

Seymour McConnell
Corporate Finance Analyst
Ofwat
Centre City Tower
Hill Street
Birmingham
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24th January 2013

Dear Mr McConnell

Notice of proposals that South Staffordshire Water PLC (South Staffordshire) replace Cambridge Water PLC (Cambridge) as the water undertaker.

Thank you for providing us with an opportunity to comment on the proposals for South Staffordshire Water PLC to replace Cambridge Water PLC as the water undertaker for Cambridge's area.

Through our own experience of unifying the licences of Veolia Water Central Limited, Veolia Water East Limited and Veolia Water Southeast Limited in 2012, we recognise the benefits for customers this can bring, in particular by:

- Facilitating the effective deployment of resources to provide consistent operational and customer service across separate operating areas; and
- Reducing the corporate costs of operating more than one licensed water undertaker.

We believe that these benefits are likely to outweigh any residual value in maintaining separate licences for companies under common ownership for the purposes of comparative assessment. In the circumstances, we believe that the proposals set out in the consultation have merit.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Tim Monod".

Tim Monod
Director of Legal and Regulation