distortion of competition in the form of abuse of a dominant position in the provisions of water meter installation services. After having carried out a preliminary market investigation the CCA dismissed the initiative of the complainant due to lack of standing to act within the meaning of the Competition Act.

The complainant stated in her writing that in 2001 the residents in the building had had their water meters individually installed and that they had been paying for their water consumption in accordance with the readings for 18 years. However, in December 2018 they were informed by the undertaking Koprivničke vode that these water meters were illegal and that new ones had to be installed whereby these installation works would be carried out by Koprivničke vode, whereas the cost of the installation would be borne by the residents themselves. In that context, the complainant held the view that the installation was entrusted to only some operators whereas their installation price was questioned.

In the preliminary market investigation, the CCA studied the comments of the undertaking Koprivničke vode and other licenced service providers and decided based on the facts of the case that there were no grounds for the initiation of an ex-officio infringement proceeding within the meaning of Article 39 of the Competition Act against the undertaking concerned.

The results of the preliminary market investigation indicated that the provision of water services fall under the scope of specific rules pursuant to which Koprivničke vode are lawfully empowered to carry out the activity in question or to sub-contract the works concerned.

In this case Koprivničke vode decided to carry out the installations of water connectors in buildings by a sub-contractor, which is in light of competition rules seen as procompetitive since the property owners and users of these services can choose among a number of undertakings, under different prices and quality of the service, in this particular case there were 11 undertakings that could be selected for the works concerned.

The water connections and the installation of water meters involve a number of interested undertakings that comply with the requirements under the Ordinance that is publicly available, whereas Koprivničke vode issues a two-year certificate for the works concerned.

Finally, in accordance with the established data the sub-contractors create the price of these works freely and there is a price differentiation between them.

In line with the above findings the CCA decided to dismiss the case concerned.