

Company announcement no. 10/2016

Gentofte, 30 June 2016

Decision by the Energy Board of Appeal on pricing of district heating from Hartmann's combined heat and power plant

The Energy Board of Appeal has made a decision in the pending case on pricing of district heating from Hartmann's combined heat and power plant to Tønder Fjernvarmeselskab in 2003-2014. The decision follows from Hartmann's complaint against a decision made by the Secretariat of the Danish Energy Regulatory Authority as described in company announcement 10/2015 on 4 September 2015.

The decision

In the decision of 30 June 2016, the Energy Board of Appeal does not address the specific pricing of district heating in 2003-2014. The Energy Board of Appeal does not issue an order to Hartmann, and the decision does not immediately entail any effect on Hartmann's accounts.

Hartmann maintains its outlook for 2016 of revenue of DKK 2.1-2.2 billion and a profit margin before special items of 11.0-12.5%.

The developments of the case

The decision from the Secretariat of the Danish Energy Regulatory Authority from September 2015 specified that the Danish Energy Regulatory Authority only has competency to issue orders for any future circumstances.

In January 2015, Tønder Fjernvarmeselskab annulled the contract for district heating from Hartmann's combined heat and power plant, and Tønder Municipality has released Hartmann from its former universal service obligation following a request from Hartmann.

As the contract between Tønder Fjernvarmeselskab and Hartmann thus has been annulled, the Energy Board of Appeal's decision solely entails that no order is issued to Hartmann.

Hartmann will assess and inform about further developments of the case as soon as possible. The case also concerns collection of receivables at the level of DKK 39 million from Tønder Fjernvarmeselskab. Hartmann's claim for these receivables is processed at Denmark's Western High Court, and the case has awaited the decision of the Energy Board of Appeal.

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