

Disclosures of interest: Mid-Kent Water/South-East Water

Members' interests:

Alexander Johnston had some prior involvement in the water sector in his role as a Managing Director at Lazard, London which he held until June 2003. Specifically, he advised Thames Water on privatisation 1986-92, acted for Northumbrian Water 1992-95 including on its acquisition by Lyonnaise des Eaux and acted for Vivendi Water (now Veolia) 2001-2 including in its potential acquisition of First Aqua and the acquisition of a minority interest in Southern Water. In the course of these roles, he had no involvement in the CC inquiry into Vivendi, and had peripheral involvement in the Northumbrian Water inquiry.

Mr Johnston also owns a house in Hampshire, where he receives a water supply from a third party which is supplied by SE Water.

Martyn Webster was until 1996 a director of Southern Water plc, and is now a company pensioner. He has no access to information about the water sector, which is not in the public domain.

Professor Cosmo Graham is Director of the University of Leicester's Centre for Utility Consumer Law. The Centre for Utility Consumer Law undertook to write a paper for the Consumer Council for Water on "Understanding Water Company Accounts" in July/August of this year. The paper was solely based on publicly available information and it provides a framework for analysis rather than expressing an opinion on the accounts.

Professor Graham has also published various pieces which either touch on water or address issues within the sector, primarily relating to its regulation. A list of publications is available on request.

The three members mentioned above and the CC do not believe that these matters will prejudice the ability of the Group to discharge its functions in an independent and impartial manner.

Staff interests

John Davies, Chief Economist, overseeing economics work on this inquiry, was an employee and shareholder until October 2003 in Frontier Economics, a consultancy that has carried out assignments for water companies and OFWAT: his involvement in such assignments was minimal. The CC does not believe that the matter disclosed above in relation to Mr Davies affects his ability to act impartially and independently in advising the Group.