United Utilities Group PLC



Shale gas statement November 2018

North West England is one of the first regions in the UK where shale gas extraction and hydraulic fracturing (or 'fracking', the process by which gas is released from shale rock) is taking place.

The protection of public health and the water environment is one of our top priorities, and we have been monitoring shale gas developments to understand the role we should play.

The Government has set out a decision making framework for shale gas operations to ensure that the environment and public water supplies are protected. The outputs from the Task Force on Shale Gas, headed by former Environment Agency chairman Lord Chris Smith, concluded that "shale gas can be produced safely and usefully in the UK provided that the Government insists on industry-leading standards" and that "the risk from shale gas to the local environment or to public health is no greater than that associated with comparable industries..."¹.

Both the Royal Academy of Engineering and Royal Society have reviewed the scientific and engineering evidence on shale gas. Their reportconcluded that "the health, safety and environmental risks … can be managed effectively in the UK as long as operational best practices are implemented and enforced through regulation."²

As the water supplier in North West England, we have a legal duty to offer a water supply in this region to any legally operating company that asks for it. We are committed to working with regulators and the shale gas industry where this is required and we are statutory consultees in the planning process for shale gas extraction.

We recognise that we have a role to play in clarifying the facts around water and shale gas operations. Where appropriate, we will coordinate communications with shale gas operators and their representatives. Our industry body, Water UK, is also working with the UK Onshore Operators Group to improve information and understanding.

We receive regular requests for information about shale gas and water so, in response, we have provided a number of frequently asked questions and answers in this statement.

Q: Does United Utilities supply water to shale gas companies and how much do they use?

A: As stated above, we have a legal duty to offer a water supply to any legally operating company that asks for it. We have worked with shale gas operators to understand their potential water usage. Even under the largest assumptions for shale gas production in the North West, the water required for hydraulic fracturing would amount to less than 1% of our current water production. We are confident we can supply these volumes without compromising our ability to supply water to existing customers.

We will continue to work with operators to understand their development plans and help them understand our ability to supply water at the required flow rate from our water mains network, without an adverse impact for existing customers. We believe that supply from the mains network is preferable as it avoids disruptive tanker movements. The existing Water Fittings Regulations are enforced to safeguard water quality after premises are connected to the public water supply.

¹ https://www.taskforceonshalegas.uk/news-and-events/final-conclusions-and-recommendations

² https://royalsociety.org/topics-policy/projects/shale-gas-extraction/report/

Q. How does United Utilities ensure it can meet the demand for water for shale gas companies as well as all other customers, particularly during droughts?

A: Like all water companies, United Utilities must develop a <u>Water Resources Management Plan</u> which is updated every five years. The plan looks ahead up to 25 years and takes account of factors such as changes in industrial use, domestic water usage, leakage and climate change. The plan sets out what actions we need to take to provide sufficient water for all customers.

Q: Does United Utilities treat wastewater generated by hydraulic fracturing?

A: No. We do not accept or treat any wastewater generated by hydraulic fracturing. Shale gas operators are responsible for identifying how wastewater should be treated. This is subject to robust environmental regulation and determined by permits from the Environment Agency.

Q: Does hydraulic fracturing represent a risk to the environment and water quality in underground aquifers. Could my drinking water supply be affected?

A: Public Health England has assessed the risk to human health of extracting shale gas. It evaluated available evidence on issues including air quality, radon gas, naturally occurring radioactive materials, water contamination and waste water. It concluded that "...the risks to public health from exposure to emissions from shale gas extraction are low if operations are properly run and regulated."³

Public health through the provision of a safe, clean water supply is one of our top priorities. We will never compromise this for customers. We are keen to see that all the recommendations from the published literature and guidance are progressed so that a robust regulatory regime is in place that protects water resources.

We do not abstract water for drinking water supplies in places currently identified as fracking locations and, in any event, this is treated at our water treatment works before being supplied to premises. If any proposals to hydraulically fracture near sources of water used for public consumption are made, as a statutory consultee for such planning applications we will always examine these carefully.

Q: Can United Utilities object to planning applications for shale gas exploration and hydraulic fracturing in the North West?

A: We continue to monitor the development of the shale gas industry and are statutory consultees in the planning process for shale gas operations. This allows us to properly engage in the planning process in a timely manner.

Q: Fracking has started in Lancashire and there have been some earth tremors as a result. Will this affect your water assets?

A: The tremors that have occurred from hydraulic fracturing are very small and not of a magnitude that will cause damage to any of our assets. We are closely monitoring this and regularly check information provided by the British Geological Survey⁴.

 $^{^3 \, \}underline{\text{https://www.gov.uk/government/publications/shale-gas-extraction-review-of-the-potential-public-health-impacts-of-exposures-to-chemical-and-radioactive-pollutants}$

⁴ http://www.earthquakes.bgs.ac.uk/research/PrestonNewRoadFAQ.html