

TALLINN DISTRICT HEATING COMPANY OPTS FOR quality

Tallinna Küte, an Estonian district heating company, supplies most of Tallinn with heat through a pipe network of 400 kilometres. The company has embarked on a difficult process of upgrading and renovating the lines and the work is being carried out using KWH Thermopipe's pipe systems.

An international expert in plastic pipes, KWH Pipe is a European-wide player in the sector. One of the countries in which KWH Pipe is doing brisk business is Estonia, where KWH Pipe has entered into partnership with Tallinna Küte, the main producer and supplier of district heating in Tallinn.

Under a 30-year contract, the business of the Estonian company has been leased to Dalkia International, a French operator. Tallinna Küte signed the contract in January 2002 and the lease covers all the heating plants and networks of AS Tallinna Soojus.

Becoming a subsidiary of the international Dalkia Group has meant increased funds for investment and made the Estonian company more efficient. The pipe network is now being extensively upgraded.

Tallinna Küte purchases its Wehotherm district heating pipes from KWH Thermopipe.

"The practical side of the purchases is the responsibility of our local company KWH Pipe Eesti AS. The focus in the construction is on building new pipelines and on rehabilitation of existing in-situ insulated networks," explains **Mikael Masar** of KWH Thermopipe.

The district heating network of Tallinna Küte is about 400 kilometres long, and it supplies two-



thirds of all households in Tallinn with heat. The company has three large and eight small boiler rooms, which provide 40 per cent of the heat sold. The remaining 60 per cent is purchased from subcontractors. The company has a staff of 280 and last year it generated a turnover of EUR 52.9 million.

Giant on the European district heating market

The Dalkia Group also has a second subsidiary in Estonia: AS Eraküte, which has networks in 15 municipalities. This makes Dalkia the biggest producer of district heating in the country.

Dalkia International is also a major player in European markets. It has operations in 38 countries, making it Europe's top producer of district heating and the continent's largest owner of district heating networks.

Leasing operations to such a big partner has helped Tallinna Küte strengthen its technological



Janek Trumsi of Tallinna Küte and Rein Seppel of KWH Pipe are cooperating closely in the renovation of Tallinn's district heating network.

projects at short notice.

"We are very pleased. KWH Pipe's local representatives know their business and provide excellent service," says Trumsi.

He points out that delivering the products on schedule is critical: "The products we order go directly to the site and the way they are supplied always has an impact on the installation work. Problems with deliveries will cause unnecessary delays."

The work often involves street closures and consideration must also be given to the operation of other sewer lines, water pipes and power cables. Sometimes these services to consumers must be cut for limited periods. All this means that receiving the material as agreed is crucial.

"Ultimately, the reputation of Tallinna Küte in the eyes of its customers depends on the pipe deliveries," explains Trumsi.

Highly competitive pipe markets

There are many suppliers of district heating pipes on the Estonian market.

"From our point of view it is a very good thing that there are many manufacturers represented on the local market. It helps to ensure reliable deliveries and guarantee there will be no nasty surprises," says Janek Trumsi.

In his view, local stockpiles give KWH Pipe a definite head start over its competitors and enable the company to provide its customers with high-quality service.

About 90 kilometres of the pipes in Tallinn's 400-kilometre long district heating network are pre-insulated.

"Renovating old pipelines is a continuing process both in the capital and elsewhere in Estonia. New insulated products have helped to cut thermal losses in the network," explains Janek Trumsi.

In 1998, thermal losses in Tallinn amounted to 21 per cent but last year the figure had dropped to 17 per cent.

"There are also fewer leaks. In ten years, the number of leaks has halved," says Trumsi, quoting statistics.

In addition to being reliable, pre-insulated pipes also have other advantages.

"Because they are all standard designs they are easy to order and install. They are also safer because it is easier to monitor leaks than in the old materials," says Trumsi, listing the benefits of the new products.

base. The Estonian firm is cooperating with its parent company in all areas and is able to rely on Dalkia's resources in heat production and transfer, staff, purchases, and information technology.

"It is important for Dalkia to have reliable partners in the areas where it has business. At the same time, all its subsidiaries have a free hand in their operations and consideration is always given to local requirements," says **Janek Trumsi**, Tallinna Küte's network director.

Local stocks a big plus

KWH Pipe Eesti has contracts with Tallinna Küte and Eraküte.

"KWH Pipe has always been a reliable supplier. We have been cooperating with the company for more than 10 years now," notes Janek Trumsi.

As KWH Pipe keeps stocks in Tallinn, it is able to deliver products for local district heating

RENOVATING OLD PIPELINES IS A CONTINUING PROCESS BOTH IN THE CAPITAL AND ELSEWHERE IN ESTONIA. NEW INSULATED PRODUCTS HAVE HELPED TO CUT THERMAL LOSSES IN THE NETWORK.