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Dear Alex,

## **Electricity Act Schedule 9 Statement**

Thank you for allowing us the opportunity to give our views on administrative arrangements and model statements for Schedule 9. United Utilities takes its responsibilities to the environment, and the wider themes of sustainable development, seriously. Whilst required by the Electricity Act to produce a Schedule 9 statement, we regard the aspects covered by this legislation as just a small part of our overall environmental management. We have recently published our Sustainable Development Policy (replacing our earlier Environment Policy) and have reported our environmental performance for several years with a number of our reports winning prestigious awards. A copy of our Sustainable Development Policy is attached for your information.

We are currently preparing our Sustainable Development Strategy which will detail how the company will deliver the commitments made in the policy. As a multi-utility, many of these commitments are cross business and are not specific to our electricity distribution operations. Amongst these are commitments to reduce waste, increase energy efficiency and prevent pollution. In addition, we have commitments only applicable to electricity distribution. These include actions concerning SF6, PCBs and the recycling of insulating oil. Major re-organisation has taken place since Norweb first published its Schedule 9 statement and in light of this we have taken the decision to review and re-publish the statement. As well as reviewing the wording we will also be consulting with a number of stakeholders in addition to the statutory consultees. We expect the revised statement to be ready for publication early in 2003.

With regard to the issues for consideration in your consultation document, United Utilities has the following responses.

### **4.4**

#### **1 Whether the draft guidance (Appendix 1) is useful for those preparing statements.**

This is only of limited use for United Utilities, mainly as a checklist to ensure that these areas are addressed. The company's original statement is being used as a basis for a revised statement, updated to reflect commitments made in United Utilities Sustainable Development Policy and associated strategy.

**2 & 3. Whether having a model statement (Appendix 3) for use by smaller generators is useful and if so, whether the existing model statement needs updating, and if so along what lines.**

Model statements are a useful starting point for any companies preparing their first Schedule 9 statement. However, these should not be prescriptive. Advice given should be sufficient to ensure that all schedule 9 statements, be they from generators, distributors or suppliers, show equivalent depth and quality of information. As stated in our response to your Environmental Action Plan in September 2000, United Utilities would also like to see Ofgem encouraging companies to develop their own annual environmental report.

**4 Whether having a model statement for use by suppliers would be useful.**

As above

**4.10**

**Ofgem seeks comments on the view that, within the framework of Schedule 9 and other relevant legislation, an important focus of Schedule 9 statements should continue to be activities and sites that are not specifically covered by planning consents and regulation.**

Agreed. Planning consents and regulation provides protection for the environment only in specific circumstances. It is implicit in Schedule 9 that the requirements apply to relevant activities of the licensee wherever they occur. They are fundamental commitments and should apply whether specific legislation exists or not.

**4.14**

**Ofgem seeks comments on the view that the major focus of Schedule 9 statements should in practice continue to include direct impacts on flora, fauna and geological or physiographical features of special interest and of protecting sites, buildings and objects of architectural, historic and archaeological interest.**

Agreed. To do otherwise is to change the meaning of the legislation. However, a responsible company would be expected to identify and manage all of its environmental impacts. Companies may choose to provide information on their overall environmental performance in their Schedule 9 statement but this should not be a requirement. Most companies will have a separate Environment or Sustainable Development policy which will cover all impacts, irrespective of Schedule 9.

**4.16**

**Views on the optimum length of time between updates to Schedule 9 statements are invited.**

The suggested interval of three to five years between reviews seems to be an acceptable length of time. We agree that the timeframe settled on by the company should be included in the statement but this timescale should not be stipulated by others.

## 4.19

**Ofgem invites views on whether including this information in environmental reports would be a useful way of monitoring and reporting performance under Schedule 9.**

United Utilities annually publishes a Social and Environmental Impact Report (copy attached for information) and examples of how the company had fulfilled its Schedule 9 commitments could form part of this. We agree that it would be useful information for many stakeholders but reporting should not be mandatory.

## 4.24

**Views are requested on whether Ofgem should continue to have a co-ordinating role for the Schedule 9 process and to carry out the activities listed above. Views are also requested on whether an annual workshop on Schedule 9 issues would be useful for licensees and statutory consultees.**

We agree that Ofgem should maintain its co-ordinating role but this should be limited to distribution of information packs to new and prospective licensees and holding copies of Schedule 9 statements as a point of reference. Ofgem could also check that reasonable minimum standards are maintained in terms of the quality and depth of information provided in schedule 9 statements.

In the absence of major legislative changes, we believe that an annual workshop would be unnecessary. United Utilities has its own independent advisory committee at which the views of interested parties are aired and discussed and UU is also a member of the Corporate Forum for National Parks. In view of this we believe that we have sufficient opportunity to discuss issues with stakeholders. Should specific issues arise that that would benefit from across-company debate then we would, of course, willingly contribute to an ad-hoc workshop. We consider that Ofgem would be the most appropriate body to organise these.

I hope you will find our comments helpful. If you would like to discuss these responses or would like further information, please contact Karen McKend on 01925 233811 or myself at the above address.

Yours sincerely

Mike Boxall  
Head of Electricity Regulation